

City of Capitola

Special City Council Meeting - Budget Minutes



Thursday, May 21, 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

Special Meeting of the Capitola City Council – 6 PM

- 1. Roll Call and Pledge of Allegiance** – *In attendance: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, and Mayor Morgan.*
- 2. Additions and Deletions to the Agenda** – *None*
- 3. Additional Materials**
 - A. *Item 5A – Four emails received after publication of the agenda packet.*
 - B. *Item 5C – One email received after publication of the agenda packet.*
- 4. Oral Communications by Members of the Public** – *None*
- 5. General Government / Public Hearings**

- A. Presentation of the Proposed Fiscal Year 2026-27 Operation Budget and 5-year Capital Improvement Program

Recommended Action: Receive the proposed budget, provide staff direction, and either: 1) continue budget deliberations to the next scheduled budget hearing on June 11, 2026, or 2) direct staff to prepare the documents for final budget adoption at a regular meeting in June and cancel future planned budget hearings.

Administrative Services Director Malberg and Public Works Director Kahn presented the staff report.

Public Comments:

- ***Cami Corvin***
- ***Teresa Green***

The Council provided direction to staff to include a line item that highlights Measure Y revenues and allows the Council to allocate the Measure Y funding to specific projects.

Motion to direct staff to prepare the documents for final budget adoption at the June 11th meeting and cancel future planned budget hearings: Council Member Orbach

Second: Council Member Morgan

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

The City Council took a recess at 8:17 PM and reconvened at 8:20 PM.

B. Reprogramming of RTIP Funds for Capitola Trestle

Recommended Action: Authorize staff to submit a request to the Santa Cruz County Regional Transportation Commission (RTC) to reprogram up to \$200,000 in Regional Transportation Improvement Program (RTIP) funds currently programmed to the City to support preliminary planning work for the Capitola Trestle.

Public Works Director Kahn presented the staff report.

Public Comments:

- ***Paula Bradley***

Motion to authorize staff to submit a request to the RTC to reprogram up to \$200,000 in RTIP funds currently programmed to the City to support preliminary planning work for the Capitola Trestle which will support Capitola's Measure L and further the effort to get a trail across Santa Cruz County to be used by pedestrians and cyclists: Council Member Westman

Second: Council Member Clarke

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

Voting Nay: Council Member Orbach

C. Programming of Remaining RTIP Funds to Support Grant Leveraging and Project Development

Recommended Action: Receive information regarding available transportation funding and provide direction to staff to: 1) Program approximately \$50,000 in remaining RTIP funds toward local match requirements for the Bay Avenue improvements; 2) Reserve the remaining approximately \$300,000 in RTIP funds to leverage future Safe Streets and Roads for All (SS4A) grant funding for additional active transportation and roadway safety improvements; and 3) Program approximately \$50,000 in remaining RTIP funds toward development of a shovel-ready Community Development Block Grant (CDBG) application for roadway and pedestrian improvements within the Cliffwood Heights neighborhood.

Public Works Director Kahn presented the staff report.

Public Comments: None

The City Council supported staff's recommendation regarding usage of available transportation funding.

Motion to approve staff's recommended action: Council Member Orbach

Second: Council Member Clarke

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

6. Adjournment

The meeting adjourned at 8:58 PM. The next regularly scheduled City Council meeting is on May 28, 2026, at 6:00 PM.

Margaux Morgan, Mayor

ATTEST:

Julia Gautho, City Clerk