

City of Capitola

City Council Meeting Minutes

Thursday, September 10, 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 – 4:45 PM

- i. 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 6:00 PM. In attendance: Council Members Clarke, Orbach, Westman, Vice Mayor Jensen, and Mayor Morgan. Before the Pledge of Allegiance, Vice Mayor Jensen provided comments in commemoration of the anniversary of September 11th and requested a moment of silence, which the Mayor granted.*
- 2. Additions and Deletions to the Agenda** – *Staff pulled Item 8E from the agenda, to be continued to a future meeting date.*
- 3. Presentations**
 - A. *The Mayor presented a proclamation recognizing September 2026 as Childhood Cancer Awareness Month to Jordan Thorpe, President of the Jacob's Heart Board.*
 - B. *The Police Chief presented a proclamation honoring Santa Cruz Regional 911 Dispatchers.*
 - C. *The City Council received a presentation about the Red Cross Life Saving Award, presented to Sergeant Scott Newton by Dave Sieberg of the Central Coast Chapter of the American Red Cross.*
- 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 and one piece of correspondence received after publication of the agenda packet.*
 - B. *Item 8A – Four emails and one staff memorandum with an updated version of the September 3, 2026 Special Meeting Minutes were received after publication of the agenda packet.*
 - C. *Item 8B - One email and one staff memorandum with an updated version of the Elections Code Section 21130(f) Report were received after publication of the agenda packet.*
 - D. *Item 8E – Four emails received after publication of the agenda packet.*
 - E. *Item 9B – One email received after publication of the agenda packet.*
 - F. *Item 9C - Staff memorandum with updated information and one email received after publication of the agenda packet.*

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G. *Item 9D – Three emails received after publication of the agenda packet.*

H. *Item 9E – Two emails received after publication of the agenda packet.*

6. Oral Communications by Members of the Public

- *Goran Klepic*
- *Dr. Victoria Travis, Med-Project*
- *Jesse Miles, Beveridge & Diamond PC*
- *Speaker*
- *Meghan Morrissey, Capitola Cares*

7. Staff / City Council Comments

- *City Manager Goldstein announced his retirement, effective December 2026, and provided comments about his career in Capitola.*
- *Council Member Clarke reminded the public of the Capitola Art and Wine Festival, taking place on September 12th and 13th; he also advised the public of the unveiling of public art on the Monterey Avenue railing.*
- *Council Member Orbach provided remarks on City Manager Goldstein's retirement and thanked him for his contributions to the City; she also thanked the City's Public Works Department for their work on 41st Avenue.*
- *Council Member Westman provided remarks on City Manager's Goldstein's retirement.*
- *Vice Mayor Jensen congratulated City Manager Goldstein on his retirement; he also provided updates from a recently attended RTC meeting.*
- *Mayor Morgan thanked City Manager Goldstein for his service to the City of Capitola.*

8. Consent Items

A. City Council Meeting Minutes

Recommended Action: Approve minutes from the special meeting on August 25, 2026, the regular meeting on August 27, 2026, the special meeting on September 2, 2026, and the special meeting on September 3, 2026.

B. Elections Code Section 21130(f) Report

Recommended Action: Direct City staff and the City's retained demographer, National Demographics Corporation, to issue and post the Elections Code Section 21130(f) report.

C. Alcohol Policing Partnership Grant

Recommended Action: Adopt a resolution accepting a Department of Alcoholic Beverage Control Alcohol Policing Partnership Grant in the amount of \$57,881 and amending the FY 2026-27 General Fund operating budget to increase revenues and expenditures by \$57,881. **(Resolution No. 4507)**

D. Update on Additional Improvements at the Park at Rispin Mansion

Recommended Action: Receive an update on progress towards additional improvements at the Park at Rispin Mansion and ongoing efforts to raise funds through an engraved brick program.

E. Chapter 8.40: Capitola Municipal Code

Recommended Action: Adopt an ordinance amending Chapter 8.40 of the Capitola Municipal Code to remove the expiration language in Section 8.40.150(G). **(Continued to a future meeting date)**

Vice Mayor Jensen provided a comment on Item 8D and requested that when the item returns to Council next, there can be more detail about the progress on improvements at the Park at the Rispin Mansion.

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Motion to approve the Consent Calendar, with the exception of Item 8E: 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. Capitola Wharf Status Update

Recommended Action: Receive an update regarding the Request for Proposals for a restaurant and commercial marketplace project on the Capitola Wharf and provide direction to staff regarding the next steps for future uses on the Wharf.

Community and Economic Development Director Herlihy presented the staff report.

Public Comment:

- ***Speaker***

Council expressed a desire to continue seeking a partner to provide food and beverage concessions on the Capitola Wharf, while retaining flexibility to address storm resilience.

The Council provided direction to staff to issue a new request for proposals for a small-scale, short-term food and beverage concession (in a prefabricated structure or sea container structure) while also extending the current request for proposals for the Capitola Master Plan for a one year period; and to ensure that the Planning Commission review the project before it returns to the City Council.

B. Stockton Avenue Bridge and Soquel Creek Implementation Update

Recommended Action: 1) Receive an update regarding implementation of the City Council's August 27, 2026, direction, including the bridge preservation and project-development solicitation, continued community outreach, and the annual Soquel Creek inspection and coordination; and 2) provide direction regarding whether staff should continue developing the Caltrans-recommended polyester concrete overlay and return with a revised funding request, or pursue a methacrylate deck treatment as a lower-cost interim maintenance measure.

Public Works Director Kahn presented the staff report.

Public Comment: None

The Council directed staff to contact Senator Laird to discuss any requirements imposed on funding for the repair and maintenance of Stockton Bridge and stressed the importance of incorporating CalTrans recommended maintenance into the City's project plans.

Motion to direct staff to proceed with the polyester concrete overlay and continue working with engineers, ensuring that they are specialized in this type of project and have a background in working with CalTrans: Vice Mayor Jensen

Council Member Westman requested clarification from Vice Mayor Jensen.

Second: Council Member Westman

Council Member Orbach requested clarification on engineering costs from staff.

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

Voting Nay: Council Member Orbach

The City Council took a recess at 7:37 PM and reconvened at 7:41 PM.

C. Underground Utility District No. 6 and Rule 20A Program Update

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Recommended Action: Receive updated information regarding a potential shortened Rule 20A undergrounding project along Monterey Avenue and provide direction as desired. (*Continued from the August 27, 2026, City Council meeting*)

Public Works Director Kahn presented the staff report.

Public Comment:

- ***Tory Del Favero***

Council thanked staff for their efforts to bring forward potential undergrounding projects.

Motion to direct staff to notify PG&E that the City will not be pursuing an undergrounding project using the City's allocated Rule 20A funding: Council Member Westman

Second: Vice Mayor Jensen

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

Voting Nay: Council Member Orbach and Mayor Morgan

D. Citywide Municipal Code Amendments

Recommended Action: 1) Introduce for first reading, by title only, waiving further reading, an ordinance amending Capitola Municipal Code Title 17 (Zoning) to repeal and replace Chapter 17.88: Incentives for Community Benefits, relocate existing village hotel incentives to Chapter 17.90: Incentives for a Village Hotel with Community Benefits, amend Chapter 17.74: Accessory Dwelling Units, Repeal Chapter 9.08: Tattoo Establishments, make related amendments for Body Art Studios to Chapter 17.20: Mixed Use, Chapter 17.24: Commercial and Industrial Zoning Districts, Chapter 17.96: Supplemental Regulations, and Chapter 17.160 Glossary, and finding that adoption of the ordinance is exempt from CEQA; 2) adopt a resolution authorizing submittal of the proposed changes to the California Coastal Commission for the certification of an amendment to the Local Coastal Program; and 3) approve an administrative policy for the selection of body art service providers.

Community and Economic Development Director Herlihy presented the staff report.

Public Comment: None

Motion to introduce Ordinance No. 1079, adopt Resolution No. 4508, and approve Administrative Policy I-47: Council Member Orbach

Second: Vice Mayor Jensen

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

E. Fiscal Year 2025-26 Revenue and Expenditure Update

Recommended Action: Receive the Fiscal Year 2025-26 revenue and expenditure update and provide direction regarding the use of the \$1 million insurance settlement received for repairs associated with the 2023 Wharf storm damage.

Administrative Services Director Malberg presented the staff report.

Public Comment: None

The Council directed staff to place the \$1 million insurance settlement received for repairs associated with the 2023 Capitola Wharf storm damage in the City's emergency reserve funds.

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10. Adjournment

The meeting adjourned at 8:23 PM. The next regularly scheduled City Council meeting is on September 24, 2026, at 6:00 PM.

Signed by:

Margaux Morgan

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Margaux Morgan, Mayor

ATTEST:

Signed by:

Lesley Milton

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Lesley Milton, Interim City Clerk