



**AGENDA**  
**FINANCE ADVISORY COMMITTEE**  
**REGULAR MEETING**  
**TUESDAY FEBRUARY 18, 2025**  
**6:00 PM**  
**CITY HALL COMMUNITY ROOM**  
**420 CAPITOLA AVENUE, CAPITOLA, CA 95010**

**CALL TO ORDER AND ROLL CALL**

Committee Members: Mayor Joe Clarke, Vice Mayor Alexander Pedersen, Keith Cahalen, Emeline Nguyen, Anthony Rovai, Matt Arthur, Leslie Neilsen

**ORAL COMMUNICATIONS** *(No action may be taken)*

*The Chair may announce and set time limits at the beginning of each agenda item.*

*The Committee Members may not discuss Oral Communications to any significant degree but may request issues raised be placed on a future agenda.*

**OTHER BUSINESS** *The Chair may announce and set time limits for speakers at the beginning of each agenda item.*

<b>Topic</b>	<b>Who</b>	<b>Min.</b>
<b>A. Introductions of Committee members</b>	All	5
<b>B. Oath of Office, Code of Conduct, Bylaws</b>	All	10
<b>C. Appointment of Chairperson and Vice Chairperson</b>	All	10
<b>D. Approval of Minutes – Meetings of Nov. 19, 2024</b>	All	5
<b>E. 2025 FAC Meeting Calendar</b>	Fin Dir	10
<b>F. Mid-year budget update</b>	Fin Dir	15
<b>G. Discussion of Items for Next Agenda</b>	All	5

**ADJOURNMENT**

**Notice:** The Finance Advisory Committee meets on the Tuesday every other month at 6:00 PM in the Community Room in City Hall located at 420 Capitola Avenue, Capitola.

**Agenda and Agenda Packet Materials:** The Finance Advisory Committee Agenda is available on the City's website: [www.cityofcapitola.org/](http://www.cityofcapitola.org/) on Friday prior to the Tuesday meeting. If you need additional information, please contact the Finance Department at (831) 475-7300.

**Americans with Disabilities Act:** Disability-related aids or services are available to enable persons with a disability to participate in this meeting consistent with the Federal Americans with Disabilities Act of 1990. Assisted listening devices are available for individuals with hearing impairments at the meeting in the City Council Chambers. Should you require special accommodation to participate in the meeting due to a disability, please contact the City Clerk's office at least 24 hours in advance of the meeting at 831-475-7300. In an effort to accommodate individuals with environmental sensitivities, attendees are requested to refrain from wearing perfumes and other scented products.

**Appeals:** Any person who believes that a final action of this advisory body has been taken in error may appeal that decision to the City Council. Appeals must be in writing and delivered to the City Clerk's Office within ten (10) working days from the time of the board's decision. The notice of appeal shall set forth appellant's name, phone number, address to which notices may be sent to the appellant, and the grounds upon which the appeal is made.

# Finance Advisory Committee Agenda Report



**Meeting:** February 18, 2025  
**From:** Finance Department  
**Subject:** Introductions of Committee Members

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Recommended Action: Introductions of committee members.

Background: The Finance Advisory Committee (FAC) is comprised of the following representation:

The Mayor and Vice Mayor shall serve on this committee. When either or both the Mayor and Vice Mayor do not want to serve on this committee, other member(s) of the City Council shall be appointed by the Mayor, with the concurrence of the City Council.

Four or five additional members, serving at the pleasure of the City Council for a term of two years ending in December of each even-numbered year, as follows:

Three Capitola Residents, each appointed by the remaining Capitola City Council members, not on the committee at the time of appointment.

One or two Capitola Businessperson and/or Capitola Resident representing the business community appointed by the Capitola City Council with consideration given to a recommendation from the Capitola Soquel Chamber of Commerce. If no applicants for these positions exist, the City Council may appoint another resident to the FAC.

Any staff member serving in the capacity of City Treasurer is an ex-officio member and not a voting member of the committee.

The Committee may also recruit youth members pursuant to Administrative Policy I-38.

Discussion: During the January 30<sup>th</sup> City Council meeting the Council made five appointments to the FAC to serve along with the Mayor and Vice Mayor. The members of the FAC are:

- Mayor Joe Clarke
- Vice Mayor Alexander Pedersen
- Keith Cahalen, Capitola resident
- Emeline Nguyen, Capitola resident
- Anthony Rovai, Capitola resident
- Matt Arthur, Business representative
- Leslie Nielsen, Business representative

Fiscal Impact: None

Report Prepared By: Report Prepared By: Jim Malberg, Finance Director

# Finance Advisory Committee Agenda Report

**Meeting:** February 18, 2025  
**From:** Finance Department  
**Subject:** Oath of Office

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Recommended Action: Administer the oath of office to committee members,

Attachments:

1. Attachment 1: Oath of Office
2. Attachment 2: Code of Conduct
3. Attachment 3: Bylaws – Finance Advisory Committee

Report Prepared By: Report Prepared By: Jim Malberg, Finance Director



# Oath of Office

## FOR PUBLIC OFFICERS AND EMPLOYEES

(State Constitution, Art. XX, Sec. 3 as amended)

State of California        )  
  ) ss.  
County of Santa Cruz    )

I, **Name**, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

### Finance Advisory Committee

(Duties upon which affiant is about to enter)

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Subscribed and sworn to before me this 18<sup>th</sup> day of February 2025

**CITY OF CAPITOLA**

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**Julia Gautho, City Clerk**



## ADMINISTRATIVE POLICY

Number: I-42  
Issued: September 10, 2020  
Jurisdiction: City Council

# CITY COUNCIL AND COMMISSIONER CODE OF CONDUCT

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## **1.0 Preamble**

The Capitola City Council declares that citizens of the City of Capitola are entitled to have fair, open, ethical, efficient and accountable local government and that City officials should continually strive to earn the public's confidence. Toward that end, these Protocols establish higher standards of conduct for members of the City Council and members of City boards and commissions (collectively "Members") than are currently required under the laws of the State of California.

The Members pledge to hold themselves and other Members responsible for observing the standards set forth in these Protocols, and to enforce these Protocols when necessary to preserve the integrity of City government.

## **2.0 Core Values**

### **Responsibility**

- I conduct myself in a courteous and respectful manner at all times during the performance of my official City duties.
- I will keep the common good as my highest purpose and focus on achieving constructive solutions for the public benefit
- I will avoid and discourage conduct which is divisive or harmful to the best interests of Capitola
- I make decisions based on the merits of an issue, including research and facts.
- I am a prudent steward of public resources and actively consider the impact of my decisions on the financial and social stability of the City and its residents.

### **Integrity**

- I am honest with my fellow City officials, City staff, members of the community, and others.
- I promote equity and non-discrimination in public agency decision-making.
- I encourage diverse public engagement in our decision-making processes and support the public's right to know.
- I do not accept gifts, services or other special considerations for personal benefit because of my public position.
- I excuse myself from participating in decisions when my or my immediate family's financial interests may be affected by my actions as a City Official

### **Respect/Value others**

- I recognize the worth and dignity of individual members and appreciate their individual talents, perspectives and contributions; value in others.
- I treat my fellow officials, staff and the public with patience, courtesy and civility, even when we disagree on what is best for the community.

- I help create an atmosphere of respect and civility where individual members, City staff and the public are free to express their ideas and work to their full potential.
- I understand that I am one of five members of the City Council and will work towards consensus building and gain value from diverse opinions.
- I respect the distinction between the role of office holder and staff.

### **Accountability**

- I am prepared to make decisions when necessary for the public’s best interests, whether those decisions are popular or not.
- I do not make promises on behalf of the City without concurrence from the City Council at a duly noticed public meeting.
- I take responsibility for my actions, even when it is uncomfortable to do so.
- I do not use public resources, such as City staff time, equipment, supplies or facilities, for private gain or personal purposes.
- I refrain from disclosing confidential information concerning litigation, personnel, property, or other affairs of the City, without proper legal authority, nor use such information to advance my financial or other personal interests.

### **3.0 Setting a Higher Standard within the Existing Framework**

By adopting these Protocols, the Council intends to supplement and not to supersede California’s existing legal framework applicable to local governments. Similarly, the Council intends that these Protocols will not merely restate existing legal obligations but will establish a higher standard of conduct for Members in the governance of the City. Members are referred to Appendix “A” (***Legal Framework & Resources***) for pertinent resources. Members are expected to be familiar with and to seek guidance about the applicability of the legal framework.

### **4.0 Transparency in decision making.**

Transparency in decision making is of the utmost importance in maintaining ethical, representative local governance. Toward that end, Members will adhere to the following standards:

#### **4.1 Public Meetings.**

Members will hold public meetings in accordance with the Ralph M. Brown Act (the “Brown Act”). Members will seek guidance from the City Attorney as to the Brown Act requirements and will apply those provisions conservatively in favor of the public’s right to participate in public decisions.

#### **4.2 Council Communications & Serial Meetings.**

Members will not engage in “serial meetings” with colleagues – a discussion of City issues among a majority of Councilmembers or Commissioners either collectively (i.e. all meeting together) or in a sequence (A talks to B who talks to C). Members



will not use other persons as intermediaries to accomplish a serial meeting or to circumvent the Ralph M. Brown Act.

#### 4.3 Closed Session Discussions.

As part of a properly agendized meeting, Members may only hold sessions closed to the public, pursuant to the advice of the City Attorney, in accordance with the commonly accepted interpretation of Brown Act requirements. Discussions held in closed session are to be directly limited to the matter at hand. Such discussions, along with materials reviewed, are confidential and shall not be disclosed except as the City Attorney may advise.

#### 4.4 Closed Session Materials.

Confidential materials provided in preparation for and during closed sessions must be returned to the City Attorney at the conclusion of the closed session.

### **5.0 Fairness of Process**

Members will comply with the meeting and hearing procedures set forth by these protocols, the Brown Act, and Rosenberg's Rules of Order. Additionally, in order to cultivate an environment of fairness and to encourage public confidence in City decisions, Members will adhere to the following standards of conduct:

#### 5.1 Decisions on the Merits.

Members will base their decisions on the facts and merits of each matter, not upon personal or other biases, and will strive to make decisions that are in the best interests of the community as a whole.

#### 5.2 Disclose Information.

Prior to any deliberations on a project or matter at a public meeting, Members shall publicly disclose information about the matter that they have obtained from sources, not presented in the staff report (e.g. their own site visit, from the public, from the applicant, etc.), which may influence their decision or that of Members.

Remain neutral on quasi-judicial hearings. A quasi-judicial hearing occurs when;

- a) a hearing is held to apply a rule or standard to an individual person, project or circumstance;
- b) it involves the taking of evidence;
- c) it results in the rendering of a written decision issued by the hearing officer or tribunal (including adoption of findings); and

d) the written decision is based on the facts and arguments submitted at the hearing.

Elected and appointed officials are obligated to remain neutral and unbiased regarding quasi-judicial matters prior to their vote on the matter.

### 5.3 Consider All Sides.

Members should consider the various viewpoints related to a project or matter and afford project applicants and interested persons an adequate opportunity to comment upon a project or matter before action is taken.

### 5.4 Decorum.

To ensure the fairness and integrity of the deliberative process, the presiding officer should preserve decorum and conduct meetings in an orderly manner. Members should remain attentive of the business at hand and conduct themselves in a manner that is civil, polite and respectful. Members should refrain from unnecessarily interrupting speakers and not engage in abusive conduct, personal charges or verbal attacks upon the character or motives of other Members, City staff and/or the public.

### 5.5 Attentiveness.

Members should remain attentive at meetings. Members should not make or receive phone calls, text messages or e-mails from the dais. Members should place cellphones and other communication devices in “off” or “silent” mode. Members should refrain from side-bar conversations with other Members while at the dais.

## **6.0 Ethical Decision Making**

Members should observe the highest standards of ethical conduct in dealing with the community and carrying out their official duties. In every action and decision, Members should avoid even the appearance of impropriety and apply the guidelines for “Making Ethical Decisions” provided below:

### 6.1 Avoiding the Appearance of Impropriety.

6.1.1 Make Ethical Decisions. Members are referred to Appendix “B” (Guidelines for Making Ethical Decisions) for the process Members are encouraged to utilize in making City related decisions.

6.1.2 You May Need to Refrain from Participating. Conflict-of-interest issues are complex. Some situations are not “legal” conflicts of interest but may nevertheless pose the “appearance of impropriety” to the public. If a Member believes they have a conflict, the Member should contact the City

Attorney or FPPC for advice as soon as possible. The Member should not participate in any matter in which they have a conflict.

6.1.3 Get Help. To assist in making a decision not to participate, Members should consult the guidelines for Making Ethical Decisions (below), the City Attorney or the FPPC helpline, and/or their constituents.

## 6.2 Ethical Principles to Follow.

### 6.2.1 **Avoid Personal Interests.**

Members are prohibited from using their official positions to influence decisions in which they have a personal financial interest, are members of an interested organization, or have a personal relationship that would be affected.

### 6.2.2 **No Personal Gain.**

Members shall not take advantage of, or use, public property and equipment, public services, confidential public information, public resources, or other opportunities afforded by their office, for personal gain.

### 6.2.3 **City Stationery.**

City letterhead or stationery or other City resources may not be used by Members to promote personal interests.

### 6.2.4 **Appearing before Council.**

Members shall not appear before the City Council or other City board or commission representing any private interest or community group. Members are permitted to speak as a member of the public on any matter related solely to the Council Member's personal interest but may not participate in the matter as a Member.

### 6.2.5 **Gifts.**

Members will refrain from accepting gifts, favors or promises of future benefits that might compromise their independence, or the appearance that they are independent and unbiased.

## 7.0 **Efficiency and Accountability**

The City of Capitola operates under a council-manager form of government under which the Council's role is to provide legislative direction, set City policy and monitor its implementation. The City Manager serves as the City's administrative head and is

responsible for directing the day-to-day operations of the City and for administering all City business.

## 7.1 Members Should Not Interfere with Operations.

### **Implementing this Rule:**

- a) City Manager is responsible for City Personnel Members will not interfere with the appointment, evaluation, discipline, or removal by the City Manager of any Department Head or employee of the City.
  - (i) *Exception – City Attorney.* The City Attorney is hired, appointed, evaluated, and removed directly by the Council.
- b) Orders and Direction to Employees. Only the City Manager or applicable Department Head may give orders and direction to City employees. Members may not direct the work or actions of City employees. (CMC Section 2.08.090)
  - (i) *Requests for Information.* All Members should direct requests for information, research, or reports to the City Manager or applicable Department Head. If there is a legal question it should be directed to the City Attorney. Questions regarding elections and disclosure statements may be addressed to the City Clerk.
  - (ii) *Responses.* Substantive responses to Member’s information inquiries will be provided to all Members of the legislative body (e.g. a response to a request by a Councilmember will be provided to all Councilmembers).
  - (iii) *Notifications.* Where the City Manager or Department Head provides general facts or information about the City, a program, or a City event to one Member, the information should be provided to all Members of the legislative body.
- c) Staff Liaisons to City Commissions / Committees and Outside Agencies. Members serving as the City’s representative to a City Commission or Committee or to an outside agency may interact directly with the City employee assigned to that effort by the City Manager.
- d) Operations and Service Levels. Criticisms of City operations and service levels may be made only to the City Manager and not to City employees or Department Heads, unless first cleared through the City Manager or expressed in general during a regular Council, board or commission meeting.

- e) Political Solicitation & Activities. Members will not solicit political support from City employees (e.g., financial contributions, display of posters or lawn signs, name on support list, etc.). Members will not engage in political activities at City Hall or other City facilities. This provision is not intended to impair the free exercise of federal and state constitutional and statutory rights by City employees.

## 7.2 Interaction of Members.

### 7.2.1 **Positions of Mayor and Chairperson.**

- a) Honorary Presiding Officer. The positions of Mayor and Mayor Pro Tempore on the City Council and the positions of chairperson and vice chairperson on City boards and commissions are generally considered honorary and ceremonial, but also serve an important procedural role as the presiding officer at meetings of their body. Persons appointed to those positions by a majority of their council, board or commission serve at the pleasure of their appointing body.
- b) Maintain Order, Decorum & Procedure. The Mayor and chairperson are responsible for maintaining order and decorum of their body's meetings and enforcing these policies where necessary. They are responsible for the order of business at meetings, the efficient flow of business during meetings, and for preserving the right of the public to be heard in an orderly fashion.
- c) Ceremonial Head. The Mayor is the ceremonial head of the City and signs all proclamations, officiates at all City functions, and welcomes visiting dignitaries.
- d) Spokesperson. The Mayor is the official spokesperson for the City and has the primary responsibility for communications with the press and public on official City business, with the exception of a state of emergency. During a state of emergency, the Director of Emergency Services may serve as the primary contact for the public, other governing officials and the press. The Mayor will work on press releases and statements to the press with the City Manager and will report the majority position adopted by the Council, and not his or her personal opinion on matters.

### 7.2.2 **At Public Meetings**

- a) Follow Rules of Order, Decorum and Procedure. Members should adhere to the rules of order, decorum and procedure for the conduct of public meetings adopted by the City Council from time to time. Abiding by these rules will maintain civility and the orderly conduct of business.

- b) Keep Conduct Professional. Members should conduct themselves in an orderly, professional, and business-like manner to ensure that the business of the City shall be attended to efficiently and thoroughly.
- c) Keep Comments On-Topic. Public meetings are to attend to and resolve City business. Members should avoid being overly repetitious and should endeavor to limit their comments to the subject matter at hand. Members are encouraged to fully express their views and to explore the views of others, but Members should also be mindful of avoiding lengthy or unproductive debates.
- d) Ask Questions in Advance. When preparing for public meetings, Members are encouraged to provide their questions far enough in advance to the City Manager or City employee responsible for the meeting so that meaningful information and responses can be shared at the meeting.

### **7.2.3 Relations with Fellow Members**

- a) Civility. Members should always practice civility. By doing so, Members help the City to fulfill its potential by putting the common good ahead of personal rivalries or irritations. Civility is best fostered by a collective commitment to following established rules of procedure.
- b) Different Points of View. Members should exercise tolerance for the different opinions, perspectives, and points of view of their colleagues and recognize their right to express these views on matters of City business within the established rules of decorum and order of business.
- c) Managing Conflict. Members should manage disagreement with civility and professionalism and not allow disagreement to turn into open conflict or hostility. Members should refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other Members, City employees and/or members of the public.

### **7.2.4 Public Communication and Appearance**

- a) Personal versus City Positions. It is an important part of each Member's responsibility to communicate with the public. In communications regarding City business, it is important to distinguish a Member's personal views and opinions and the adopted City position. When appearing before another governmental agency or organization, the Member should clearly set forth the City's official position, and then may express their own position.

- (i) *Expressing Dissent.* Each Member has a right under the First Amendment to express their views and opinions, even if contrary to the official position of the City. However, Members should express their dissenting views with tact and civility.
- b) Use of Official Titles. Members may use their official title only when conducting official City business, for informational purposes, or as an indication of background and expertise, after having carefully considered whether they are exceeding or appearing to exceed their authority.
- c) Response to Public Communication. Members are encouraged to respond promptly to letters, telephone calls, electronic communication, and other communications received from member of the Public who have requested a response. Members are not required to respond to commercial solicitations or to anonymous, obnoxious or harassing communications.

## **8.0 Enforcement**

### **8.1 Member Responsibility.**

Upon assuming office each Member shall sign a statement affirming that they have received and reviewed these Protocols. Each Member is responsible for adhering to these Protocols as well as the laws that comprise the basic legal framework for local government.

### **8.2 Council Authority.**

The City Council has authority, but not the legal obligation, to monitor each Member's adherence to these Protocols and to take corrective action for violations, as provided below.

#### **8.2.1 Training and Education.**

The City Council may sponsor or require periodic training opportunities for Members to become more familiar with the Protocols and the legal framework (See Appendix "A").

#### **8.2.2 Councilmembers.**

Under California law, the Council does not have the legal authority to remove Members elected or appointed to the City Council or to otherwise deprive them of their office. However, as provided in Section 8.4.3, a majority of the Councilmembers may remove a Councilmember from all Council honorary and/or ceremonial positions and ad-hoc and standing committees, as well as from positions with other governmental agencies or other organizations they hold by virtue of appointment by the City Council.

### 8.3 Violation of Oath of Office.

#### 8.3.1 **Oath of Office.**

All Members take an oath upon assuming office, pledging to uphold the constitution and laws of the City, the State and the Federal government. In addition, Members commit to disclosing to the appropriate authorities and/or to the City Council any behavior or activity that may qualify as corruption, abuse, fraud, bribery or other violation of the law.

### 8.4 Violation of Protocols.

#### 8.4.1 **Complaint.**

Where any Board or Commission Member, Councilmember, City employee, or resident of the City believes that a Member has violated these Protocols or their Oath of Office, they may file a written complaint with the City Clerk who will then provide it to the City Manager and City Attorney. The complaint shall be considered confidential until the City Attorney has determined the appropriate next action.

#### 8.4.2 **Investigation.**

Within thirty (30) days of receipt of a Complaint as provided in Section 7.4.1., the City Manager and City Attorney shall review the complaint. If, in the City Attorney's determination, the complaint alleges a violation of law, the City Attorney shall determine appropriate next steps.

For example, a complaint alleging theft of public funds or bribery, or a complaint from a purported whistle-blower (pursuant to California Labor Code Section 1102.5) may be forwarded to the Office of the District Attorney. Complaints alleging other violations of the law may be forwarded to the City's risk-management pool for a determination. The City Attorney shall have the authority to retain an outside investigator to investigate complaints from employees alleging violations of the Fair Employment and Housing Act.

All complaints, including complaints alleging violations of these protocols and any other City policy or procedure, at the appropriate point in the process as determined by the City Attorney shall be forwarded to the City Council for consideration in open session. The City Council may order an investigation.

#### 8.4.3 **Enforcement.**

The City Council may use any of the following to respond to any and all violations of these protocols: (i) a warning (ii) a written reprimand; or (iii) censure. In addition, the City Council shall have the authority to remove



Board or Commission Members from office as a remedy for violations. (CMC 2.12.020 for Planning Commissioners).

The City Council, Boards and Commissions shall use the following procedure to consider complaints forwarded by the City Attorney:

- a) *Receipt of Complaint.* Upon receipt of the complaint, the Council will hold a public meeting at which it will determine whether the complaint should be dismissed for the reasons stated in section b)(i), below, or added to a future agenda for further discussion and determination. If the complaint is added to a future agenda, the subject Member shall have the opportunity to address the allegations in the complaint at the future meeting.
- b) *Determination.* The Council shall make a determination on the allegations in the complaint based on the following:
  - (i) *Dismissal.* Where the Council determines that no violation occurred or that only a trivial violation occurred, or that the complaint does not have merit for any other reason, the Council may dismiss the complaint.
  - (ii) *Reprimand.* The Council may adopt a verbal or written statement reprimanding the subject Member for their conduct. The subject Member may file a rebuttal to the Reprimand with the City Clerk which will become a matter of public record.
  - (iii) *Censure.* Where the Council, based on the Report, any statement from the subject Member, and other evidence accepted at a public hearing of the matter, determines that there is substantial evidence that the Member has materially violated one or more provisions of these Protocols, and that such violation(s) impugn the integrity or dignity of the City or that such violations are egregious or chronic in nature, then the Council may adopt a resolution censuring the subject member by condemning their actions, removing the Member from all appointive positions representing the City in front of other governments and agencies, demoting them if they hold a position of mayor, mayor pro tempore, chairman or vice chairman, stating that the violations shall cease, and demanding corrective actions. The subject Member may file a rebuttal to the Censure with the City Clerk which will become a matter of public record.
- c) *Commissioner and Board Member Removal from Office.*
  - (i) Planning Commissioner - Notwithstanding any of the provisions in this Section 9.0, the City Council may remove a

Planning Commissioner by following procedure in CMC Section 2.12.020. Nothing in these Protocols affects or diminishes such power nor vests Planning Commissioners with any additional rights, including, without limitation, rights of procedural due procession.

- (ii) Other Commissioners and Board Members - Notwithstanding any of the provisions in this Section 9.0, the City Council may remove any commissioner or board member appointed by the City Council. Nothing in these Protocols affects or diminishes such power nor vests such commissioners or board members with any additional rights, including, without limitation.

## **APPENDIX A – LEGAL FRAMEWORK & RESOURCES**

### **1.0 Legal Framework**

<u>Law or Regulations</u>	<u>Citation</u>
<u>California Laws</u>	
California Constitutions <i>General City Authority</i>	Article XI §§ 2, 5, 7, & 11.
Ralph M. Brown Act <i>Open Meeting Laws</i>	Government Code §§ 54950 <i>et seq.</i>
California Public Records Act <i>Public Records Disclosure</i>	Government Code §§ 6250 <i>et seq.</i>
California Political Reform Act <i>Conflicts, Disclosures &amp; Campaigns</i>	Government Code §§ 81000 <i>et seq.</i>
FPPC Regulations <i>Conflicts, Disclosures &amp; Campaigns</i>	2 Cal. Code Regs. §§ 18109 <i>et seq.</i>
<i>Legally Required Participation</i>	2 Cal. Code Regs. §18708
California Anti-Self Dealing Law <i>Self Interest in Contracts</i>	Government Code §§ 1090 <i>et seq.</i> ,
California Incompatibility of Office Law <i>Holding Two Public Offices</i>	Government Code § 1126 & § 1099
<u>City of Capitola Documents</u>	
City's Charter	
City Municipal Code	
City Council Rules of Order and Protocols	
Reimbursement Policy	
Social Media Policy	
Handbook	
Anti-Harassment and Ethics Training	

## 2.0 Online Resources

<u>Resource</u>	<u>Web Address</u>
State of California <i>Portal to State Websites</i>	<a href="http://www.ca.gov/index.asp">www.ca.gov/index.asp</a>
Official Cal Legislative Information <i>California Bills &amp; Codes Online</i>	<a href="http://www.leginfo.gov">www.leginfo.gov</a>
Cal. Fair Political Practice Commission <i>Conflict of Interest Info</i>	<a href="http://www.ca.fppc">www.ca.fppc</a>
Cal. Attorney General <i>See AG Opinions</i>	<a href="http://www.ag.ca.gov">www.ag.ca.gov</a>
Cal. Senate <i>Bill Information Online</i>	<a href="http://www.senate.ca.gov">www.senate.ca.gov</a>
Cal. Secretary of State <i>Election Information</i>	<a href="http://www.sos.ca.gov">www.sos.ca.gov</a>
League of California Cities <i>Municipal resources</i>	<a href="http://www.cacities.org">www.cacities.org</a>
Institute for Local Government <i>Municipal resources</i>	<a href="http://www.ca-ilg.org">www.ca-ilg.org</a>
Cal. Joint Powers Insurance Authority <i>Risk Management &amp; Training</i>	<a href="http://www.cjpia.gov">www.cjpia.gov</a>
Marrkula Institute for Applied Ethics <i>Ethical Decision Making</i>	<a href="http://www.scu.edu/ethics/practicing/decision">www.scu.edu/ethics/practicing/decision</a>
Institute for Local Self Government <i>Government Ethics</i>	<a href="http://www.ilsg.org">www.ilsg.org</a>

## **APPENDIX B – GUIDELINES FOR MAKING ETHICAL DECISIONS**

**[Please visit the Markkula Center for Applied Ethics at the University of Santa Clara]**

**How to Make an Ethical Decision.** When presented with an opportunity to participate in making a decision for the City, the City Official should:

**A. Recognize whether an ethical issue is involved.**

1. Will the decision result in damage or injury to people?
2. Is there a clear good or bad result?
3. Is the result compelled under the law or does it hinge on budgetary, efficiency, or other community concerns?
4. Ethical decisions are often not the easiest decision nor the most popular.

**B. Get the facts.**

1. Read the staff report and get questions answered by the City Manager in advance.
2. Are there alternatives that would lead to better or worse results?
3. What are the viewpoints of the stakeholders? Are some more important than others?
4. Are there any unanticipated consequences?

**C. Evaluate alternative actions. Which option will:**

1. Produce the most good and do the least harm? (See the Markkula Center's Utility Test.)
  - a. Identify the *alternative actions* that are *possible* and the persons and groups (the stakeholders) *who will be affected* by these actions.
  - b. For each of the most promising alternatives, determine the *benefits and costs* to each person or group affected.
  - c. Select the action in the current situation that *produces the greatest benefits over costs for all* affected.
  - d. Ask *what would happen if* the action were a *policy for all similar situations*.
2. Best respect the rights of all who have a stake? (See The Markkula Center's Rights Test.)

- a. *Identify the right* being upheld or violated.
  - b. Explain why it *deserves the status* of a right.
  - c. Ask whether that *right conflicts with the rights* of others.
3. Treat people equally or proportionately? (See The Markkula Center's Justice Test.)
- a. What is the *distribution of benefits and burdens*? Is the distribution *fair*?
  - b. If disagreement persists over which outcome is fair, select a *fair process* to decide the issue.
4. Best serve the community as a whole. (See The Markkula Center's Common Good Test.)
- a. *Identify* what parts of the *common good* are involved.
  - b. Explain obligations to *promote or protect* the common good.
  - c. Discern whether the proposed action *conflicts with* an obligation to promote or protect the *common good*.
5. Lead the City Official to act as the sort of person or official as they want to be? (See The Markkula Center's Virtue Test.)
- a. Will the action help to *make you the kind of person you want to be*?
  - b. Will the action fit the City's reputation or vision of what it would like to be?
  - c. Will the action maintain the right balance between *excellence and success* for the City?

**D. Make a decision and test it.**

1. Which approach best suits the situation and arrives at the *most ethical decision*?
2. Which option is likely to be *most respected* by the Member's colleagues and constituents?

**E. Act and reflect on the outcome.**

1. How can the decision be *implemented to best reflect the intention and reasons* for the decision?
2. What was the end result of the decision and what feedback has the City Official received?

**APPENDIX C – Receipt of Code of Conduct**

I affirm that I have read and that I understand, accept and support the City of Capitola City Council and Commissioner Code of Conduct

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Board, Commission, Committee Position

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(Print Name)

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Signature

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Date

**RESOLUTION NO. 4365**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
CAPITOLA REPEALING RESOLUTION NO. 4105 AND ADOPTING  
REVISED FINANCE ADVISORY COMMITTEE BYLAWS**

**WHEREAS**, The City of Capitola first established a Finance Advisory Committee in August 1995; and

**WHEREAS**, the City Council recognizes the importance of continuing to receive input and discussion on the financial affairs of the City; and


**WHEREAS**, the City Council appreciates the work conducted by the Finance Advisory Committee to provide financial and budget advice to the City Council and wishes to encourage further participation in this Committee by amending the bylaws; and

**WHEREAS**, since the formation of the Finance Advisory Committee, the Committee's Bylaws have been amended by Resolutions 3063, 3113, 3337, 3423, 3437, 3770, and 4105.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Capitola that Resolution No. 4105 is hereby repealed in its entirety and the Finance Advisory Committee Bylaws are replaced to read as set forth in Exhibit A, attached hereto and incorporated by reference.

**I HEREBY CERTIFY** that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 9th day of May, 2024, by the following vote:

<b>AYES:</b>	CLARKE, MORGAN, PEDERSEN, BROOKS, BROWN
<b>NOES:</b>	NONE
<b>ABSENT:</b>	NONE
<b>ABSTAIN:</b>	NONE

DocuSigned by:  
  
 9845E01083E0448...

Kristen Brown, Mayor

ATTEST:

DocuSigned by:  
  
 4DE9B5A4452E43B

Julia Gautho, City Clerk



## BYLAWS OF THE CAPITOLA FINANCE ADVISORY COMMITTEE

The Finance Advisory Committee (FAC) was established on January 27, 2000, by City Council Resolution 3063.

Section 1. The Committee shall be called the Finance Advisory Committee (FAC) and is hereby established.

Section 2. The purpose of the FAC is to provide financial and budget alternatives to the City Council, provide financial and budget advice to the City Manager, conduct financial studies on the request of the City Council or City Manager, and review the budget and financial reports of the City.

Section 3. The FAC shall be comprised of the following representation:

The Mayor and Vice Mayor shall serve on this committee. When either or both the Mayor and Vice Mayor do not want to serve on this committee, other member(s) of the City Council shall be appointed by the Mayor, with the concurrence of the City Council.

Four or five additional members, serving at the pleasure of the City Council for a term of two years ending in December of each even-numbered year, as follows:

Three Capitola Residents, each appointed by the remaining Capitola City Council members not on the committee at the time of appointment.

One or two Capitola Businessperson and/or Capitola Resident representing the business community appointed by the Capitola City Council with consideration given to a recommendation from the Capitola Soquel Chamber of Commerce. If no applicants for these positions exist, the City Council may appoint another resident to the FAC.

Any staff member serving in the capacity of City Treasurer would be an ex-officio member and not a voting member of the committee.

The Committee may also recruit youth members pursuant to Administrative Policy I-38.

Section 4. The regular meetings of the FAC will be held a minimum of four times per year, with meeting dates and times to be determined by the committee.

Section 5. The City will provide staff support to the Finance Advisory Committee with the Finance Director to be primarily responsible for ensuring this support, to include preparation of agendas and minutes, compilation of material for discussion at committee meetings and follow-up as necessary.

Adopted by City Council Resolution No. 3063

Amended by City Council Resolution Nos. 3113, 3337, 3423, 3437, 3770, 4105, 4249, 4365

# Finance Advisory Committee Agenda Report



**Meeting:** February 18, 2025

**From:** Finance Department

**Subject:** Appointment of Chairperson and Vice Chairperson

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Recommended Action: Appoint a Chairperson and Vice Chairperson for 2025.

Background: The Finance Advisory Committee (FAC) consists of two members of the City Council, three city residents appointed by the other three individual Council Members, and two business representatives. Committee Members serve two-year terms while the Council Members may rotate annually. The FAC may also have a youth member, however the youth member is not a voting member.

Discussion: Since the passage of Measure K in 2018 which changed the position of City Treasurer from elected to appointed, the FAC has nominated two members annually to serve as the Chairperson and Vice Chairperson. Since the FAC advises the City Council on financial matters that often require a vote of the City Council, the two Council Members do not act as Chairpersons.

Fiscal Impact: None

Report Prepared By: Report Prepared By: Jim Malberg, Finance Director



**MINUTES**  
**FINANCE ADVISORY COMMITTEE**  
**REGULAR MEETING**  
**TUESDAY NOVEMBER 19, 2024**  
**6:00 PM**  
**CITY HALL COMMUNITY ROOM**  
**420 CAPITOLA AVENUE, CAPITOLA, CA 95010**

**CALL TO ORDER AND ROLL CALL**

Committee Members Present: Mayor Kristen Brown, Vice Mayor Yvette Brooks, Chairperson Michelle Coffman, Vice Chairperson Anthony Rovai, Laura Alioto, Matt Aurther, Anthony Guajardo

**ORAL COMMUNICATIONS**

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**OTHER BUSINESS**

<b>Topic</b>
<p><b>A. Approval of Minutes – Meetings of May 21 and Sept. 17, 2024</b> Meeting minutes for both meetings moved by Vice Chair Rovai, seconded by committee member Alioto. Minutes unanimously approved.</p>
<p><b>B. 2025 FAC Meeting Calendar</b> Staff presented two bi-monthly meeting schedules, one beginning in Jan. 2025 and the other in Feb. 2025. Vice Mayor Brooks moved the schedule beginning in Feb. which was seconded by committee member Arthur. The schedule was unanimously approved.</p>
<p><b>C. Measure Y Update</b> Staff presented an update on the Nov. 5, 2024, stating that the Measure Y sales tax initiative was receiving strong voter support and provided estimated revenue projections.</p>
<p><b>D. Quarterly Investment Report</b> Staff reported the following balances as of Sept. 30, 2024:</p> <ul style="list-style-type: none"><li>➤ Santa Cruz County Bank - \$526,200</li><li>➤ Local Agency Investment Fund (LAIF) - \$1.4 million</li><li>➤ Wells Fargo - \$2.3 million</li><li>➤ Investments - \$3.0 million</li><li>➤ PERS Retirement Trust - \$1.6 million</li></ul> <p>Other Post Employment Benefits (OPEB) Trust - \$847,000</p>
<p><b>E. Discussion of Items for Next Agenda</b> Measure Y breakout &amp; scenarios, Measure F summary, business license modernization.</p>

**ADJOURNMENT:** Chair Coffman adjourned the meeting at 6:40 PM.

# Finance Advisory Committee

## Agenda Report



**Meeting:** February 18, 2025

**From:** Finance Department, Jim Malberg

**Subject:** 2025 Finance Advisory Committee Meeting Schedule

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**Recommended Action:** Reaffirm the 2025 calendar year Finance Advisory Committee meeting schedule.

**Background:** The Finance Advisory Committee (FAC) advises the City Council on financial matters pertaining to the governing of the City, as well as on the use of fiscal resources. Three of the seven members are appointed by individual Council Members on the basis of their knowledge, experience, and qualifications in financial management and related areas. These appointees must be City residents. Two additional appointees represent the business community.

**Discussion:** The Finance Advisory Committee meets on the third Tuesday of every other month at 6 p.m. at Capitola City Hall and additional meetings may be scheduled during budget preparation. During the Nov. 19, 2024, FAC meeting the committee approved the following schedule for 2025:

- Feb. 18<sup>th</sup>
- April 15<sup>th</sup>
- June 17<sup>th</sup>
- Aug. 19<sup>th</sup>
- Oct. 21<sup>st</sup>
- Dec. 16<sup>th</sup>
  - *Additional special budget meeting in May/June if necessary*

All meetings will be in-person in the City Hall Community Room located at 420 Capitola Ave and are scheduled to begin at 6:00 PM.

**Fiscal Impact:** None

**Report Prepared By:** Report Prepared By: Jim Malberg, Finance Director

# Finance Advisory Committee

## Agenda Report

**Meeting:** February 18, 2025

**From:** Finance Department

**Subject:** FY 2024-25 Mid-Year Budget Report

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Recommended Action: Receive the Fiscal Year (FY) 2024-25 mid-year budget report.

Background: The FY 2024-25 Mid-Year Budget Report provides an update on the City's financial status as of December 31, 2024, and recommends budget adjustments that better reflect current projections.

Discussion: Revenues were tracking a little behind projections during the 1<sup>st</sup> quarter (July – Sept.) while expenditures were tracking close to budget. Staff anticipate receiving 2<sup>nd</sup> quarter sales tax revenue data prior to Feb. 18<sup>th</sup> and will provide an overview of year-to-date revenues and expenditures at that time. Additionally, staff will have updated revenue and expenditure projections following the passage of Measure Y.

Fiscal Impact: None anticipated as staff estimates that additional revenues resulting from the passage of Measure Y will be offset by additional personnel expenditures as negotiated by labor groups.

Report Prepared By: Report Prepared By: Jim Malberg, Finance Director