

# City of Capitola Agenda



Chair Michael Termini  
Vice Chair Jacques Bertrand  
Members: Ed Bottorff  
Stephanie Harlan  
Kristen Petersen

## CITY OF CAPITOLA, AS SUCCESSOR AGENCY TO THE FORMER CAPITOLA REDEVELOPMENT AGENCY

THURSDAY, JUNE 28, 2018

CITY COUNCIL CHAMBERS  
420 CAPITOLA AVENUE, CAPITOLA, CA 95010

### AFTER THE ADJOURNMENT OF THE CITY COUNCIL MEETING

*All correspondences received prior to 5:00 p.m. on the Wednesday preceding a Successor Agency Meeting will be distributed to Board Members to review prior to the meeting. Information submitted after 5 p.m. on that Wednesday may not have time to reach Board Members, nor be read by them prior to consideration of an item.*

*All matter listed on the City of Capitola Successor Agency Agenda shall be considered as Public Hearings.*

**1. ROLL CALL**

Members Kristen Petersen, Jacques Bertrand, Ed Bottorff, Stephanie Harlan, and Chair Michael Termini

**2. ADDITIONAL MATERIALS**

*Additional information submitted to the City after distribution of the agenda packet.*

**3. ADDITIONS AND DELETIONS TO THE AGENDA**

**4. PUBLIC COMMENTS**

*Oral Communications allows time for members of the Public to address the Successor Agency on any item not on the Agenda. Presentations will be limited to three minutes per speaker. Individuals may not speak more than once during Oral Communications. All speakers must address the entire legislative body and will not be permitted to engage in dialogue. All speakers are requested to print their name on the sign-in sheet located at the podium so that their name may be accurately recorded in the minutes. MAXIMUM of 30 MINUTES is set aside for Oral Communications at this time.*

5. **CONSENT CALENDAR**

*All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Successor Agency votes on the action unless members of the public or the Successor Agency request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Government.*

- A. Consider the May 30, 2018, Joint Budget Workshop Minutes  
RECOMMENDED ACTION: Approve minutes.

6. **GENERAL GOVERNMENT/PUBLIC HEARINGS**

*All items listed in "General Government" are intended to provide an opportunity for public discussion of each item listed. The following procedure pertains to each General Government item: 1) Staff explanation; 2) Council questions; 3) Public comment; 4) Council deliberation; 5) Decision.*

- A. Adopt the Fiscal Year 2018/2019 Budget  
RECOMMENDED ACTION: Approve the Resolution adopting the Fiscal Year 2018/2019 Successor Agency Budget.

7. **ADJOURNMENT**

**Note:** Any person seeking to challenge a Successor Agency decision made as a result of a proceeding in which, by law, a hearing is required to be given, evidence is required to be taken, and the discretion in the determination of facts is vested in the Successor Agency, shall be required to commence that court action within ninety (90) days following the date on which the decision becomes final as provided in Code of Civil Procedure §1094.6. Please refer to code of Civil Procedure §1094.6 to determine how to calculate when a decision becomes "final." Please be advised that in most instances the decision become "final" upon the Successor Agency's announcement of its decision at the completion of the public hearing. Failure to comply with this 90-day rule will preclude any person from challenging the Successor Agency decision in court.

**Notice regarding Successor Agency:** The Successor Agency meets as determined at adjournment of the Regular City Council Meeting, in the City Hall Council Chambers located at 420 Capitola Avenue, Capitola.

**Agenda and Agenda Packet Materials:** The Successor Agency Agenda and the complete agenda packet are available on the Internet at the City's website: [www.cityofcapitola.org](http://www.cityofcapitola.org). Agendas are also available at the Capitola Post Office located at 826 Bay Avenue, Capitola.

**Agenda Document Review:** The complete agenda packet is available at City Hall and at the Capitola Branch Library, 2005 Wharf Road, Capitola, prior to the meeting. Need more information? Contact the City Clerk's office at 831-475-7300.

**Agenda Materials Distributed after Distribution of the Agenda Packet:** Pursuant to Government Code §54957.5, materials related to an agenda item submitted after distribution of the agenda packet are available for public inspection at the Reception Office at City Hall, 420 Capitola Avenue, Capitola, California, during normal business hours.

**Americans with Disabilities Act:** Disability-related aids or services are available to enable persons with a disability to participate in this meeting consistent with the Federal Americans with Disabilities

CAPITOLA SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY  
REGULAR MEETING AGENDA

June 28, 2018

Act of 1990. Assisted listening devices are available for individuals with hearing impairments at the meeting in the City Council Chambers. Should you require special accommodations to participate in the meeting due to a disability, please contact the City Clerk's office at least 24-hours in advance of the meeting at 831-475-7300. In an effort to accommodate individuals with environmental sensitivities, attendees are requested to refrain from wearing perfumes and other scented products.

**Televised Meetings:** Successor Agency meetings are cablecast "Live" on Charter Communications Cable TV Channel 8 and are recorded to be rebroadcasted at 8:00 a.m. on the Wednesday following the meetings and at 1:00 p.m. on Saturday following the first rebroadcast on Community Television of Santa Cruz County (Charter Channel 71 and Comcast Channel 25). Meetings are streamed "Live" on the City's website at [www.cityofcapitola.org](http://www.cityofcapitola.org) by clicking on the Home Page link "Meeting Video". Archived meetings can be viewed from the website at anytime.



# CAPITOLA SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY AGENDA REPORT

**MEETING OF JUNE 28, 2018**

FROM: City Manager Department

SUBJECT: Consider the May 30, 2018, Joint Budget Workshop Minutes

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RECOMMENDED ACTION: Approve minutes.

DISCUSSION: Attached for Board review and approval are the minutes of the joint budget workshop of May 30, 2018.

ATTACHMENTS:

1. 5-30 joint budget minutes draft

Report Prepared By: Linda Fridy  
City Clerk

**Reviewed and Forwarded by:**

A handwritten signature in blue ink, appearing to be "JG", is written over a horizontal line.

Jamie Goldstein, City Manager

6/21/2018

**DRAFT  
CAPITOLA CITY COUNCIL/SUCCESSOR AGENCY  
JOINT BUDGET STUDY SESSION  
WEDNESDAY, MAY 30, 2018 – 6 PM**

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Council Member Stephanie Harlan: Present, Council Member Ed Bottorff: Present, Mayor Michael Termini: Present, Vice Mayor Jacques Bertrand: Present, Council Member Kristen Petersen: Present.

Treasurer Peter Wilk was present.

**2. ADDITIONAL MATERIALS - None**

**3. ADDITIONS AND DELETIONS TO THE AGENDA - None**

**4. PUBLIC COMMENT - None**

**5. CITY COUNCIL / SUCCESSOR AGENCY / CITY TREASURER / STAFF COMMENTS**

Treasurer Wilk encouraged public comment and suggestions about options for addressing future budget concerns.

Council Member Bottorff responded to a previous suggestion to sell the Rispin mansion and noted that the City has struggled for more than 30 years with finding a use for it.

Mayor Termini said the Twilight Concerts begin next Wednesday.

**6. CONSENT CALENDAR**

A. Consider Approval of the May 16, 2018, Joint City Council/Successor Agency Meeting Minutes

RECOMMENDED ACTION: Approve minutes.

<b>MOTION:</b>	<b>APPROVE AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Stephanie Harlan, Council Member
<b>SECONDER:</b>	Ed Bottorff, Council Member
<b>AYES:</b>	Harlan, Bottorff, Termini, Bertrand, Petersen

**7. GENERAL GOVERNMENT / PUBLIC HEARINGS**

A. Continue Discussion of the Proposed 2018/2019 Fiscal Year Budget for the City of Capitola and the Capitola Successor Agency, with an Overview of the Capital Improvement Program [330-05/780-30]

RECOMMENDED ACTION:

1. Receive a presentation on the FY 2018-19 proposed budgets,
2. Provide staff direction on the proposed budgets,
3. Determine whether or not to allow a new agency or organization to apply for the existing Community Grant Program for the upcoming grant cycle, and
4. Continue budget deliberations to the next scheduled joint budget hearing on June 6, 2108.

City Manager Jamie Goldstein and Finance Director Jim Malberg provided an overview

Attachment: 5-30 joint budget minutes draft (Approval of Budget Workshop Minutes)

CAPITOLA CITY COUNCIL /SUCCESSOR AGENCY  
 JOINT BUDGET STUDY SESSION MINUTES  
 May 30, 2018

and update. Based on recent reports, sales tax receipts are slowing and other revenues are leveling out. The budget has been updated to reflect reduced sales tax revenues both in general fund and city sales tax measures. Funds from Measure F continue to be directed to wharf, jetty and flume projects, but revenue was reduced about \$10,000.

Public Works Director Steve Jesberg offered a look at how Public Works staff divides its time. The only flexibility is within capital improvement (CIP) and community (unscheduled) projects. Demands for administration, permits, public assistance, storm water programs, and development review demands remain constant over the years. Recent examples of unscheduled community projects are:

- Topaz Street & Jewel Box traffic
- Village employee permit parking
- Parking & loading issues along Capitola Ave.
- Trees - Park Avenue & Rispin
- Creek access at railroad trestle
- Perry Park restoration
- Code enforcement

The library is the major project for coming year.

Director Malberg reviewed the proposal for the Community Grant Program and housing funds.

City Manager Goldstein noted the City will spend the next year or more looking at ways to address the increase in Public Employee Retirement System (PERS) costs. Early options for increased revenue are a cannabis tax, a new hotel, increased transient occupancy tax, new sales taxes, updating the fee schedule, and contract services. Expenditure reductions would be based on City Council priorities.

The existing PERS trust may earn more than the current 1.8 percent general fund return, but short-term market investment is more volatile. The PERS fund contains about \$800,000 and could be used any year toward pension expenses.

There was Council consensus to accept only applications from current grantees.

Council Member Harlan clarified reasonings for reductions in contracts for United Way, recycling, and fish monitoring.

Council Member Bottorff asked about funding status for the sidewalks on Park Avenue and the Rispin Park. Director Jesberg responded that he anticipates a shortage for the Rispin project of about \$100,000, but Park Avenue should be fully funded.

Council Member Bertrand confirmed that the Rispin project will be the full grounds except for the fountain. Staff also explained the process going forward to contract for Community Development Block Grants.

The Finance Advisory Committee has recommended keeping all the fund balance liquid. Council Member Bottorff would like to fully fund Rispin Park with the remaining fund balance. Staff confirmed that leaving money in the fund balance would keep those funds available when bids come in.

Council Member Harlan agreed that is important to discuss long-term budget options.

CAPITOLA CITY COUNCIL /SUCCESSOR AGENCY  
JOINT BUDGET STUDY SESSION MINUTES  
May 30, 2018

The council reached consensus support for the draft budget as amended.

<b>MOTION:</b>	<b>DIRECT STAFF TO PREPARE RESOLUTIONS TO ADOPT THE AMENDED BUDGET ON JUNE 28 AND CANCEL THE JUNE 6 AND JUNE 21 BUDGET WORKSHOP MEETINGS</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>SECONDER:</b>	Jacques Bertrand, Kristen Petersen
<b>AYES:</b>	Harlan, Bottorff, Termini, Bertrand, Petersen

**8. ADJOURNMENT**

The meeting adjourned at 6:43 p.m.

\_\_\_\_\_  
Michael Termini, Chair

ATTEST:

\_\_\_\_\_  
Linda Fridy, Secretary

DRAFT

Attachment: 5-30 joint budget minutes draft (Approval of Budget Workshop Minutes)



# CAPITOLA SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY AGENDA REPORT

**MEETING OF JUNE 28, 2018**

FROM: Finance Department

SUBJECT: Adopt the Fiscal Year 2018/2019 Budget

**RECOMMENDED ACTION:** Approve the Resolution adopting the Fiscal Year 2018/2019 Successor Agency Budget.

**BACKGROUND:** The Proposed Fiscal Year (FY) 2018/2019 Successor Agency Budget was presented to the City Council/Successor Agency at the May 16, 2018, special meeting. The City Council/Successor Agency held a second public budget hearing on May 30, 2018, to review the proposed budget and receive public comments. At the end of that budget hearing, staff was directed to prepare a Resolution to adopt the Fiscal Year 2018/2019 Successor Agency Budget without any changes.

**DISCUSSION:** The Successor Agency Budget is comprised of payments of approved obligations that are authorized through Recognized Obligation Payment Schedules (ROPS). Funding for the obligations comes from property tax proceeds allocated to a Redevelopment Property Tax Trust Fund (RPTTF). The Department of Finance, State Controller's Office, and Santa Cruz County Auditor-Controller audit each ROPS submission, prior period adjustment report, and RPTTF cash flow and balance.

The Resolution necessary to adopt the Fiscal Year 2018/19 Successor Agency Budget is attached, along with Exhibit A, which shows a summary of revenues and expenditures for the year.

**FISCAL IMPACT:** The fiscal impact by adopting the Capitola Successor Agency Budget is represented in the attached summary (Exhibit A).

**ATTACHMENTS:**

1. FY 2019 Successor Agency Fund Summary cw (PDF)

Report Prepared By: Jim Malberg  
Finance Director



Adopt Fiscal Year 2018/2019 Budget  
June 28, 2018

**Reviewed and Forwarded by:**



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Jamie Goldstein, City Manager      6/21/2018

Adopt Fiscal Year 2018/2019 Budget  
June 28, 2018

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE SUCCESSOR AGENCY TO THE  
FORMER REDEVELOPMENT AGENCY OF THE CITY OF CAPITOLA  
ADOPTING THE 2018/2019 FISCAL YEAR SUCCESSOR AGENCY BUDGET**

**WHEREAS**, it is necessary to adopt the 2018/2019 Fiscal Year Budget for the Successor Agency to the former Redevelopment Agency of the City of Capitola; and

**WHEREAS**, the Successor Agency Board has conducted budget study sessions, has heard and considered public comments, and has modified the proposed budget accordingly, and wishes to adopt such budget for the Fiscal Year July 1, 2018, through June 30, 2019; and

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the Board of Directors of the Successor Agency to the Redevelopment Agency of the City of Capitola that the 2018/2019 Fiscal Year Budget is hereby adopted, including Exhibit A (Fund Summary); and

**BE IT FURTHER RESOLVED** that the Finance Director is directed to enter the budget into the Successor Agency's accounting records in accordance with appropriate accounting practices, and the City Manager/Executive Director, with the Finance Director's assistance, shall assure compliance therewith.

**I HEREBY CERTIFY** that the foregoing Resolution was passed and adopted by the Board of Directors of the Successor Agency to the Redevelopment Agency of the City of Capitola on the 28<sup>th</sup> day of June, 2018, by the following vote:

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

\_\_\_\_\_  
Michael Termini, Chair

ATTEST:

\_\_\_\_\_  
Linda Fridy, Secretary

### FY 2018-19 Successor Agency Summary

	Estimated Balance 7/1/2018	Revenues	Transfers In	Expenditures	Transfers Out	Estimated Balance 6/30/2019
Successor Agency	\$ 370,928	\$ 264,387	\$ -	\$ 264,387	\$ -	\$ 370,928

Attachment: FY 2019 Successor Agency Fund Summary cw (Adopt Fiscal Year 2018/2019 Budget)