

# Fabrizio renamed Capitola mayor

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CAPITOLA — Margaret Fabrizio will serve a second year as mayor of Capitola amid an increasingly cloudy financial outlook.

"We're entering into very perilous times, and I think we need to maintain consistency in leadership," she said Thursday night.

The City Council agreed and renamed her to the top seat.

About four hours before being renamed mayor Thursday, Fabrizio delivered a state of the city address that warned residents about potential service cuts next year.

She was first named mayor by her colleagues last April, becoming only the second woman to hold the seat.

A central collections supervisor in the Santa Cruz County Treasurer-Tax Collector office, Fabrizio was elected to the council in 1992.

It has been tradition that the mayor serve a two-year term.

The council, however, passed an ordinance last year that calls upon members to consider selecting a mayor each year. Fabrizio's second year was approved unanimously with Mick Routh absent.

Longtime Councilman Ron Graves, at first, took a stand against Fabrizio serving a repeat year in the post, but then reconsidered.

"Margaret, I want you to know I totally support you as mayor," he said.

As the city's top elected official, Fabrizio threw tradition aside last year and began holding office hours at Capitola Mall instead of City Hall. The move, she said, allowed her to speak to several hundred residents.

Bob Garcia will serve a second year as a vice mayor.

The top issue for the city is to unsharpen a troubled 1986 bond deal. The problems may result in serious service cuts in the city.

In her address, Fabrizio announced that the city owes an undetermined amount of money to the Capitola Redevelopment Agency, a branch of city government that works to stimulate economic growth in the 41st Avenue area.

Officials say the figure looks to be in the \$2 million neighborhood.

Fabrizio acknowledged the problems of the \$10.2 million deal that



Margaret Fabrizio says Capitola is entering into 'perilous' financial times.

was suppose to pay off two earlier debts and fund about \$4.8 million in new projects, including several by the Redevelopment Agency.

An audit by Richard Standridge, an accountant who was recently hired to review city records, shows that the agency has been overpaying the city for funds it was advanced, Fabrizio said.

"There have also been inappropriate and excessive amounts charged to the Redevelopment Agency for such items as personnel costs," she said.

In January, Capitola officials reported that the city misspent more than \$2 million in funds from the deal. The city improperly spent \$1.45 million to buy property at Wharf Road and Clares Street, and \$700,000 to acquire the Monterey Avenue Park property. The city also wrongfully spent about \$266,000 to pay other debts, according to officials.

Fabrizio was applauded for her candor at the end of her speech, but now must move on to a year of answering hard questions and restoring order. It began Thursday.

Several residents essentially told the council, "I told you so." They said the financial problems were uncovered more than a year ago by City Treasurer Glenn Hanna, but it has taken this long for the council to acknowledge the troubles.

"I think we would like to know what went wrong," said Charlie Thomas, who called for a term limit on council members.

Resident Joe Ortiz also pinned down representatives by asking them to detail the severity of the problems.

"It wouldn't surprise me if the city owed the RDA \$2 million," Garcia said.

Fabrizio said she hoped some figures would be available as early as the end of the month.