

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

February 24, 2011
Capitola, California

MINUTES OF A REGULAR JOINT MEETING

5:00 P.M - CLOSED SESSION - CITY MANAGER'S OFFICE

At 5:05 p.m. in the City Hall Council Chambers, Mayor/Chairperson Norton noted that all Council Members/Redevelopment Agency Directors were present. He made an announcement regarding the items to be discussed in Closed Session, as follows:

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

Talbert vs. City of Capitola, et al. [U.S. District Court Case No. C 10-03113 JW (N.D. Cal.)]

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)]

Los Altos/El Granada Investors vs. City of Capitola, et al. (Castle Mobile Estates)
[U.S. District Court N.D., Case No. CV 04-05138 JF (Judge Jeremy Fogel)]

Vieira Enterprises, Inc., vs. City of Capitola (Cabrillo Mobile Estates)

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code §54956.9:
One Case: Vieira Enterprises, Inc., vs. City of Capitola (Cabrillo Mobile Estates)
The City is in receipt of a December 30, 2010, Fair Return rent increase application for Cabrillo Mobilehome Park, which claims that if it is not granted in its entirety, the City will be liable for the unconstitutional taking of Mr. Vieira's property and further claims that the City's past enforcement of its rent control ordinance has already functioned to effect such a taking.

Mayor/Chairperson Norton asked if there was anyone who wanted to address an item on the Closed Session agenda at this time.

Geni Calande, resident of Surf and Sand Mobile Home Park, said she would be making a statement at the regular city council meeting tonight regarding the city's litigation with Surf & Sand, LLC. She expressed her appreciation to the council members for standing as a group for justice and representing every resident in the city. She urged the council not to be led astray on the Surf & Sand Mobile Home Park litigation, and she thanked them for considering this issue so seriously.

Following Ms. Calande's comments, the City Council/Redevelopment Agency recessed at 5:08 p.m. to the Closed Session in the City Manager's Office.

REGULAR JOINT MEETING OF THE CAPITOLA CITY COUNCIL/REDEVELOPMENT AGENCY

Mayor/Chairperson Norton called the Regular Joint Meeting of the Capitola City Council/Redevelopment Agency to order at 7:03 p.m. on Thursday, February 24, 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: None

OTHERS: City Treasurer Jacques Bertrand and Redevelopment Agency Treasurer Debbie Johnson

STAFF: City Manager/Executive Director Jamie Goldstein, City Attorney/Agency General Counsel John G. Barisone, Community Development Director/Deputy Executive Director Derek Johnson, Public Works Director Steve Jesberg, Chief of Police Michael Card, Assistant to the City Manager Lisa Murphy, and City Clerk/Secretary Pamela Greeninger

***** PRESENTATIONS *******Presentation by Assemblymember Bill Monning [590-10]**

Mayor Norton introduced Assemblymember Bill Monning and thanked him for coming to Capitola.

Assemblymember Monning thanked the council for the opportunity to visit Capitola and address them. He discussed the number one issue affecting the state at this time, which is the state's \$25 Billion deficit. He provided an overview of the various areas and programs where the governor is recommending cuts.

Of particular interest to Capitola is the Governors' proposal to eliminate redevelopment. He discussed the consequences of such legislation and the Governor's interest in the voters having the opportunity to pass a 55% voter threshold to pass a local sales tax that could be used for development projects. Assemblymember Monning commented on the successes of the Redevelopment Agency in Capitola; however, other cities in the state have not used Redevelopment funds appropriately.

Assemblymember Monning also commented on legislation he has introduced regarding mobile home rent control litigation. His bill, AB 579, would allow local governments to recover attorney's fees when they have successfully defended their mobilehome rent control ordinance. The bill will be developed through the end of March. He encouraged the council and Capitola residents to support it.

Assemblymember Monning also addressed an inquiry regarding the mandated requirements of the Housing Element and said he does not anticipate any changes.

Following his presentation, Assemblymember Monning responded to questions and comments from council members.

Mayor Norton asked if anyone in the audience had a question for Assemblymember Monning. The following people spoke: Michael Smith, resident of Aptos, asked about the human services; Marilyn Garrett, Aptos resident, urged Assemblymember Monning to take a leadership role in stopping the SmartMeter program; Rhonda, Aptos resident, also commented on effects of SmartMeters and provided him with a copy of the report from Dr. Karl Maret; and City Treasurer Jacques Bertrand asked about the state's Delinquency Program.

Mayor Norton thanked Assemblymember Monning for his help in the state's approval of the Rail Trail and for addressing the Council tonight.

Recognition of Capitola Police Sergeant Cliff Sloma, Officers Marquis Booth, Guillermo Vazquez, and Sarah Ryan for their Outstanding Service and Assistance in a Santa Cruz County Sheriff's Department Homicide Investigation [120-40]

Chief of Police Card called the officers forward. He explained the nature of their assistance to the Sheriff's Department and their efforts that led to the successful arrest of homicide suspects. He said the officers were recognized at a special ceremony held Thursday, February 17, 2011, for their outstanding service and contribution in the homicide investigation.

Mayor Norton and members of the city council commended the officers and thanked them for their contributions.

1. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone announced that the City Council heard from Deputy City Attorney Adair Paterno regarding Talbert vs. City of Capitola pertaining to the city's red-light camera program. The council provided direction and took no reportable action in Closed Session.

The City Council heard from Deputy City Attorney George Kovacevich, City Manager Goldstein and City Attorney Barisone pertaining to the two existing lawsuits between Surf & Sand, LLC, and the city. Status reports on those matters were provided, and the Council gave direction regarding ongoing defense of those cases. No reportable action was taken.

The Council received a status report from the City Attorney and the City Manager with regard to the Castle Mobile Estates matter (Los Altos/El Granada Investors vs. City of Capitola). Direction was provided to staff, and no reportable action was taken in Closed Session.

The City Council did not discuss potential litigation in connection with the Cabrillo Mobile Home Park (Vieira Enterprises, Inc., vs. City of Capitola), as there was nothing to report.

City Attorney Barisone announced that the Closed Session agenda was continued to Monday, February 28, 2011, at 12:30 p.m. in the City Manager's Office.

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda – None

B. Public Comments

1) Marilyn Garrett commented on the Wifi being moved into the community television room. She is concerned about the technicians who work in there. She submitted a copy of the letter she submitted to the Library JPA Board pertaining to WiFi in public libraries.

2) Rhonda, a resident of Aptos, expressed concerns about a PG&E truck in Capitola and her belief that the employee was installing SmartMeters.

3) Rick Halterman, resident of Castle Mobile Estates, followed up on Assemblymember Monning's bill, AB579, saying he hopes that bill, as well as SB 444 would be included on a council agenda for support. He expressed concerns regarding discussions occurring in Closed Session pertaining to mobile home parks and requested an item be placed on the open session agenda for public discussion of those bills.

4) Margaret Dixon, resident of Surf and Sand Mobile Home Park, commented on the litigation pertaining to their mobile home park and asked them not to make any decisions pertaining to settling the litigation.

2. ORAL COMMUNICATIONS

5) Geni Calande, resident of Surf and Sand Mobile Home Park, also addressed the council pertaining to the Surf and Sand, LLC, litigation. She reminded the council that this litigation started many years ago, and she expressed the need to take a stand against a slum lord. She thanked the council for everything they have done and are intending to do.

6) Maggie Schward, resident of Surf and Sand Mobile Home Park, announced that she is the new President of HOA. She urged the council to protect the interests of the park.

C. Staff Comments

Community Development Director Johnson announced that there would be a Capitola Library Community Input Meeting hosted by the City and the Library Ad Hoc Committee next Tuesday, March 1, at the Capitola Community Center at Jade Street Park from 7 to 9 p.m. He also said there is a Library Survey online. He encouraged residents to complete the survey from the Home page of the City's website at www.ci.capitola.ca.us. In addition, Community Development Director Johnson announced that the General Plan Advisory Committee would be hosting a Community Workshop on Saturday, March 19, from 9 am to 12 noon at the Community Center on Jade Street. Everyone is invited to attend and help plan the future of Capitola. More information about the plan update is available at www.planacapitola.com.

D. City Council/RDA Director/Treasurer Comments/Committee Reports

1) Council Member Harlan requested that staff put the two mobile home bills, SB 444 and AB 579, on the next City Council Agenda, and she encouraged our residents to send letters to their legislators.

2) City Treasurer Bertrand pointed out that the Finance Advisory Committee did not have adequate time to review the mid-year report at its last meeting and that the committee would have a discussion on it at its next meeting.

E. Committee Appointments – None

F. Approval of Check Register Reports

1) City: Approval of City Check Register Reports for February 4 and February 10, 2011. [300-10]

There were no questions regarding the Check Register Reports prior to the following action being taken:

ACTION: Council Member Harlan moved, seconded by Council Member Storey, to approve the Check Register Reports dated February 4 and 10, 2011, including checks numbered 65405 through 65466 in the amount of \$271,721.74, and checks numbered 65467 through 65518 in the amount of \$64,683.32, respectively; and payroll disbursements for the February 10, 2011, payroll in the amount of \$170,094.37, for a Grand Total of \$506,499.43, 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 February 4, 2011. [760-25]

There were no questions of the Directors regarding the Redevelopment Agency Check Register Report prior to the following action being taken:

ACTION: Director Storey moved, seconded by Director Termini, to approve the Check Register Report dated February 4, 2011, including checks numbered 2900 through 2904 in the amount of \$30,798.80, 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 city council/directors wished to pull for separate discussion.

Council Member/Director Harlan pulled Item 3.E. pertaining to the Maintenance Worker Classifications, and Mayor/Chairperson Norton pulled Item 3.D. pertaining to awarding a contract to Harris and Associates for the Clares Street Traffic Calming Project.

Mayor/Chairperson Norton advised Items 3.D. and E. would be discussed at the end of the meeting following Other Business Item 5.C. (*See discussion and action on Page 11889.*)

CONSENT CALENDAR ACTION: Council Member/Director Harlan moved, seconded by Council Member/Director Termini, to approve the Consent Calendar as recommended. The motion carried on the following vote: AYES: Council Members/Directors Harlan, Termini, Nicol, Storey, and Mayor 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 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. Approve City Council/Redevelopment Agency Minutes – None**

- C. City: Receive City Treasurer's Report for the month ended January 31, 2010 (Unaudited). [380-30]**

ACTION: Council Member Harlan moved, seconded by Council Member Termini, to accept the City Treasurer's Report for the quarter ended January 31, 2011 (Unaudited), 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.

- D. City/RDA: Award contract to Harris and Associates for planning and design services for the Clares Street Traffic Calming Project in the amount of \$103,000.**

This item was pulled for separate discussion. (See page 11889 for discussion and action.)

- E. Adopt Resolution Eliminating the Maintenance Worker Classification and Approving the Addition of Maintenance Worker 1, 2 and 3 Classifications, Salary Schedules, and Job Descriptions; Amending the Memorandum of Understanding between the Association of Capitola Employees (ACE) and the City of Capitola to add the new classifications, related salary schedules, and benefits effective February 24, 2011; and authorizing the hiring of one Maintenance Worker 1 position, and recruitment and hiring of one Maintenance Worker 3 position.**

This item was pulled for separate discussion. (See page 11889 for discussion and action.)

- F. Approve the purchase of a 2011 four-wheel drive truck with a dump lift from North Bay Ford in Santa Cruz in the amount of \$26,605.41 for the Public Works Department. [370-40]**

ACTION: Council Member Harlan moved, seconded by Council Member Termini, to approve the purchase of a 2011 four-wheel drive truck with a dump lift for hauling trash at the price of \$26,605.41, including tax, from North Bay Ford in Santa Cruz for the Public Works Department, 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.

3. CONSENT CALENDAR (Continued)

- G. **Approve Special Event Permit request by the Capitola Art & Cultural Commission for the 18th Annual Art and Music at the Beach Series and the Bandstand in Esplanade Park on six (6) Sundays from June 5 to August 21, 2011, and the Hanging of Banners prior to each Event. [1010-10]**

ACTION: Council Member Harlan moved, seconded by Council Member Termini, to approve the recommended action, as follows:

- 1) Approved the use of Esplanade Park and the Bandstand on Sundays, twice a month from June through August, for a total of six art shows (June 5 & 19, July 10 & 17, and August 7 & 21); and
- 2) Approved the Special Event Permit and authorized the Capitola Police Department to issue the permit for the Art and Music at the Beach series as requested; and
- 3) Authorized Public Works to hang the event banner on the Friday preceding each event, 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.

- H. **Approve Special Event Permit request by the Capitola Art & Cultural Commission for the 2011 “Movies at the Beach” on Friday, August 26 and Friday, September 9, 2011, at the Main Beach near Esplanade Park, and Authorize the Capitola Police Department to Issue the Permit. [1010-10]**

ACTION: Council Member Harlan moved, seconded by Council Member Termini, to approve the Special Event Permit for the 2011 Movies at the Beach, as submitted, and authorized the Capitola Police Department to issue said permit. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

- I. **Direct staff to develop a Request for Proposal (RFP) for independent financial audit services of City and Redevelopment Agency records and distribute the RFP to interested audit firms. [310-05/760-25]**

ACTION: Council Member/Director Harlan moved, seconded by Council Member/Director Termini, to direct staff to develop a Request for Proposal (RFP) for independent financial audit services for City and Redevelopment Agency records and distribute the RFP to interested audit firms, 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.

4. PUBLIC HEARINGS - None

5. OTHER BUSINESS

- A. **Request from The Mermaid Series for approval of a Special Event Permit for the Mermaid Triathlon and Duathlon to be held on Sunday, September 25, 2011, in various areas of Capitola. Staff recommendation: approve Special Event Permit. [1050-70]**

Chief of Police Card summarized the written agenda report. He said this is a first-time request for this event.

Event applicant, Carlo Facchino, provided information regarding the event and responded to questions of council members.

Carin Hanna and Joyce Murphy representing the Capitola Village and Wharf Business Improvement Area offered their support of the proposed event.

5. A. OTHER BUSINESS (Continued)

Limited Council discussion was followed by this action:

ACTION: Council Member Nicol moved, seconded by Council Member Termini, to approve a Special Event Permit for the "Mermaid Triathlon and Duathlon" to be held in Capitola on Sunday, September 25, 2011; including approval of an Encroachment Permit, an Entertainment Permit, and the hanging of banners on Monterey and Capitola Avenues by Public Works prior to the event, as submitted, and authorized the Capitola Police Department to issue said permit. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

B. City/RDA: 2011 Cooperation Agreement between the City and Redevelopment Agency memorializing pledges of Agency funds in support of specified programs and projects. Staff recommendation: adopt City Council and Redevelopment Agency Resolutions approving the Cooperation Agreement. [760-10/500-10 City/760-05 RDA A/C: City and Redevelopment Agency]

Mayor/Chairperson Norton announced that a decision would not be made on this item until after the Agency Directors discussed Item 5.C. pertaining to the Rispin Mansion proposal.

City Manager/Executive Director Goldstein and Community Development Director/Deputy Executive Director Johnson provided updated information regarding the state's proposal to eliminate redevelopment. Community Development Director/Deputy Executive Director Johnson said he had a conversation with the Redevelopment Agency's special legal counsel, Brent Hawkins, who has recommended some changes to the RDA resolution and the Cooperation Agreement. He presented the changes using a PowerPoint Presentation.

City Manager/Executive Director Goldstein reviewed the factors included in the Cooperation Agreement and discussed the affordable housing projects and programs, as well as capital projects and project planning for a library. He then presented a revised capital projects and project planning list, which modified previous figures and included RDA funds for the redevelopment portion of the General Plan Update, and reviewed the revised recommended action for both the City Council and the Redevelopment Agency resolutions and the Cooperation Agreement.

Mayor/Chairperson Norton then said the Redevelopment Agency would consider the next item regarding the Rispin Mansion proposal prior to taking action on the proposed Cooperation Agreement.

NOTE: See action taken on this item following discussion of Item 5.C. on Page 11888.)

C. RDA: Rispin Mansion proposal. Staff recommendation: consider a proposal to save and restore the Rispin Mansion and provide direction to staff. [275-05]

Deputy Executive Director Johnson provided staff's presentation and informed the Agency Directors that, in light of the current state legislation, staff believes there are only two options: One would be mothballing the mansion (stabilization of the project), and the other would be a phased hotel project. He said Mr. Jesse Nickell of Barry Swenson Builder will be making a presentation on the hotel project.

Executive Director Goldstein and Deputy Executive Director Johnson responded to questions of directors.

5. B. and C. OTHER BUSINESS (Continued)

Jesse Nickell of Barry Swenson Builder, informed the directors that Mr. Swenson is still interested in investing in the Rispin project. Utilizing a PowerPoint Presentation, he reviewed their proposal for saving the Rispin Mansion and responded to questions of directors. Ron Beardslee also commented on the proposed hotel project.

Mayor/Chairperson Norton opened the matter to the public at 9:25 p.m.

Mary Healy, Francesco Court resident, strongly urged the city council to accept the proposal by Barry Swenson. Her major reason is to deter crime in the area. She does not believe the property is suitable for just a park without a hotel there. Surveillance of the property is too difficult for the police due to the terrain. Ms. Healy is grateful to Barry Swenson for coming forth with this proposal. It could be a great way to get rid of the blight and create an asset to the community.

Nels Westman, Riverview Drive resident, commented on the \$2,371,100 figure for administration of affordable housing projects. He expressed his concerns regarding the proposed phased hotel project and believes the money is needed for other projects in the community.

Glenn Hanna wished to complement City Manager/Executive Director Goldstein and Community Development Director/Deputy Executive Director Johnson on their presentation. He also thanked Jesse Nickell for his presentation. He commented on the RDA fund savings provided in Mr. Nickell's presentation. He said the current property maintenance is \$35,000, not \$70,000. Mr. Hanna expressed concern that this is not a traditional loan, and it is unknown when the loan would be repaid. He also expressed concerns about the scaled-down project and the agency's commitment. In closing, he urged the council to approve the mothballing option.

Mr. Barrett, resident who has lived across the street from the mansion for many years, said Mr. Swenson should concentrate on a Village hotel. He supports \$1 Million for a park.

Chairperson Norton closed the public portion of the discussion.

ACTION: Council Member/Director Termini moved to approve staff's recommendation to adopt both the Redevelopment Agency and the City Council Resolutions and selected Option B Capital Projects and Project planning list presented by City Manager/Executive Director Goldstein to be included in Exhibit A to the proposed Cooperation Agreement, and to add to the motion that staff should pursue the entitlements to demolition of the wall, include ample lighting throughout the site, and pursue entitlements to allow the police to drive on the site. Director Harlan seconded the motion for purposes of discussion.

Council Member/Director Nicol asked for clarification of the motion. Council Member/Director Termini asked to have the Capital projects/Project planning slide with stricken figures displayed. He then stated the projects and revised amounts for each from the list, as follows:

Capital projects:

Rispin	\$1,000,000
Clares & Wharf Traffic Calming	\$ 300,000
Misc Capitola Projects	\$ 107,100
Clares & 41 st Avenue Overlay	\$ 550,000
Library Site Improvements/Acquisitions	\$ 900,000
Clares/Wharf Road Improvements/ Library Parking	\$ 297,489
RDA portion of the General Plan Update	\$ 186,270

Project planning:

Library	\$ 550,000
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5. B. and C. OTHER BUSINESS (Continued)

Council Member/Director Storey wished to thank Jesse Nickell from Barry Swenson Builder and Mr. and Mrs. Beardslee for their efforts in bringing the hotel project back to help the city out of this dilemma. As a steward of public funds, however, Council Member/Director Storey said he has concerns about entering into the hotel business, and he has concerns about the proposed timeline and whether the timeline can be met. He would support the motion; however, he cannot support a Rispin hotel project.

Council Member/Director Nicol feels the Redevelopment Agency has an opportunity to have an asset in the city, to turn a negative into a positive. The city has an opportunity to go with a phased hotel project and put this problem property to bed. He is not going to support the motion.

Council Member/Director Harlan said she is happy Mr. Swenson stepped in, although she is not happy with the Performa, the phasing plan, etc. She also believes there is not adequate parking at the library site for a Rispin hotel. The original RDA goal was for streets, sidewalks, drainage and undergrounding. In addition, the RDA owes the City money.

Council Member/Director Termini thanked Jesse Nickell and Barry Swenson Builders for all their efforts.

Mayor/Chairperson Norton said Rispin never dies. He expressed the difficulty of this decision.

After discussion of the motion Mayor/Chairperson Norton called for the vote. The motion included the following City and Redevelopment Agency actions:

CITY ACTION: The City Council adopted **Resolution No. 3855, Resolution Approving the Cooperation Agreement by and between the City of Capitola and the Redevelopment Agency of the City of Capitola** in support of specified programs and projects with the addition of a new sentence at the end of Section 5.2 of the Agreement to read, “At the discretion of the Executive Director, the Agency may prepay any obligation under this agreement.” to include Option B Capital Projects and Project planning list presented by City Manager/Executive Director Goldstein to be included in Exhibit A to the proposed Cooperation Agreement, and to add to the motion that staff should pursue the entitlements to demolition of the wall, include ample lighting throughout the site, and pursue entitlements to allow the police to drive on the site, and approving a Notice of Exemption pursuant to State CEQA Guidelines Section 15378(b)(4). The motion carried on the following vote: AYES: Council Members Harlan, Termini, Storey, and Mayor Norton. NOES: Council Member Nicol. ABSENT: None. ABSTAIN: None.

RDA ACTION: The City of Capitola Redevelopment Agency adopted **Agency Resolution No. 2011-2, Resolution Approving the Cooperation Agreement by and between the City of Capitola and the Redevelopment Agency of the City of Capitola and Encumbering Funds Pursuant Thereto**, with the addition of a second sentence to Section 2 of the resolution to read, “At the discretion of the Executive Director, the Agency may prepay any obligation under this agreement,” and with the addition of a new sentence at the end of Section 5.2 of the Agreement to read, “At the discretion of the Executive Director, the Agency may prepay any obligation under this agreement.” to include Option B Capital Projects and Project planning list presented by City Manager/Executive Director Goldstein to be included in Exhibit A to the proposed Cooperation Agreement, and to add to the motion that staff should pursue the entitlements to demolition of the wall, include ample lighting throughout the site, and pursue entitlements to allow the police to drive on the site, and approving a Notice of Exemption pursuant to State CEQA Guidelines Section 15378(b)(4). The motion carried on the following vote: AYES: Directors Harlan, Termini, Storey, and Chairperson Norton. NOES: Director Nicol. ABSENT: None. ABSTAIN: None.

AT THIS POINT, ITEMS REMOVED FROM CONSENT CALENDAR WILL BE CONSIDERED

3. CONSENT CALENDAR *(Items pulled for separate discussion.)*

D. City/RDA: Award contract to Harris and Associates for planning and design services for the Clares Street Traffic Calming Project in the amount of \$103,000. [940-40/500-10 A/C: Harris and Associates]

Council Member Harlan recused herself and left the Council Chambers, as she lives on 42nd Avenue within 500 feet from Clares Street.

Public Works Director Jesberg summarized the written agenda report and responded to questions of council members.

Mayor/Chairperson Norton wished to point out that Harris and Associates has already been working on this project, and he asked how much they have been paid so far. Public Works Director Jesberg said the initial design was about \$8,000. Mayor/Chairperson Norton also commented on the Capitola Road incident, and his interest in making sure there are precautionary measures in the design process to look out for so that what happened on Capitola Road does not occur on Clares Street.

After discussion, the following actions were taken:

RDA ACTION: Director Termini moved, seconded by Chairperson Norton, to authorize the Clares Street Traffic Calming Project be administered by the City, including all contracts, inspection services, and public meetings, as submitted. The motion carried on the following vote: AYES: Directors Termini, Nicol, Storey, and Chairperson Norton. NOES: None. ABSENT: None. ABSTAIN: None. DISQUALIFIED: Council Member Harlan.

CITY ACTION: Council Member Termini moved, seconded by Mayor Norton, to award a contract to Harris and Associates for Planning and Design Services for the Clares Street Traffic Calming Project in the amount of \$103,000, 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.

E. Adopt Resolution Eliminating the Maintenance Worker Classification and Approving the Addition of Maintenance Worker 1, 2 and 3 Classifications, Salary Schedules, and Job Descriptions; Amending the Memorandum of Understanding between the Association of Capitola Employees (ACE) and the City of Capitola to add the new classifications, related salary schedules, and benefits effective February 24, 2011; and authorizing the hiring of one Maintenance Worker 1 position, and recruitment and hiring of one Maintenance Worker 3 position. [600-10]

Council Member Harlan said she had a comment on gender; however, she found that it was not necessary.

ACTION: Council Member Harlan moved, seconded by Council Member Termini, to adopt **Resolution No. 3856, Resolution Eliminating the Maintenance Worker Classification and the Addition of Maintenance Worker 1, 2, and 3 Classifications, Salary Schedules and Job Descriptions; Amending the Memorandum of Understanding between the Association of Capitola Employees (ACE) and the City of Capitola to add the New Classifications, Related Salary Schedules and Benefits effective February 24, 2011, and Authorizing Hiring One Maintenance 1 Position and the Recruitment and Hiring of a Maintenance Worker 3 Position**, 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.

6. COUNCIL/RDA DIRECTORS/STAFF COMMUNICATIONS

Mayor Norton reminded everyone that the speed limit in Capitola is 25 miles per hour and to “Shop Local.”

7. ADJOURNMENT

The City Council/Redevelopment Agency adjourned at 10:20 p.m. The City Council adjourned to an Adjourned Closed Session to be held at 12:30 p.m. on Monday, February 28, 2011, in the City Manager’s office and then to the next Joint Regular Meeting of the City Council/Redevelopment Agency to be held on Thursday, March 10, 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 MARCH 24, 2011