

**CITY OF CAPITOLA
CITY COUNCIL**

**February 9, 2012
Capitola, California**

MINUTES OF A REGULAR MEETING

5:30 P.M. – CLOSED SESSION – CITY MANAGER'S OFFICE

CALL TO ORDER

At 5:30 p.m. in the City Hall Council Chambers, Mayor Termini noted that all Council Members were present. Mayor Termini made an announcement regarding the items to be discussed in Closed Session, as follows:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Govt. Code §54956.9:
Two cases: 1) Noble Gulch Storm Drain Failure in Pacific Cove Mobile Home Park
2) Pacific Cove Mobile Home Park Flooding and Closure

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Govt. Code §54956.9)

Kevin Calvert, D.D.S. and Pamela Calvert vs. City of Capitola, et al. [Superior Court of the State of California for County of Santa Cruz, Case #CV 172804]

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)

Negotiator: Jamie Goldstein, City Manager
Employee Organizations: Association of Capitola Employees, Capitola Police Captains, Capitola Police Officers Association, Confidential Employees, Mid-Management Group, and Department Head Group

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: American Alternative Insurance Corporation, subrogee of Central Fire Protection District of Santa Cruz County
Claimant: Paula Bradley
Agency claimed against: City of Capitola

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to Cal. Govt. Code Section 54956.9(c): 1 potential case

Mayor Termini noted that there was no one in the audience; therefore, the City Council/Redevelopment Agency recessed at 5:35 p.m. to the Closed Session in the City Manager's Office.

7:00 P.M. – OPEN SESSION

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL

CALL TO ORDER

Mayor Termini called the Regular Meeting of the Capitola City Council to order at 7:10 p.m. on Thursday, February 9, 2012, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE:

PRESENT: Council Members Stephanie Harlan, Dennis Norton, Kirby Nicol, Sam Storey, and Mayor Michael Termini

ABSENT: None

OTHERS: City Treasurer Jacques Bertrand

STAFF: City Manager Jamie Goldstein, City Attorney John Barisone, Interim Community Development Director Susan Westman, Public Works Director Steve Jesberg, Finance Director Tori Hannah, and City Clerk Susan Sneddon

2. PRESENTATIONS:

A. Introduction of the new Finance Director, Tori Hannah.

City Manager Goldstein welcomed Tori Hannah, the new Finance Director.

Finance Director Hannah stated that she is looking forward to working for the City.

B. Presentation of Certificate of Appreciation to Debbie Hale for her service on the Capitola Art & Cultural Commission from March 2006 through December 2011. [120-40]

Debbie Hale was not present to receive the Certificate of Appreciation.

C. Mayor's Proclamation proclaiming the month of February as "Teen Dating Violence Awareness Month" [120-40]

Mayor Termini read the proclamation and presented it to Samantha Abeling, Leanne Hahn, Holly Cross, and Amanda from the Women's Crisis Support.

D. Presentation by Rita Flores, Assistant Agency Director, of the Family Service Agency of the Central Coast. [330-30]

Assistant Agency Director Flores, Family Service Agency of the Central Coast (Agency), provided an overview of the services that they provide.

3. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone stated that Council discussed the items listed on the Closed Session Agenda. City Council had conference with their legal counsel regarding two cases: (1) Noble Gulch Storm Drain Failure in Pacific Cove Mobile Home Park; and (2) Pacific Cove Mobile Home Park Flooding and Closure. The City Council had conference with legal counsel regarding existing litigation, entitled Kevin Calvert, D.D.S. and Pamela Calvert vs. City of Capitola. The Council also discussed the Paula Bradley tort claim. **City Attorney Barisone** stated that the Central Fire Protection District of Santa Cruz County tort claim was not discussed. No reportable action was taken. Also the City Council had conference with the City Manager as the City's labor negotiator concerning upcoming labor negotiations with the Capitola Police Captains, Capitola Police Officers Association, Confidential Employees, Mid-Management Group, and the Department Head Group. He stated that the City Council provided the City Manager with preliminary direction regarding the upcoming negotiations but took no reportable action in closed session.

4. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda (None provided)

B. Public Comments (None provided)

C. Staff Comments

City Manager Goldstein stated that the City's Building and Zoning counter hours will be increased so the public can obtain building permits Monday through Friday. He also stated that Housing/Redevelopment Planner Foster has accepted the position as Executive Director with the Habitat for Humanity for Santa Cruz County.

Housing/Redevelopment Planner Foster thanked the City Council for the opportunity to work for the City for the past six years.

D. City Council/Treasurer Comments/Committee Reports

Treasurer Bertrand encouraged the Pacific Cove Mobilehome Park residents to locate new residences; he stated that a friend recently found a mobilehome in Capitola.

Council Member Storey announced that he has been appointed as the Chair of the Santa Cruz Library Joint Powers Board.

Council Member Kirby, City's representative to the Criminal Justice Council of Santa Cruz County, stated that the Criminal Justice Council recently met and discussed ways to prevent overcrowding of jails through education.

4. ORAL COMMUNICATIONS (continued)

Council Member Harlan, City's representative to the Association of Monterey Bay Area Governments (AMBAG), stated that she recently attended an AMAG meeting, and Interim Executive Director Diane Eidam recommended that each jurisdiction prepare an article to be highlighted in the AMAG newsletter each year.

Council Member Harlan, City's representative to Monterey Bay Sanctuary Advisory Council, reported the following from the recent MBSAC meeting: (1) Leadership in Energy Efficiency Award was presented to San Benito County Fairgrounds for retrofitting the fairgrounds with more efficient lighting with an annual savings of \$109,000; (2) a presentation was made by representatives from the California Division of the Federal Highway Administration regarding the Metropolitan Planning Organization; and (3) a letter was sent to Washington DC requesting continued funding surface transportation projects; (5) a \$400,000 contract amendment to fund EcologyAction has been awarded in order to complete the direct installation program implementing energy efficiency in the hospitality industry. She provided a brief report regarding the draft Electric Vehicle Infrastructure Report for the Monterey Bay Area.

Council Member Norton requested an update from Administrative Services Director Murphy on the proposed Plastic Bag Ordinance.

Administrative Services Director Murphy reported that Santa Cruz County amended the County's Plastic Bag Ordinance to exclude restaurants from the provisions of the plastic bag ban.

Mayor Termini complimented staff on City funds well spent for the consulting services provided by Bob Murray and Associates in the hiring of the new Police Chief.

E. Committee Appointments (None)

F. Approval of Check Register Reports

**1. Approval of City Check Register Reports dated January 20, and 27, 2012.
[300-10]**

ACTION: Motion by Council Member Storey, seconded by Council Member Harlan, to approve the Check Register Reports dated January 20, and 27, 2012, as submitted. The motion was unanimously carried. (Note: Council Member Norton abstained from voting on Check #68646 in the amount of \$104,372 to Santa Cruz Regional 911.)

5. CONSENT CALENDAR

Mayor Termini asked if there were any items on the Consent Calendar that members of the public or the City Council wished to pull for separate discussion.

Council Member Harlan said she would like to pull Item 5.D. regarding the Planning Commission Action Minutes for the Regular Meeting of February 2, 2012.

Council Member Nicol said he would abstain from Items 5.E. because he is the Executive Director of the Wharf-to-Wharf Race (non-profit), and voting on this item would result in a conflict of interest.

- A. Deny liability claims of the following and forward to the City's liability insurance carrier: (1) American Alternative Insurance Corporation, subrogee of Central Fire Protection District of Santa Cruz County: \$184,982.40; and (2) Paula Bradley: Undetermined amount. [Claims Binder]

ACTION: Motion by Council Member Norton, seconded by Council Member Storey, to deny the liability claims and forward to the City's liability insurance carrier. The motion carried unanimously with the following vote: AYES: Council Members Harlan, Norton, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

- B. Consideration of approving the minutes of the Regular Joint Meeting of the City Council/Redevelopment Agency of January 12, 2012.

ACTION: Motion by Council Member Norton, seconded by Council Member Storey, to approve the minutes of the Regular Joint Meeting of the City Council/Redevelopment Agency of January 12, 2012. The motion carried unanimously on the following vote: AYES: Council Members Harlan, Norton, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

- C. Consideration of adopting a Resolution approving the Final Map for the Pearson Court Subdivision. [730-10/730-75/730-85]

ACTION: Motion by Council Member Norton, seconded by Council Member Storey, to adopt Resolution No. 3909 approving the Final Map for the Pearson Court Subdivision. The motion carried unanimously on the following vote: AYES: Council Members Harlan, Norton, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

- D. Receive Planning Commission Action Minutes for the Regular Meeting of February 2, 2012. [740-50]

This item was pulled for separate discussion. (See discussion and action following Consent Calendar Item 5.D. on Page 12159)

5. CONSENT CALENDAR (continued)

- E. Consideration of approving the Special Event Permits Administrative Policy and the modifications to the Block Party Permit and Grant Program Administrative Policy. [1050-70]

ACTION: Motion by Council Member Norton, seconded by Council Member Storey, to approve the Special Event Permits Administrative Policy and the modifications to the Block Party Permit and Grant Program Administrative Policy. The motion carried on the following vote: AYES: Council Members Harlan, Norton, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: Council Member Nicol.

The following action on the Consent Calendar, the City Council then discussed Item 5.D. and took separate action on that item:

- D. Receive Planning Commission Action Minutes for the Regular Meeting of February 2, 2012. [740-50]

Council Member Harlan asked if anyone else had appealed the permit to install a wall sign and a monument sign at 4510 Capitola Road (Commercial/Residential Zoning District) (**Mayor Termini** stated that he appealed the sign permit).

Motion by Council Member Harlan, seconded by Council Member Storey, to receive the Planning Commission Action Minutes of February 2, 2012, as submitted. The motion carried unanimously with the following vote: AYES: Council Members Harlan, Norton, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

6. GENERAL GOVERNMENT

- A. Consideration of an amendment to the Capitola Municipal Code to allow sandwich board signs. [720-50/570-10]

Interim Community Development Director Westman provided a brief history of this item; staff was directed to come back to the City Council with a revised Ordinance. She stated that staff has met with village merchants, who have been working on developing ideas for sandwich board signs. She stated that this item is a presentation from the village merchants with purposed ideas. She stated that in the future staff will need direction from the City Council regarding modifying a new draft sign ordinance.

Mayor Termini requested the representative from the Capitola Village and Wharf Business Improvement Area present their proposal.

Carl Hyman, local business owner, stated that he has worked with village business owners to come up with the proposed sandwich board sign design. He reviewed specifics about the proposed signage and presented a prototype sandwich board sign.

6. GENERAL GOVERNMENT (continued)

Council discussion ensued regarding the proposed sandwich board sign design.

Mayor Termini opened this item for public comment.

Gary Wetsel, Paradise Beach Grille, clarified some of the sandwich board sign design specifics. He stated that the design process has included input from residents, business owners, and the City Council.

Michael Lavigne, Michael Lavigne Real Estate Services, provided his support for the proposed sandwich board sign design.

Ed Bottorff, Capitola resident, provided his support for the proposed sandwich board sign design, stating that the signs should be placed in the same location where the previous parking meters were located.

Peter Pethoe, Santa Cruz Hostel, suggested that the proposed sandwich board signage be more decorative and be placed high enough to be viewed above vehicles.

Mayor Termini closed this item for public comment.

Council Member Norton made a motion with the following proposed sandwich board sign criteria: (a) allow free-standing signs in the commercial part of the Central Village Zoning District for a one-year trial period; (2) do not allow banners or temporary outside signs if the proposed sandwich board signs are approved; (3) obtain the cost of a sign permit from the City that would include code enforcement costs; (4) allow the height of the proposed signage to be thirty inches and a width of twenty-inches; (5) require ADA compliance; (6) allow for two-way sidewalk pedestrian traffic; (6) allow a minimum distance between signs to be forty feet.

Mayor Termini seconded the motion with an amendment to include that the proposed signs be placed at least twenty-four inches from the curb and to keep the sidewalk clear for two-way pedestrian traffic.

Council Member Nicol stated the following point of order: the Mayor should provide a second to a motion only in the absence of a second from another council member.

Mayor Termini withdrew his motion.

Council Member Storey asked about the standard “look and feel” format required for the proposed design standard.

Council Member Norton suggested that staff provide the City Council with a standardized design that would allow for some variations.

6. GENERAL GOVERNMENT (continued)

Mayor Termini stated that businesses should be able to use the top oval section of the sign for their own design, and the remaining portion of the sign should be a standard design.

Interim Community Development Director Westman stated that staff will return to Council with recommendations on the sign ordinance.

Mayor Termini requested that staff provide the City Council with the number of businesses that would be affected by the proposed sign ordinance and for staff to provide a recommendation on consistency of text used on the signs.

ACTION: Motion by Council Member Norton, seconded by Council Member Nicol, for staff to come back to the City Council with a proposed amendment to the Capitola Municipal Code to allow sandwich board signs. The motion carried unanimously on the following vote: AYES: Council Members Harlan, Norton, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

Mayor Termini stated concerns regarding businesses (i.e., various 41st Avenue businesses) being affected by the proposed amended Sandwich Board Sign Ordinance.

Interim Community Development Director Westman responded that staff will be coming back to the City Council in the future with direction to address the egregious problem of businesses placing flags and large banners in storefronts, and staff will return to the City Council with the Planning Commission's recommendation.

B. Consideration of adopting an Urgency Ordinance banning the installation of the PG&E SmartMeters in the City. [565-30]

Public Works Director Jesberg stated that in March 2011 City Council adopted an Urgency Ordinance which expired in December 2011 banning the installation of the PG&E SmartMeters. He stated that on February 1, 2012, the California Public Utilities Commission approved a PG&E opt-out program, and he reviewed the costs to customers to opt-out of the SmartMeter, and instead use the analog meter. He stated that the County of Santa Cruz, which had adopted a similar moratorium ordinance in 2011, recently approved another moratorium ordinance for the unincorporated area. He stated that staff recommends Council receive public input and provide direction to staff.

Mayor Termini opened this item for public comment.

Karen Nevis, Capitola resident, urged the City Council to continue the SmartMeter moratorium.

6. GENERAL GOVERNMENT (continued)

Hunter Stern, Business Representative for International Brotherhood of Electrical Workers (IBEW) Local Union 1245, thanked the City Council for allowing the expression of concerns regarding SmartMeters and the passing of the moratorium at a time the California Public Utilities Commission (CPUC) needed to hear from the community. He stated that Local Union 1245 supports the reinstallation of the analog meters; however, there are ongoing financial concerns due to a lack of PG&E funding for the reading of analog meters.

Mayor Termini closed this item for public comment.

Council Member Storey stated that PG&E customers should have the option to choose between a SmartMeter and an analog meter without the imposition of the SmartMeter opt-out fee.

Council Member Nicol stated the installation of SmartMeters was not a PG&E initiative; it is a national framework. He said there is nothing that the City can do except to make a political statement against CPUC.

Council Member Harlan stated that she is in favor of adopting an urgency ordinance banning the installation of SmartMeters to allow additional time for further studies related to the physical impact of SmartMeters.

Council Member Norton suggested that staff draft a letter from the City Council to the CPUC opposing the SmartMeter opt-out one-time and monthly fees.

Mayor Termini stated extending the moratorium would be merely symbolic. He agrees with drafting a letter to the CPUC opposing the opt-out fees subject to approval by City Council.

Council Member Storey requested that there be a continuing effort to oppose the SmartMeter opt-out fees.

ACTION: Motion by Council Member Norton, seconded by Council Member Storey, for staff to draft a letter from the Mayor to the California Public Utilities Commission opposing the SmartMeter opt-out one-time and monthly fees, and to keep the Council apprised of continuing efforts to oppose these charges. The motion carried on the following vote: AYES: Council Members Norton, Storey, and Mayor Termini. NOES: Council Member Harlan and Council Member Nicol. ABSENT: None. ABSTAIN: None.

C. Consideration to approve the Notice of Completion for the Rispin Property Abatement Project. [275-60]

Public Works Director Jesberg provided a brief history of this item and reported on the work completed. He reviewed the remaining unfunded elements to be completed with an estimated cost of \$550,000; the total project cost to get a public park open at this site is \$1.2 million, and the fund for the remaining work

6. GENERAL GOVERNMENT (continued)

will either come from the Enforceable Obligations Payment Schedule (EOPS) future grant programs or General Fund appropriations.

Mayor Termini opened this item for public comment.

Peter Pethoe, Santa Cruz Hostel, proposed that the Rispin Property be used as a hostel.

Mayor Termini closed this item for public comment.

Council Member Norton suggested that the public have access to the Rispin property.

Mayor Termini asked City Attorney Barisone if the City would increase their liability by removing the chain-link fence to give the public access to the property.

City Attorney Barisone replied that the liability would not increase more than when it was previously open to the public to the extent that there are trip hazards or other dangerous conditions that existed prior to the fence. He stated that physical barriers would need to be removed to be ADA compliant, if removal is easily accomplished without undo difficulty or expense.

Council discussion ensued regarding opening the Rispin property to the public.

ACTION: Motion by Council Member Nicol, seconded by Council Member Storey, to approve the Notice of Completion for the Rispin Property Abatement Project. The motion carried unanimously with the following vote: AYES: Council Members Harlan, Norton, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None

D. Review Community Grant Application process. [330-30]

Council Member Storey announced that he would recuse himself from voting on this item because he is the Community Bridges CEO (non-profit organization) and voting on this item would be a conflict of interest.

Administrative Services Director Murphy provided a brief history of this item. She stated that Council may consider revising the funding methodology for the community grants and determine whether or not to allow a new agency or organization to apply for the existing Community Grant Program for Fiscal Year 2012/2013. She stated that currently the City's Community Grant Program provides \$275,000 in funding to 35 agencies/organizations.

Mayor Termini opened this item to the public.

6. GENERAL GOVERNMENT (continued)

Willis Sullivan, Human Care Alliance representative, stated his concern regarding the timing of the Council looking into revising the community grant funding since the applications are due at the end of the month.

City Treasurer Bertrand stated that he understands that the City's budget is impacted by lack of revenue; however, this is a timing issue, and the City should proceed with the community grants this fiscal year and reevaluate the program for the next cycle.

Cynthia Druley, CASA Executive Director, stated that the Human Care Alliance is trying to coordinate so that different jurisdictions understand the plight of the non-profit community. She provided support for the continued Community Grant Program.

Emily Glanville, Save Our Shores Program Manager, reported on some of the Save Our Shores projects; she provided her support for continuing the City's Community Grant Program.

Kathleen Johnson, Advocacy Inc., stated her concerns in limiting funds to the non-profits; in order for some non-profit agencies to be eligible for state and federal funding, agencies are required to receive grant funds from local jurisdictions.

Brook Johnson, Second Harvest Food Bank, provided a brief description of some of the Second Harvest Food Bank services and encouraged the Council to continue the community grants.

Clay Kempf, Seniors Council Executive Director, stated that there are insufficient resources to address all the needs throughout the County and encouraged Council to continue the community grants.

Randy Chelsey, Vista Center for the Blind and Visually Impaired, encouraged Council to continue the community grants.

Mayor Termini closed this item to the public.

Council Member Harlan stated that the City has had a long history with the Community Grant Program. She suggested adding a two-or three-year contract with the non-profits and consider reducing the number of agencies provided grants.

Council Member Norton stated that it is too late to limit the community grants this fiscal year; a review of the funding program should occur prior to the next fiscal year.

6. GENERAL GOVERNMENT (continued)

Council Member Nicol stated that he supports the non-profits as social service providers because they are not encumbered by a lot of “red tape”; they ensure that the causes they serve and the people who are the beneficiaries receive the services they need. He suggested restricting the City’s grant amounts to match available City funds.

Council Member Nicol made a motion to continue the City’s Community Grant Program for Fiscal Year 2011/2012, and for Council to review the program in preparation of a similar program in Fiscal Year 2012/2013. He stated that the program should provide social services to those who need it, particularly in the City. **Motion failed for lack of a second.**

Council Member Harlan stated that in the past the City has met the needs of the residents. She suggested disbursing grant funds based on the number of clients that the agency serves.

Council Member Nicol suggested reviewing the list of non-profit agencies to pick out those services that are higher priorities and see if there is redundancy in funding.

Mayor Termini stated that funding to the non-profit agencies are not entitlements; we have the “flawed” viewpoint that we are doing charity. He stated that approximately thirty grantees provide services for the City that the City otherwise would have to pay for (i.e., Advocacy Inc. and Save Our Shores).

ACTION: Motion by Council Member Norton, seconded by Council Member Nicol, to allow applicants to apply for the community grants this fiscal year, and for staff to bring this item back to the City Council after the February 16, 2012 Special City Council Budget Session in order to discuss the community grant process. The motion carried with the following vote: AYES: Council Members Harlan, Norton, Nicol, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: Council Member Storey.

Council Member Harlan suggested that the City Council have an informal study session, whereby the public could participate.

Mayor Termini stated that the Council needs to make a determination whether to fund the remaining portion of Fiscal Year 2011/2012 grant requests. The staff report for this item states that the Council withheld payment of 50% of the awarded amount to the grantees, pending the reimbursement of a minimum of \$500,000 from the City’s insurance provider or the state for damages relating to the failed storm drain pipe in the Pacific Cove Mobile Home Park (The City has been denied coverage by both the insurance provider and the state).

City Attorney Barisone recommend that the Council discuss the issue regarding fully funding the community grants this fiscal year; however, he recommended that any action should be taken at a future Council meeting.

6. GENERAL GOVERNMENT (continued)

Council Member Norton suggested that staff bring this item back to the City Council to find some means of funding the remaining \$137,000 (50% of the Community Grant funding).

Mayor Termini requested that staff agendaize for the next regular City Council meeting the consideration for funding the remaining \$137,000 (50% of the Community Grant funding) and for staff to provide a report regarding the status of the reimbursement for damages relating to the failed storm drain pipe in the Pacific Cove Mobile Home Park.

Council Member Storey returned to the dias.

E. Public Hearing regarding possible activities to be funded with 2012 Community Development Block Grant (CDBG) Funds. [700-10]

Interim Community Development Director Westman stated that this item is requesting Council direction for staff to return to a future Council meeting with an application for a Housing Rehabilitation Program Grant under the Community Development CDBG Allocation in January 2013. She stated that members of the public are encouraged to submit written comments regarding the City's CDBG activities, either on those activities proposed by staff or proposed by the writer of the comments.

ACTION: Motion by Council Member Harlan, seconded by Council Member Nicol, to approve the staff recommendation, thereby confirming that the City Council conducted the required Public Hearing regarding uses and activities to be included in any 2012 Community Development Block Grant (CDBG) applications submitted by the City and directed staff to return with recommendations regarding the City's upcoming CDBG applications. The motion carried unanimously on the following vote: AYES: Council Members Harlan, Norton, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

F. Consideration of adopting a Resolution approving a contract with Gumbiner & Eskridge LLP in an amount not to exceed \$20,000 for legal services and authorizing the City Manager to execute a contract. [500-10 A/C: Gumbiner & Eskridge LLP]

City Manager Goldstein reported that Lexington Insurance Company, the City's additional property protection insurance, does not cover damages that the City sustained during the pipe failure in March 2011. He stated that staff is recommending retaining the firm of Gumbiner & Eskridge, LLP for legal assistance to recover funds from Lexington.

ACTION: Motion by Council Member Norton, seconded by Council Member Harlan to adopt Resolution No. 3910 approving a contract with Gumbiner & Eskridge LLP in an amount not to exceed \$20,000 for legal services, and

authorizing the City Manager to execute a contract. . The motion carried unanimously on the following vote: AYES: Council Members Harlan,

6. GENERAL GOVERNMENT (continued)

Norton, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

G. Consideration of adopting Preliminary Administrative Budget for the Capitola Housing Successor. [790-30]

Interim Community Development Director Westman introduced this item. She stated that when the redevelopment agencies were dissolved, there were two separate agencies created to take their place: (1) Successor Agency which deals with general RDA activities; and (2) Capitola Housing Successor. She stated that the Successor Agency has an Oversight Board that will make decisions for the Successor Agency. She stated that the City Council is the Board that makes decisions for the Capitola Housing Successor which receives no funding. She stated that the Council is being requested to adopt a preliminary budget, which becomes part of the process in attempting to receive administrative fees for work the City will be doing.

ACTION: Motion by Council Member Norton, seconded by Council Member Nicol, to adopt the Preliminary Administrative Budget for the Capitola Housing Successor. The motion carried unanimously on the following vote: AYES: Council Members Harlan, Norton, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

H. Consideration of authorizing the City Manager to issue a Request for Proposals (RFP) for Website Design Services to redesign the City Website and direct the City Manager to accept and review proposals and provide a recommendation to the City Council for its consideration. [160-80]

Information System Specialist Laurent provided a brief history of this item. He stated that the current City's website was designed in 2002. He reviewed some features that a redesigned website would provide. He stated that the current City website does not meet the communication needs of citizens, businesses and others interacting with the City; in addition it is difficult to access necessary information.

City Manager Goldstein stated that the redesign of the City's website was included as one of Fiscal Year 2011/2012 adopted goals. He stated that the cost associated with the website redesign was inadvertently left out of the Equipment Replacement Reserve. He stated if there remains additional concern from the Council, then the request for proposals could be sent out and the selected contract could be brought back to Council for approval along with a budget revision.

City Council discussion ensued regarding this item.

6. GENERAL GOVERNMENT (continued)

Mayor Termini opened this item to the public.

Peter Pethoe, Santa Cruz Hostel, provided support for the City to move forward with the redesign of the City's website.

Mayor Termini closed this item to the public.

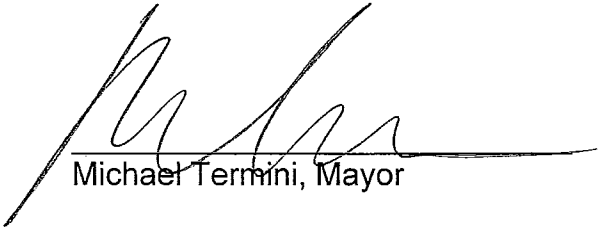
Motion by **Council Member Nicol**, seconded by **Mayor Termini**, for staff to issue a request for proposals for Website Design Services to redesign the City Website, and direct the City Manager to accept and review proposals and provide a recommendation to the City Council for its consideration. **The motion failed with the following 2 to 3 vote:** AYES: Council Member Nicol and Mayor Termini. NOES: Council Members Norton, Council Member Harlan, and Storey. ABSENT: None. ABSTAIN: None.

ACTION: Motion by Council Member Norton, seconded by Council Member Harlan, to include the discussion of redesigning the City's Website in the Fiscal Year 2012/2013 budget deliberations scheduled for June 2012. The motion carried unanimously with the following vote: AYES: Council Members Harlan, Norton, Nicol, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

7. COUNCIL DIRECTOR/STAFF COMMUNICATIONS (None provided).

8. ADJOURNMENT

At 10:26 p.m. **Mayor Termini** adjourned the Regular City Council Meeting to the Special Meeting of the City Council to be held on Thursday, February 16, 2012, at 6:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



Michael Termini, Mayor

ATTEST:



Susan Sneddon, City Clerk

MINUTES WERE UNANIMOUSLY APPROVED ON MARCH 8, 2012