

City of Capitola

City Council Meeting Agenda

Thursday, January 22, 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 – 5:30 PM

- i. CONFERENCE WITH LEGAL COUNSEL—LIABILITY CLAIMS (Gov. Code § 54956.95)
Claims Against the City of Capitola
1) Celeste Baylor
- ii. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Govt. Code. §54956.9(d)(2).
One Case

Regular Meeting of the Capitola City Council – 6 PM

1. **Roll Call and Pledge of Allegiance** - *The meeting was called to order at 6:02 PM. In attendance: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, and Mayor Morgan.*
2. **Additions and Deletions to the Agenda** – *None*
3. **Report on Closed Session** – *The City Council met and discussed two items on the Closed Session agenda. No reportable action was taken.*
4. **Additional Materials**
 - A. *Item 7F - Staff memorandum and updated agreement distributed after publication of the agenda packet.*
 - B. *Item 8A – Four pieces of correspondence received after publication of the agenda packet.*
 - C. *Item 8B – Two pieces of correspondence received after publication of the agenda packet.*
 - D. *Item 8A - Staff memorandum with updated Exhibit A distributed after publication of the agenda packet.*
5. **Oral Communications by Members of the Public**
 - *Goran Klepic*
 - *Keith Cahalen*
 - *Mick Routh*
 - *Loreal Weitzel*
 - *Natasha Herzig*
 - *Linda Smith*
 - *Tiffany Hsu*
 - *Lin Hsu*
 - *Cheryl*

6. Staff / City Council Comments

- Council Member Westman provided updates on her attendance at a recent AMBAG meeting; and provided comments on the City's work to update the Zoning Code and create objective standards for the review of development of the Capitola Mall.
- Vice Mayor Jensen thanked the speakers from the Arukah Project for their comments; provided updates on his attendance at a recent SCCRTC meeting; commended El Toro Bravo on their reopening; and provided comments on the recent complaint received by the Department of Housing and Community Development. Council Member Jensen requested his comments be included in the meeting minutes, a copy of which is included below:

I'd like to take a few additional minutes to address an issue that has given me pause, prompting reflection and a careful consideration of its impact on our community's trust. I don't usually prepare my comments or read from the dais, but this situation felt important to speak about directly. First, I want to publicly thank Planning Director Katie Herlihy, her staff, and our consultants for their dedication and the countless hours they've invested in navigating the State's new housing mandates. These mandates are complex, time-sensitive, and critically important to our community's future. Their work has consistently demonstrated a commitment to protecting the community's interests, and that commitment has not gone unnoticed. I especially want to acknowledge the department's outreach. As many of you know, I have consistently advocated for transparency, open communication, and bringing our community together and over the past year, I have seen a major improvement in outreach. This is something I am deeply passionate about. Our community is supportive of providing affordable housing and doing its part to meet broader regional needs. I also believe the Capitola community is committed to meeting State housing requirements while ensuring that the process includes genuine community involvement and transparency. To date, under Katie's leadership, the City has been and continues to be dedicated to delivering on that commitment with respect to the housing element. We have hosted community meetings, discussed the topic at numerous Planning Commission and City Council meetings, and in every setting, the public has been given opportunities to comment, ask questions, and participate. In addition, each councilmember has an appointed Planning Commissioner who serves as another point of input and engagement. Katie has personally responded to community emails, and her professionalism in those exchanges has been and continues to be outstanding. I also want to thank our Planning Commissioners, Chair Christian, Vice Chair Kieu, and Commissioners Welch, Howard, and Estey for their dedication, guidance, and commitment to this issue, with full transparency and without an agenda other than the best interest of the City. And finally, the City has remained in direct communication with HDC, keeping them updated on the status and timelines related to the Capitola Mall project, which further reflects the City's good-faith effort to communicate clearly and consistently. I want to address my concern directly. Despite the City's extensive outreach and transparency, a complaint was filed at the state level, bypassing local opportunities for engagement to advance an agenda. I understand that people can feel frustrated or unheard, but circumventing the local process does a disservice to the community. It misrepresents the status of the process which, as of today, has not received any formal action from either the Planning Department or City Council and places additional legal and administrative burdens on staff already working under significant time pressures. This is not constructive civic engagement; it is disruptive, unnecessary, and adds strain to those who are diligently serving our community. Katie, thank you again. You and your team are operating under intense time constraints, and your professionalism continues to represent our City with integrity. I can only imagine the added workload now facing your department due to this complaint, as well as the potential additional cost to the City at a time when we are already operating under budget constraints. To our community members: if someone has concerns about this process or any other topic the appropriate place to raise them is here in this chamber, at our public meetings, and through direct communication with staff and elected officials. Each council member is available to hear from members of the

community to share their perspective. While frustration or impatience can be understandable, going outside the process to advance an agenda is not how we solve community issues, and it should not become the norm. We can and should disagree. Disagreement is healthy. But it must be honest, transparent, and open and not self-serving. That is how we move forward together as one community, respecting both the process and each other. I would also like to request that my detailed comments are reflected in meeting minutes.

- *Council Member Orbach thanked the speakers from the Arukah Project; requested that the City issue a proclamation recognizing January as Human Trafficking Month; provided comments on the upcoming ceremony celebrating the installation of solar panels at the Capitola Library; provided comments on the complaint submitted by her husband to the Department of Housing and Community Development.*
- *Mayor Morgan thanked the speakers from the Arukah Project and supported the request for a proclamation; provided comments on the complaint received by the Department of Housing and Community Development and clarified that staff will continue to work with the state on implementation of the Housing Element.*

7. Consent Items

A. City Council Meeting Minutes

Recommended Action: Approve minutes from the regular meeting on January 8, 2026.

B. City Check Registers

Recommended Action: Approve check registers dated November 28, 2025, and December 19, 2025.

C. Local Coastal Program Amendments for Cliff Drive Resiliency

Recommended Action: Adopt an ordinance amending Capitola Municipal Code Title 17: Zoning, Chapter 17.32 Parks and Open Space, Chapter 17.64 ESHA, Chapter 17.76 Parking and Loading, and Chapter 17.68 Geological Hazard (collectively, the “Zoning Code Amendments”) and authorizing submittal to the California Coastal Commission for Certification. **(Ordinance No. 1074)**

D. Liability Claim

Recommended Action: Deny liability claim from Celeste Baylor.

E. Fiscal Year 2026-27 Budget Calendar

Recommended Action: Approve the Budget Calendar for Fiscal Year (FY) 2026-27.

F. Use Agreement for Capitola City Hall Council Community Room

Recommended Action: Authorize the City Manager to execute an agreement with the Capitola Village and Wharf Business Improvement Area for use of the City Hall Community Room for the next three years.

Council Member Clarke requested to pull Item 7F.

Motion to approve the Consent Calendar Items 7A - 7E: Council Member Orbach

Second: Council Member Westman

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

8. General Government / Public Hearings

A. Offshore Oil Drilling

Recommended Action: Authorize the Mayor to submit a letter opposing the Bureau of Ocean Energy Management’s proposed 11th National Outer Continental Shelf Oil & Gas Leasing Program.

Public Works Director Kahn presented the staff report.

Public Comment:

- **Speaker**
- **Paula Bradley**
- **Morganna Johnson**
- **Darcie Connell**
- **Alexis, representing Assemblymember Dawn Addis**

The Council requested that this topic return for further discussion once the City and County of Santa Cruz update their ordinances to include reference to seabed mining.

Motion to authorize the Mayor to submit a letter opposing the Bureau of Ocean Energy Management’s proposed 11th National Outer Continental Shelf Oil & Gas Leasing Program: Council Member Jensen

Second: Council Member Clarke

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

- B. Support for Santa Cruz County Regional Transportation Commission Direction on Coastal Rail Trail Segments 10–11 and Evaluation of the Capitola Trestle**

Recommended Action: Adopt a resolution expressing support for the Santa Cruz County Regional Transportation Commission’s December 4, 2025 action advancing an Interim Trail configuration for Coastal Rail Trail Segments 9–11 and directing evaluation of the historic Capitola trestle for interim bicycle and pedestrian use.

Public Works Director Kahn presented the staff report.

Public Comment:

- **Paula Bradley**
- **Speaker**

The Council thanked the members of the RTC for their efforts on this project.

Motion to adopt Resolution No. 4473: Council Member Westman

Second: Council Member Clarke

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

Voting Nay: Council Member Orbach

- C. Introduction to Discover Capitola, the City’s Civic Engagement Program**

Recommended Action: Receive report.

Assistant to the City Manager Woodmansee presented the staff report.

Public Comment: None

- D. Temporary/Hourly Employee Pay Schedule**

Recommended Action: Adopt a resolution amending the temporary/hourly employee pay schedule. (Continued from December 11, 2025, City Council meeting)

Administrative Services Director presented the staff report.

Public Comment: None

Motion to approve the pay adjustment (Resolution No. 4474) and amend the FY 2025-26 Budget to forego the Council travel and training budget: Vice Mayor Jensen

Motion amended to include retroactive pay to the date of January 4th: Council Member Westman

Amendment Accepted: Vice Mayor Jensen

Second: Council Member Westman

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

7. Consent Items Pulled for Discussion

F. Use Agreement for Capitola City Hall Council Community Room

Recommended Action: Authorize the City Manager to execute an agreement with the Capitola Village and Wharf Business Improvement Area for use of the City Hall Community Room for the next three years. **(Pulled for discussion by Council Member Clarke)**

Assistant to the City Manager Woodmansee presented the staff report.

Public Comment:

- **Speaker**

Motion to authorize the City Manager to execute an agreement with the BIA for use of the City Hall Community Room for a period of three years: Council Member Orbach

Second: Council Member Clarke

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

9. Adjournment

The meeting adjourned at 7:51 PM. The next regularly scheduled City Council meeting is on February 12, 2026, at 6:00 PM.

Margaux Morgan, Mayor

ATTEST:

Julia Gautho, City Clerk