

City of Capitola

City Council Meeting Minutes

Thursday, March 26, 2026 – 6:00 PM



City Council Chambers
420 Capitola Avenue, Capitola, CA 95010

Mayor: Margaux Morgan

Vice Mayor: Gerry Jensen

Council Members: Joe Clarke, Melinda Orbach, Susan Westman

Closed Session – 5 PM

- i. CONFERENCE WITH LEGAL COUNSEL—LIABILITY CLAIMS (Gov. Code § 54956.95)
Claim Against the City of Capitola
Claimant: Esther Francis Schrank
- ii. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Govt. Code § 54957(b))
City Council's Performance Evaluation of the City Manager

Regular Meeting of the Capitola City Council – 6 PM

1. **Roll Call and Pledge of Allegiance** - *The meeting was called to order at 6:04 PM. In attendance: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, and Mayor Morgan.*
2. **Additions and Deletions to the Agenda** – *None*
3. **Presentations**
 - A. *The Mayor presented certificates of recognition to participants of "Discover Capitola."*
4. **Report on Closed Session** – *The City Council met and discussed two items on the Closed Session agenda. No reportable action was taken.*
5. **Additional Materials**
 - A. *Closed Session Item ii – One email received after publication of the agenda packet.*
 - B. *Item 8E – Two emails received after publication of the agenda packet*
 - C. *Item 8F – Two staff memorandums and one email received after publication of the agenda packet*
 - D. *Item 9A – Three emails received after publication of the agenda packet.*
 - E. *Item 9B – One email received after publication of the agenda packet.*
 - F. *Item 9D – One staff memorandum received after publication of the agenda packet.*
6. **Oral Communications by Members of the Public**
 - *Heidy Kellison*
 - *Goran Klepic*
 - *Bob Morgan*
 - *Joe McGinty*

7. Staff / City Council Comments

- *Community and Economic Director Herlihy provided an update on the 41st Avenue Corridor Study.*
- *Council Member Clarke invited the public to the Art and Cultural Commission meeting on April 14th where the Commission will review the Monterey Avenue railing and the Park at Rispin Mansion mosaic art projects.*
- *Council Member Orbach provided an update on the Friends of the Santa Cruz Metro campaign kickoff.*
- *Council Member Westman requested the Bay Avenue roundabout discussion be scheduled for the May 14th City Council meeting; provided updates from a recently attended Senior Advisory Board Meeting; inquired about the process to install speed bumps; and requested the City Attorney clarify when recusals are necessary.*
- *Vice Mayor Jensen provided updates on the recently attended Santa Cruz Regional Transportation Commission meeting, the Park Avenue fence project, and Visit Santa Cruz.*

8. Consent Items

- A. City Council Meeting Minutes
Recommended Action: Approve minutes from the regular meeting on March 12, 2026, and the special meeting on March 16, 2026.
- B. City Check Registers
Recommended Action: Approve check registers dated January 16, 2026, January 30, 2026, February 13, 2026, and February 20, 2026.
- C. Liability Claims Against the City of Capitola
Recommended Action: Deny liability claim submitted by Esther Francis Schrank.
- D. Santa Cruz County Multi-Jurisdictional Hazard Mitigation Plan Update
Recommended Action: Adopt a resolution adopting the Santa Cruz County Multi-Jurisdictional Hazard Mitigation Plan (MJHMP) 2025 Update, including Volume 1 and the City of Capitola Annex contained in Volume 2. **(Resolution No. 4478)**
- E. Capitola Mall and Objective Standards Zoning Code Amendments
Recommended Action: Adopt an ordinance amending Capitola Municipal Code Title 17: Zoning.
- F. Housing Element Annual Progress Report 2025
Recommended Action: Receive report and direct staff to submit the annual report to the California Department of Housing and Community Development (HCD) by April 1, 2026.

Vice Mayor Jensen requested to pull Items 8A and 8E.

Motion to approve the Consent Calendar Items 8B-D and 8F: Council Member Orbach

Second: Council Member Westman

Voting Yea: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, Mayor Morgan

9. General Government / Public Hearings

- A. Stockton Avenue Bridge Investigation Update
Recommended Action: Receive report on the Stockton Avenue Bridge investigation.

Public Works Director Kahn presented the staff report.

Public Comment:

- ***Carin Hannah***

B. Community Action Board Appointment

Recommended Action: Appoint a representative to the Santa Cruz County Community Action Board.

Deputy City Clerk Wyatt presented the staff report.

Public Comment:

- ***Helen Ewan-Storey***

Motion to appoint Manuel Castro to a term expiring December 31, 2027: Council Member Orbach

Second: Council Member Westman

Voting Yea: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, Mayor Morgan

C. Local Roadway Safety Plan

Recommended Action: Receive an informational presentation on the draft Local Roadway Safety Plan (LRSP) and provide feedback.

Public Works Director Kahn presented the staff report.

Public Comment:

- ***Kevin Maguire***

D. 41st Avenue Pavement Rehabilitation and Multimodal Improvements

Recommended Action: 1) Award a construction contract to Granite Rock Company for the 41st Avenue Pavement Rehabilitation and Multimodal Improvements Project in the amount of \$2,037,868; and 2) adopt a resolution amending the FY 2025-26 Budget in the amount of \$239,500 from RMRA and Measure D Funds and \$60,000 from the Gas Tax Fund identified in the FY 2025-26 Mid-Year Budget Report.

Public Works Director Kahn presented the staff report.

Public Comment: None

Motion to award a construction contract to Granite Rock Company; adopt Resolution No. 4479 amending the FY 2025-26 Budget: Council Member Orbach

Second: Vice Mayor Jensen

Voting Yea: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, Mayor Morgan

E. FY 2026-27 Budget Principals and Goals

Recommended Action: 1) Review progress and status of adopted 2025-27 Strategic Plan Priorities; and 2) Identify goals and related key projects for Fiscal Year 2026-27.

City Manager Goldstein and Administrative Services Director Malberg presented the staff report.

Public Comment: None

City Council identified the following as goals and related key projects for Fiscal Year 2026-27: enhancing Capitola Village, implementing a Nexus Study, exploring backup energy sources, exploring Transient Occupancy Tax modifications, Bay Ave Corridor improvements, 41st Avenue Corridor improvements, updating the Climate Action Plan, investigating the Capitola Trestle, Cliff Drive Resiliency Project, Sidewalk Infill Project,

Stockton Avenue Bridge Replacement Project, Esplanade Park Project, Pavement Management Plan, Grand Avenue Bluff Plan, and the Capitola Wharf Project.

8. Consent Items Pulled for Discussion

A. City Council Meeting Minutes

Recommended Action: Approve minutes from the regular meeting on March 12, 2026, and the special meeting on March 16, 2026.

Vice Mayor Jensen requested that his speech from the March 16th special meeting be recorded in the minutes.

Public Comment: None

Motion to approve the March 16th meeting minutes with the addition of Vice Mayor Jensen’s speech: Council Member Orbach

Second: Council Member Westman

Voting Yea: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, Mayor Morgan

E. Capitola Mall and Objective Standards Zoning Code Amendments

Recommended Action: Adopt an ordinance amending Capitola Municipal Code Title 17: Zoning. **(Ordinance No. 1075)**

Vice Mayor Jensen requested that Merlone Geier include local unions in any future Capitola Mall redevelopment.

Public Comment: None

Motion to adopt Ordinance No. 1075 amending Capitola Municipal Code Title 17, with a request to encourage Merlone Geier to include local unions in the potential future Capitola Mall redevelopment: Council Member Westman

Second: Vice Mayor Jensen

Voting Yea: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, Mayor Morgan

10. Adjournment

The meeting adjourned at 8:20 PM. The next regularly scheduled City Council meeting is on April 9, 2026, at 6:00 PM.

Margaux Morgan, Mayor

ATTEST:

Rosie Wyatt, City Clerk