

**CITY OF CAPITOLA
CITY COUNCIL/REDEVELOPMENT AGENCY**

September 8, 2011
Capitola, California

MINUTES OF A REGULAR JOINT MEETING

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

At 5:37 p.m. in the City Hall Council Chambers, Mayor/Chairperson Norton noted that all Council Members/Redevelopment Agency Directors were present. Mayor/Chairperson Norton made an announcement regarding the items to be discussed in Closed Session, as follows:

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

Surf and Sand, LLC vs. City of Capitola, et al. (Surf & Sand Mobile Home Park)
[Superior Court of the State of California for County of Santa Cruz, Case #CV 167716]

Surf and Sand, LLC vs. City of Capitola, et al. (Surf & Sand Mobile Home Park)
[U.S. District Court N.D., Case No. C09-05542 RS (Judge Richard Seeborg)]

Veronica Shepardson, et al. (residents of Surf & Sand Mobile Home Park) vs. City of Capitola, et al. [Superior Court of the State of California for the County of Santa Cruz, Case #CV 171269]

Bill Newman, et al. (residents of Surf & Sand Mobile Home Park) vs. Surf and Sand, LLC, Ronald Reed, et al. [Superior Court County of Santa Cruz, Unlimited Jurisdiction, Case No. CV 171783]

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code §54956.9:
One Case – Noble Gulch Storm Drain Failure in Pacific Cove Mobile Home Park

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section 54957)

Title: City Manager

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Govt. Code §54956.8)

Property: McGregor Drive, APN 36-341-02 (City of Capitola, Owner)
City Negotiator: City Manager
Negotiating Parties: City and Soquel Creek Water District
Under Negotiation: Real Property Lease/Sale

Mayor/Chairperson Norton noted that there was no one in the audience; therefore, the City Council/Redevelopment Agency recessed at 5:38 p.m. to the Closed Session in the City Manager's Office.

7:00 P.M. – OPEN SESSION

Mayor/Chairperson Norton called the Regular Joint Meeting of the Capitola City Council/Redevelopment Agency to order at 7:11 p.m. on Thursday, September 8, 2011, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

ROLL CALL AND PLEDGE OF ALLEGIANCE

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

ABSENT: Redevelopment Agency Treasurer Debbie Johnson
OTHERS: City Treasurer Jacques Bertrand
STAFF: City Manager/Executive Director Jamie Goldstein, City Attorney/RDA General Counsel John G. Barisone, Community Development Director/Deputy Executive Director Derek Johnson, Chief of Police Michael Card, Public Works Director Steve Jesberg, Administrative Services Director Lisa Murphy, and City Clerk/Secretary Pamela Greeninger

Mayor Norton stated that he would like everyone to remain standing following the pledge of allegiance. After the pledge, Mayor Norton asked that everyone join him for a moment of silence for Deputy City Attorney Celestial Deputy City Attorney Cassman, who passed away this week. He then announced that tonight's meeting would be adjourned in her memory and that the City Hall flag would be flown at half-staff for Celestial.

***** PRESENTATIONS *****

**Capitola Public Safety & Community Service Foundation
 Raffle Drawing for Trip to Costa Rica and other Cash Prizes [485-10]**

Prior to the raffle, Lin Banks, on behalf of the Capitola Begonia Festival Committee, wished to thank the City Council for its outstanding, continued support of the Begonia Festival. This year's event was a big success, and they are looking forward to planning next year's event.

Michael Banks, spokesperson for the Capitola Public Safety & Community Service Foundation, discussed the Foundation's contributions to public safety and community service projects. He discussed their interest in raising money for the Foundation in ways other than the car show and the golf tournament. An individual came up with the idea of a raffle for a vacation at a condominium in Costa Rica. He said the Grand Prize consists of a one-week vacation at the condo plus \$2,000 to aid with transportation costs. In addition, a total of \$2,000 will be given out during the drawing.

Mr. Banks brought forth an envelope with the tickets that had been purchased, which had been sealed and initialed by Dave Peyton at the Capitola-Soquel Chamber of Commerce. City Treasurer Jacques Bertrand assisted Michael Banks with the drawing. He verified that the envelope was sealed and put the tickets in the drum. He then mixed up the tickets and drew the winning tickets. The following winners were announced:

\$100 to Hank Arai, Sonia Seaman and Dennis Norton
 \$200 Pam Greeninger
 \$250 Karen Valentino
 \$500 Richard Hill
 \$750 Sue Barthol

Mr. Banks then provided the winning ticket to Mayor Norton who announced the Grand Prize winner: David Banks. Michael Banks said all donations to the Foundation are tax deductible and thanked everyone who participated in the raffle.

**Mayor's Proclamation
 Proclaiming Friday, September 16, 2011
 "Santa Cruz Follies Day" [120-40]**

Mayor Norton read the "Santa Cruz Follies Day" proclamation and encouraged all citizens to support the Follies by attending a performance on September 16 at either 1 p.m. or 7:30 p.m. at the Santa Cruz Civic Auditorium.

Joel Ricca, volunteer for the Follies, accepted the proclamation. Mr. Ricca said the Follies cast was rehearsing tonight and could not be at the meeting to accept the proclamation. He thanked the Mayor for this recognition on their behalf.

1. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone reported on the items discussed in Closed Session as follows:

He said the Council had a litigation session where it heard from the city attorney and Deputy City Attorney Adair Paterno. The Council was provided with status reports on the following matters: Implementation of the Surf and Sand Mobile Home Park settlement agreement, Shepardson vs. City of Capitola, and Newman vs. Surf and Sand, LLC, Ronald Reed, et al., in which the city has been sued as a Cross-Defendant. The Council heard from Deputy City Attorney Adair Paterno and the City Manager regarding those matters but took no reportable action.

The Council also heard from the city attorney and the city manager with respect to the litigation exposure resulting from damages incurred during the March 24, 2011, storm in the City of Capitola. The Council received a brief status report and took no reportable action in Closed Session.

The Council conducted a performance evaluation of the City Manager in closed session and took no reportable action.

The City Manager reported on the ongoing real property negotiations for a portion of the City's McGregor Drive parcel, which the Soquel Creek Water District is hoping to acquire for the purpose of installing a pump station. The City Council provided instructions to City Manager Goldstein regarding ongoing negotiations and took no reportable action in Closed Session.

2. ORAL COMMUNICATIONS**A. Additions and Deletions to Agenda**

Mayor Norton asked if there were any additions or deletions to the agenda.

ACTION: Council Member Termini moved, seconded by Council Member Storey, to continue Item 4.A., the Public Hearing pertaining to the second reading of the Mobile Home Park Rent Control ordinance, indefinitely.

Under discussion of the motion, Council Member Nicol asked how many people were here for Item 4.A. After a show of hands, he then asked how many people were here for a second time to hear the council deliberate on Item 4.A. He thanked them for their interest.

The motion carried on the following vote: AYES: Council Members Harlan, Termini, Storey, and Mayor Norton. NOES: Council Member Nicol. ABSENT: None. ABSTAIN: None.

B. Public Comments

1) Irving Richman, resident of Cabrillo Mobile Home Estates, addressed the Council regarding his oral communication at the August 25, 2011, City Council Meeting, and his removal from the chambers. Mr. Richman said to the citizens of Capitola that it is time to recall members of the City Council who show no respect for the rights of the citizens of Capitola. He said, "Council members are your servants; not your masters." Citizens should dismiss those servants who have betrayed the trust and replace them.

2) Laura Tucker said she was offended to be asked to purchase a \$100 raffle ticket at the meeting.

3) The following people addressed the City Council regarding Item 4.A. pertaining to repealing of the City's rent control ordinance, which was continued indefinitely. **[750-25]**

Carol Lerno, resident of Pacific Cove Mobile Home Park

Laura Tucker, Cabrillo Mobile Home Estates Space #39, commented on the lease tenants at her mobile home park were required to sign, as well as her opposition to repealing the City's rent control ordinance.

2. B. 3) ORAL COMMUNICATIONS (Continued)

Pedro Gonzales addressed the City Council, speaking in Spanish. Sigolene Ortega translated Mr. Gonzales' statements. Mr. Gonzales discussed the effects of repealing mobile home park rent control in Santa Cruz, and he urged the Council not to repeal Capitola's rent control ordinance.

Emily Zimmerman, representing the Santa Cruz County Workers Benefit Council, commented on the actions of the law firm Hart, King & Coldren and urged the Council to revoke the amendment to the city's rent control ordinance.

Attorney Phil Crawford, on behalf of the homeowners of Surf and Sand Mobile Home Park, wished to thank Council Members Harlan and Storey for supporting rent control. He also wished to thank Mayor Norton and Council Member Termini for keeping an open mind at this time and looking carefully at this issue. He also expressed his regret that HKC has cross-filed in their complaint against the City, saying it was not their intent to bring the City into this matter.

Bill Newman, resident of Surf and Sand Mobile Home Park

Thomas Newman, Bill Newman's son

Maria Newman, Bill Newman's granddaughter

Nicholas Whitehead, a resident of a mobile home park in Live Oak, suggested that perhaps the best way to do this is to go to the state seeking very clear rulings; perhaps it does not need to go to the court, but could be decided within the administrative structure of the state through the Department of Housing and Community Development, the Department of Commerce, and Consumer Affairs. Mr. Whitehead said he has written to Assemblymember Bill Monning, and he would recommend the residents appeal to the state in this regard.

Tracy Smith, daughter of a resident of Surf and Sand Mobile Home Park, addressed illegal requirements within the lease; i.e., moving the lot line or the coach.

Nancy Brewer, resident of Surf and Sand Mobile Home Park

Laurie Brewer, Surf and Sand Mobile Home Park resident

Gini Calande, resident of Surf & Sand Mobile Home Park, first offered a word of condolence to City Attorney John Barisone and to city staff for the loss of Celestial Deputy City Attorney Cassman, who was an advocate for affordable housing and at-risk youth. Ms. Calande went on to discuss inflammatory rhetoric about rent control in our community.

Lauri Beamish, Surf and Sand Mobile Home Park resident, thanked the council for the reprieve from repeal of the City's rent control ordinance.

C. Staff Comments – NoneD. City Council/RDA Director/Treasurer Comments/Committee Reports

1) Council Member Storey wished to respond to some of the comments made tonight pertaining to the Surf & Sand Mobile Home Park and the city's rent control ordinance. He wanted to let the residents know that he hopes they can reach some sort of mutual understanding. He commented on email messages he has received and why he has not responded to some. Council Member Storey said there are practical issues the City needs to work on and to deal with, and the City needs practical solutions from the residents. He said that takes an understanding of the state of the City, the financial burden, and the City Council's responsibility to look out for the collective well being of all the residents of Capitola, including the residents of the mobile home parks. Council Member Storey would be happy to sit down with the residents and talk over the situation in order to reach a better understanding and, without threatening to sue the City, hopefully arrive at some mutual understanding of the complexity on both sides. He thanked everyone for coming out tonight.

2) Council Member Harlan encouraged the residents of Surf & Sand Mobile Home Park to put pressure on the State to visit the park to address the electrical and other issues at the park.

2. D. ORAL COMMUNICATIONS (Continued)

3) Council Member Harlan wished to congratulate the Begonia Festival Committee on a wonderful festival last Labor Day Weekend. She encouraged everyone to enjoy the Art & Wine Festival this weekend in the Village, and the Santa Cruz County Fair the following week at the Fairgrounds in Watsonville.

4) Council Member Termini announced the Movie on the Beach on Friday night will be "Beetle Juice," and he invited everyone to come down to the beach to enjoy the movie.

The City Council took a short break at 8:22 p.m. and reconvened at 8:33 p.m.

E. Committee Appointments1) **Appointment to fill vacancy of Council Member Termini's Appointee to the Commission on the Environment. [430-05/110-10]**

Council Member Termini took pleasure in presenting Uriah Langmeyer, saying he had the opportunity to speak to Uriah about his interest in serving on the commission, and Council Member Termini believes he would be a tremendous asset. With the concurrence of the City Council, Council Member Termini said he would like to appoint Uriah Langmeyer to the Commission on the Environment.

ACTION: It was the consensus of the City Council to approve Council Member Termini's appointment of Uriah Langmeyer to the Commission on the Environment to fill the vacancy of an unexpired term ending December 2012.

Uriah Langmeyer thanked the council for its appointment to the Commission on the Environment. He said he is a lifelong resident of Capitola, having attended Capitola Elementary School, New Brighton Middle School, Soquel High and Cabrillo College. He is looking forward to working with the Commission's Youth Member, Kate Sylvan, on an environmental policy, working to build youth involvement in the City as a whole, as well as an extensive 41st Avenue business recycling program.

F. Approval of Check Register Reports1) **City: Approval of City Check Register Reports dated August 19, 2011, and August 26, 2011. [300-10]**

ACTION: Council Member Harlan moved, seconded by Council Member Storey, to approve the Check Register Reports dated August 19 and 26, 2011, including checks numbered 67274 through 67347 in the amount of \$51,492.13, checks numbered 67348 through 67439 in the amount of \$153,667.58, respectively; and payroll disbursements for the August 26, 2011, payroll in the amount of \$192,938.24, for a Grand Total of \$398,097.95, as submitted. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

2) **RDA: Approval of Redevelopment Agency Check Register Reports dated August 26, 2011. [760-25]**

ACTION: Director Harlan moved, seconded by Director Storey, to approve the Check Register Report dated August 26, 2011, including checks numbered 2992 through 2995 in the amount of \$1,030.26, as submitted. The motion carried on the following vote: AYES: Directors Harlan, Termini, Nicol, Storey and Chairperson Norton. NOES: None. ABSENT: None. ABSTAIN: None.

3. CONSENT CALENDAR

Mayor/Chairperson Norton asked if there were any items on the Consent Calendar that members of the public or the City Council/Redevelopment Agency Directors wished to pull for separate discussion.

Council Member/Director Harlan said she would like to make some brief comments on Item 3.C., Planning Commission Action Minutes. *(See comments under that item below.)*

Mayor/Chairperson Norton commented on Item 3.D. pertaining to the Rispin Mansion. *(See comments under that item on Page 12064.)*

CONSENT CALENDAR ACTION: Council Member/Director Harlan moved, seconded by Council Member/Director Nicol, to approve the Consent Calendar, as recommended. The motion carried on the following vote: AYES: Council Members/Directors Harlan, Termini, Nicol, Storey, and Mayor/Chairperson Norton. NOES: None. ABSENT: None. ABSTAIN: None.

A. Approve Reading by Title of all Ordinances and Resolutions and declare that said Titles which appear on the Public Agenda shall be determined to have been read by Title and Further Reading Waived.

ACTION: The City Council/Redevelopment Agency Directors unanimously approved the reading by title of all Ordinances and Resolutions and declared that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

B. City/RDA: Approve Minutes of the Regular Joint Meetings of the City Council/Redevelopment Agency of August 11 and 25, 2011.

ACTION: Council Member/Director Harlan moved, seconded by Council Member/Director Nicol, to approve the Minutes of the Regular Joint City Council/Redevelopment Agency Meetings of August 11 and 25, 2011, as submitted. The motion carried on the following vote: AYES: Council Members/Directors Harlan, Termini, Nicol, Storey, and Mayor/Chairperson Norton. NOES: None. ABSENT: None. ABSTAIN: None. *[NOTE: Council Member/Director Storey abstained from Minutes of August 11, and Council Member/Director Harlan abstained from voting on the Minutes of August 25, 2011, since they were absent.]*

C. Receive Planning Commission Action Minutes for the Regular Meeting of September 1, 2011. [740-50]

Prior to action on the Consent Calendar, Council Member Harlan commented on Item 3.C., Action Minutes for the Planning Commission, regarding Public Hearing Item D. for a proposed Planned Development at 1575 38th Avenue. She was interested in knowing what transpired at the meeting.

Community Development Director Johnson said there is not time to include comprehensive minutes in the City Council's agenda packet that goes out the day after the Planning Commission meeting; therefore, Action Minutes reflecting the specific actions are prepared after the meeting so that the information can be included in the Council's agenda packet.

Community Development Director Johnson said there were some constructive comments given to the applicant that the size, bulk and scale of the project was probably not appropriate for 38th Avenue and that a significant redesign was warranted to make the project compatible with the existing neighborhood. There was also discussion regarding the need for senior housing and critical comments regarding the proposed design. Staff is working with the applicant to design a project addressing the concerns expressed by the Planning Commissioners.

Community Development Director Johnson assured the Council that when this matter comes before the council, the complete minutes will be included in the agenda report.

3. C. CONSENT CALENDAR (Continued)

ACTION: Council Member Harlan moved, seconded by Council Member Nicol, to receive the Planning Commission Action Minutes for the Regular Meeting of September 1, 2011, as submitted. The motion carried on the following vote: AYES: Council Member Harlan, Termini, Nicol, Storey and Chairperson Norton. NOES: None. ABSENT: None. ABSTAIN: None.

D. Accept update report on the Rispin Property Hazard Abatement Project and, by 4/5 vote approval, make the determination that all hazards at the Rispin Property have not been eliminated, and there is need to continue action. [275-60]

Prior to action being taken on the Consent Calendar, Mayor Norton expressed concern about the rainy season coming, and the need for the building's roof to be complete. Public Works Director Jesberg said the trusses should arrive sometime next week, and the contractor is ready to install them once they arrive.

ACTION: Council Member Harlan moved, seconded by Council Member Nicol, to accept the update report on the Rispin Property Hazard Abatement Project and made the determination that all hazards at the Rispin Property, as detailed in the March 1, 2011, Notice of Summary Abatement Order to Abate Dangerous Buildings and Grounds, have not been eliminated, and there is a need to continue action. The motion carried on the following vote: AYES: Council Member Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT:

4. PUBLIC HEARINGS

A. Continued Public Hearing to consider adoption of an Ordinance Repealing Capitola Municipal Code Chapter 2.18 pertaining to Mobile Home Park Rent Stabilization. [2nd Reading] Presentation: City Attorney. [750-25]

Mayor Norton announced that under Additions and Deletions to the agenda, Item 2.A.1), this public hearing was continued indefinitely by the following action:

ACTION: Council Member Termini moved, seconded by Council Member Storey, to continue Item 4.A., the Public Hearing pertaining to the second reading of the Mobile Home Park Rent Control ordinance, indefinitely. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Storey, and Mayor Norton. NOES: Council Member Nicol. ABSENT: None. ABSTAIN: None.

B. City/RDA: Continued Joint City Council/Redevelopment Agency Public Hearing to Consider adoption of an Ordinance and necessary City/Agency Resolutions determining the City will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Capitola. Presentation: Community Development Department. [760-10/760-25/500-10/760-05 A/C: City/RDA Agency Transfer Payment Agreement/Loan and Repayment Agreement]

Community Development Director/Deputy Executive Director Johnson commented on the City of Capitola Redevelopment Agency's resolution passed at the last meeting approving and adopting the Enforceable Obligation Schedule pursuant to Part 1.8 of the Redevelopment Law. He advised that the State Department of Finance has requested additional information regarding the schedule.

Utilizing a PowerPoint Presentation, Community Development Director/Deputy Executive Director Johnson summarized the written agenda report, reviewed the recommended action for tonight, and responded to questions of Council Members/Directors.

4. B. PUBLIC HEARINGS (Continued)

Council Member/Director Harlan commented that this has been a very complicated issue to follow; however, she believes it is important to continue the Redevelopment Agency to preserve the City's housing programs.

Mayor Norton opened the public hearing at 8:55 p.m.

Bob Begun inquired about a cash flow analysis and what happens to the money in the Redevelopment Agency if the Agency does not continue. Community Development Director/Deputy Executive Director Johnson said the continuation of the Redevelopment Agency would not have a negative impact to the City, and that the State would take the Agency's money if the City does not opt to continue the Redevelopment Agency in Capitola.

Linda Flemister, resident at 750 Bay Avenue, encouraged the Council/Agency to keep up the great work of investing funds in housing programs for the City. She expressed concern about turning over the City's Redevelopment Agency money to the State.

Mayor/Chairperson Norton closed the public hearing at 9:00 p.m.

Council discussion was followed by this action:

ACTION: Council Member/Director Nicol moved, seconded by Council Member/Director Termini, to take the following actions:

1. Passed the proposed Uncodified Ordinance Determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in Order to permit the continued existence and operation of the Redevelopment Agency of the City of Capitola, as submitted; and
2. Directed staff to return with the necessary City Council and Redevelopment Agency resolutions and agreements to implement the Voluntary Alternative Redevelopment Program for approval at the second reading of the Ordinance.

The motion carried on the following vote: AYES: Council Members/Directors Harlan, Termini, Nicol, Storey, and Mayor/Chairperson Norton. NOES: None. ABSENT: None. ABSTAIN: None.

City Manager/Executive Director Goldstein wished to commend Community Development Director/Deputy Executive Director Johnson on his excellent work regarding this Redevelopment Agency item.

5. OTHER BUSINESS

- A. Consider options to address the City's cash management needs. Staff recommendation: adopt Resolution authorizing the City Manager to execute interfund loans and a short-term commercial line of credit, as necessary. [330-05]**

Utilizing a PowerPoint Presentation, City Manager Goldstein summarized the written agenda report and responded to questions of council members.

Council members expressed their individual concerns regarding the city's cash flow needs. There was a great deal of discussion regarding the proposed recommendation to initiate a short-term commercial line of credit.

Mayor Norton opened this item up to the public for comments at 9:20 p.m.

5. A. OTHER BUSINESS (Continued)

Finance Advisory Committee Chair Bob Begun addressed the council, stating that he believes the overall approach to the city's cash flow challenges is very good; however, he objects to taking money from the PCI (borrowing up to \$500,000 from the CIP Fund). He said the City has already forecast very low funding levels for the PCI in the budget, and he is concerned our pavement management program is at risk because it will cost more in the future to repair our streets if we continue to put off those projects.

Public Works Director Jesberg addressed Mr. Begun's concerns. He said to maintain PCI levels \$500,000 is necessary each year.

Mr. Begun suggested taking the money from the Internal Services Fund rather than the Capital Improvement Program (CIP).

After public comments there was additional council discussion, and City Manager Goldstein responded to additional questions from Council Members.

Considerable Council discussion was followed by this action:

ACTION: Council Member Nicol moved, seconded by Council Member Termini, to approve the staff recommendation, including adoption of the resolution to include Items 2.A. and 2.B., but deferring Item 2.C., to initiate a limited-term commercial line of credit for up to \$500,000, until the first meeting in November.

Under discussion of the motion, Mayor Norton said he would prefer making the hard decisions now to reduce staff or city services, rather than waiting until after mid-year. He would agree with acquiring a line of credit as long as the Council could monitor the expenditures, by receiving information when the line of credit is used. He said the city really needs to look hard at its expenditures.

Council Member Nicol commented that it will cost the city \$5,000 to obtain a line of credit, which the city may or may not need, and he knows the city will need that \$5,000. He would like to defer that expense at least until November.

After Council discussion, Council Member Nicol amended his motion to move the staff recommendation to adopt **Resolution No. 3885, Resolution Authorizing the City Manager to Execute Interfund Loans to the City General Fund as Necessary to Bridge City Cash flow needs through Fiscal Year 2012-12**, to include Items 2.A. to borrow up to \$500,000 from the City CIP Fund, and 2.B. to borrow up to \$465,000 from Special Revenue Funds. Council Member Termini, who seconded the motion, agreed with the amendment. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

Mayor Norton then asked if there were a motion with respect to recommendation 2.C. pertaining to the initiation of a limited-term commercial line of credit for up to \$500,000.

Council Member Storey moved, seconded by Council Member Termini, to defer recommendation "2.C., Initiate a limited-term commercial line of credit for up to \$500,000," and directed staff to report back in November. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

5. OTHER BUSINESS (Continued)

B. Consider rescheduling the Special Joint Study Session with the Finance Advisory Committee set for September 14 to the first week in October. Staff recommendation: set a new date for the Special Joint Study Session with the Finance Advisory Committee. [330-40]

City Manager Goldstein summarized the written agenda report, saying the Finance Advisory Committee has requested the Joint Study Session be continued so that their committee could formulate recommendations to the Council prior to the study session.

Council Member Harlan suggested they meet on Wednesday, October 12. City Clerk Greeninger said the Finance Advisory Committee was looking for a day during the first week in October, and the meeting room would be available on October 5 or 6. Council Member Harlan again suggested October 12, or possibly October 17. City Clerk Greeninger said she did not have the meeting room calendar for that week, and she was not certain whether there were conflicts on those dates.

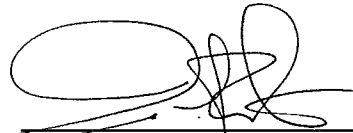
Council discussion was followed by this action:

ACTION: Council Member Harlan moved, seconded by Council Member Nicol, to reschedule the Special Joint Study Session with the Finance Advisory Committee to Wednesday, October 12, 2011, at 6:00 p.m., in the City Hall Council Chambers.

6. COUNCIL/RDA DIRECTORS/STAFF COMMUNICATIONS – None

7. ADJOURNMENT

The City Council/Redevelopment Agency Meeting was adjourned at 9:42 p.m. in memory of **Deputy City Attorney Celestial Cassman** to its next Regular Joint Meeting to be held on Thursday, September 22, 2011, at 7:00 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



Dennis R. Norton, Mayor
Redevelopment Agency Chairperson

ATTEST:

 _____, MMC
Pamela Greeninger, City Clerk
Redevelopment Agency Secretary

MINUTES WERE UNANIMOUSLY APPROVED ON 9/22/2011