City of Capitola
City Council Meeting Minutes
Thursday, July 23, 2026 – 5:00 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 – 4:30 PM

i. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant Exposure to Litigation (Gov. Code § 54956.9(d)(2), (e)(1)
One Case

Regular Meeting of the Capitola City Council – 5 PM

1. **Roll Call and Pledge of Allegiance** – *The meeting was called to order at 5:00 PM. In attendance: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, and Mayor Morgan.*

2. **Additions and Deletions to the Agenda –** *None*

   Council Member Westman requested to continue Item 9C to a future meeting so that it could be consolidated with the discussion regarding Rule 20A credits. The Mayor did not agree with her request but agreed to restrict Item 9C's discussion to solely a discussion of the intersection of Bay Avenue and Hill Street.

3. **Presentations –** *None*

4. **Report on Closed Session –** *The City Council met and discussed one item on the Closed Session agenda. No reportable action was taken.*

5. **Additional Materials**

   A. *Item 6 – One email received after publication of the agenda packet.*

   B. *Item 9B – Five emails received after publication of the agenda packet.*

   C. *Item 9C – One email received after publication of the agenda packet.*

6. **Oral Communications by Members of the Public**

   - *Heidy Kellison*
   - *Goran Klepic*

7. **Staff / City Council Comments**

   - *The City Clerk advised the public that the nomination period for the 2026 General Election was underway.*
   - *Community and Economic Development Director Herlihy advised the public that the City is conducting public outreach for the 41st Avenue Corridor Study in the form of a public survey and targeted stakeholder outreach. The survey will be available for the duration of the month of August.*

- *Police Chief Ryan provided comments on the incident that occurred at the Capitola Mall on July 20th that resulted in the death of a Capitola resident.*
- *Council Member Clarke echoed the Police Chief's comments and shared condolences to the victim's friends and family.*
- *Council Member Orbach expressed her condolences to the victim's friends and families and thanked the Police Department for their actions. She also provided comments on her attendance at a recently attended Santa Cruz METRO Board meeting.*
- *Council Member Westman extended sympathy to the victim and their family and thanked the Police Department for their work. Council Member Westman requested a review of the City Manager's performance for the first meeting in September.*
- *Vice Mayor Jensen thanked the Police Department for their action this week and requested that the Police Department pass along the thanks of the City Council to allied agencies who participated in the incident and shared his condolences to the victim's family. Vice Mayor Jensen requested that the City's Emergency Operations Plan (coming to the City Council in the fall) include a discussion of City staffing impacts and participation. He also requested clarification on the Police Department's current staffing levels. The Police Chief provided a response.*
- *The Mayor reminded the public that the Wharf to Wharf race will be held on July 26th and commended the Public Works Department on their outreach efforts for the Esplanade Park project. The Mayor also took a moment to honor the victim, Rachell Summers, and shared condolences with her friends and family.*

8. Consent Items

A. City Council Meeting Minutes
Recommended Action: Approve minutes from the special and regular meetings on June 25, 2026.

B. Declaration of Surplus Vehicles and Authorization for Disposal
Recommended Action: Declare the listed City vehicles as surplus property and authorize the City Manager, or designee, to dispose of the vehicles in accordance with Administrative Policy III-8, Surplus Property.

C. Human Resources Information System Agreement
Recommended Action: Authorize the City Manager to execute a three-year agreement with NeoGov in the total amount of $93,523, using a form approved by the City Attorney.

D. PLHA Resolution
Recommended Action: Adopt a resolution authorizing the City Manager to execute the Permanent Local Housing Allocation (PLHA) Program Application 5-year plan, the PLHA Standard Agreement, and any subsequent amendments or modifications thereto, as well as any other documents that are related to the Program or the PLHA grant award. ***(Resolution No. 4501)***

E. California Highway Patrol Cannabis Tax Fund Grant
Recommended Action: Adopt a resolution accepting a California Highway Patrol Cannabis Tax Fund Grant in the amount of $200,900.32 and amending the FY 2026-27 General Fund operating budget to increase revenues and expenditures by $200,900.32 related to the grant award. ***(Resolution No. 4502)***

F. Grant Funding for Beach and Wharf Accessibility Improvements
Recommended Action: 1) Accept grant funding totaling $43,362.63 through the Beach and Coast Accessibility Program administered by Orange County Coastkeeper and funded by the State Coastal Conservancy; 2) adopt a resolution amending the FY 2026-27 Budget to appropriate grant revenues and expenditures for beach and wharf accessibility improvements;

and 3) authorize the City Manager to execute any documents necessary to implement the grant-funded improvements. ***(Resolution No. 4503)***

G. SUESD ELO-P Services Agreement
Recommended Action: Authorize the City Manager to execute a services and facility agreement between the City of Capitola and the Soquel Union Elementary School District (SUESD) for Expanded Learning Opportunities Program services and the use of the Opal Cliffs facility for the period of July 1, 2026 through June 30, 2028, with compensation to the City in the amount of $66,000.

H. Park at Rispin Mansion Project Completion
Recommended Action: 1) Accept as complete the Park at Rispin Mansion Project constructed by Betz Works Inc. at a final cost of $1,082,118; 2) authorize the City Clerk to file and record a Notice of Completion; 3) adopt a resolution amending the FY 2026-27 Adopted Budget to allocate $32,838 for final project expenditures; and 4) authorize the release of the contract retention of $52,464 as prescribed in the construction agreement. ***(Resolution No. 4504)***

Vice Mayor Jensen provided comments on Items 8F and 8E.

Motion to approve the Consent Calendar: Council Member Orbach
Second: Council Member Westman
Voting Yea: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, and Mayor Morgan

9. General Government / Public Hearings

A. Public Art Statue: "To Honor the Women of the Water"
Recommended Action: 1) Approve the Art and Cultural Commission's recommendation for a public artwork titled "To Honor the Women of the Water"; and 2) direct staff to pursue a partnership with County Park Friends for a fundraising campaign to fund the fabrication and installation of the statue.

Community Services and Recreation Director Bryant provided the staff report.

Public Comment:

- ***Speaker***
- ***Speaker***
- ***Heidy Kellison***
- ***Tricia Wiltshire***
- ***Speaker***
- ***Christopher Lochhead***

The City Council thanked the applicant for their proposal and for considering Capitola.

Motion to accept and approve the Art and Cultural Commission's recommendation for a public artwork titled "To Honor the Women of the Water", direct staff to work with the applicant on their proposal, and direct staff to pursue a funding agreement with County Park Friends: Vice Mayor Jensen
Second: Mayor Morgan
Motion amended to state that the art proposal move forward without delay due to the Esplanade Park project currently underway: Council Member Clarke
Amendment Accepted: Vice Mayor Jensen, Mayor Morgan
Voting Yea: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, and Mayor Morgan

The Mayor reorganized the agenda to hear Item 9D before Item 9B at 6:15 PM. The City Council took a recess at 6:02 PM and reconvened at 6:15 PM.

B. Fourth Public Hearing to Receive Community Input and Provide Direction to Staff Regarding the Draft Maps and Sequence of District-Based Elections & Introduction of Ordinance
Recommended Action: 1) Conduct a **time-certain duly noticed public hearing at 6:15 PM** to receive community input and provide direction to staff regarding the submitted draft maps and sequence of elections for district-based council elections; 2) Select a District Map; 3) Select the Sequencing of the District Seat(s) to be up for election in 2028, 2030, etc.; and 4) Conduct First Reading/Introduce and waive further reading of an ordinance of the City of Capitola amending Chapter 2.04 of Title 2 of the Capitola Municipal Code to provide for the election of City Council Members by four districts with an elected mayor; establish district boundaries and election order for each district; and make other amendments.

City Clerk Gautho and Doug Johnson, National Demographics Corporation, provided the staff report.

Public Comment:

- ***Cami Corvin***

Council Members shared their top map selections:
Council Member Clarke: 412, 411, 415
Council Member Orbach: 412, 411
Council Member Westman: 412, 411, 415
Vice Mayor Jensen: 412, 411, 415
Mayor Morgan: 413, 412

Motion to select Map 412 for inclusion in the ordinance: Council Member Westman
Second: Council Member Orbach
Voting Yea: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, and Mayor Morgan

The City Council discussed the sequencing of the districts and deliberated the best selection process for the onboarding of districts in upcoming election cycles. The City Council opted to flip a coin to determine which district between 2 and 3 would be on the ballot in 2028. The outcome of the coin toss was that District 3 will be included on the ballot in 2028.

Motion that District 3 be listed on the ballot in 2028 alongside the Citywide elected Mayor seat: Mayor Morgan
Second: Council Member Westman
Voting Yea: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, and Mayor Morgan

City Attorney Tran read changes to the proposed ordinance into the record to reflect the Council's decisions thus far.

Motion to introduce and waive the first reading of Ordinance No. 1076 amending Chapter 2.04 of the CMC to transition to district elections: Council Member Orbach
Second: Council Member Clarke
Voting Yea: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, and Mayor Morgan

C. Bay Avenue Corridor Safety Improvement Priorities

Recommended Action: Receive an update regarding Bay Avenue corridor safety improvements, including proposed pedestrian, bicycle, and roadway safety enhancements; review available and pending funding opportunities; and provide direction regarding implementation priorities and advancement of design.

The City Council requested that the item be limited to discussion of the intersection of Bay Avenue/Hill Street/and Center Avenue. Public Works Director Kahn provided the staff report.

Public Comment:

- ***Nels Westman***
- ***Speaker***

Council expressed interest in the implementation of solar lighting at the discussed intersections and requested that staff provide information or examples of existing solar lighting so the Council can review. The Council also requested that staff inform Congressman Panetta that the City intends to complete a crosswalk project at the intersection of Bay Avenue and Center that features a raised crosswalk, safety lighting, and inform the Congressman that the project will be implemented once traffic counts are reviewed by the City Council.

Motion to direct staff to implement lighting at the intersection of Bay Avenue and Hill Street, request that staff return to the City Council in August provide additional traffic counts, and based on the traffic data, direct staff to implement a raised crosswalk at the intersection of Center and Bay Avenue: Council Member Westman
Second: Vice Mayor Jensen, with the addition that the Council will continue to discuss this item at the August Council meeting.
Voting Yea: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, and Mayor Morgan

D. Cliffwood Heights Neighborhood Rehabilitation Project
Recommended Action: Approve the proposed planning scope for the Cliffwood Heights Neighborhood Rehabilitation Project and provide additional direction, if any. ***(Agenda reorganized so that Item 9D was heard/discussed before Item 9B)***

Public Works Director Kahn provided the staff report.

Public Comment: None

The City Council expressed support for the project.

Motion to approve the proposed planning scope for the Cliffwood Heights Neighborhood Rehabilitation Project: Council Member Clarke
Second: Council Member Orbach
Voting Yea: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, and Mayor Morgan

The City Council took a recess from 6:02 PM and reconvened at 6:15 PM.

E. Transportation Project Coordination and Phasing Overview
Recommended Action: Receive a presentation regarding transportation project coordination, interrelationships, and anticipated project phasing and provide direction, if any.

Public Works Director Kahn provided the staff report.

Public Comment:

- ***Speaker***

The Council requested that this item return on a regular basis and that the presentation be uploaded to the City website so the public may access it regularly.

10. Adjournment

The Mayor announced that on August 25th at noon, the City will be hosting "Jade Street Park Reimagined," the grand opening of new facilities at Jade Street. The meeting adjourned at 8:06 PM. The next regularly scheduled City Council meeting is on August 27, 2026, at 6:00 PM.

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Margaux Morgan, Mayor

ATTEST:

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Julia Gautho, City Clerk