

Capitola's mayor, treasurer feud

By DONNA KIMURA
Sentinel staff writer

CAPITOLA — The mayor calls it a "serious" issue and says she is still waiting for the city treasurer to deliver all his documents about Capitola's finances.

In the meantime, the city treasurer calls the entire matter a "tempest in a teapot" and says a set of papers was delivered to City Hall last week.

That's the status of a highly public feud between the two elected officials.

Mayor Margaret Fabrizio and city Treasurer Glenn Hanna verbally sparred at the last council meeting, with the mayor severely criticizing the treasurer for providing documents detailing the city's troubled bond deal to everyone — except the council.

In return, Hanna vowed to hold his own public hearing to explain the city's financial troubles if the City Council didn't do it at one of its meetings.

On Monday, both officials said they want to move past the recent dispute over the documents.

"I would rather devote energies to moving forward, solving the problems," Hanna said. "It doesn't matter who caused them at the moment. We have to fix them."

He said the documents that Fabrizio wanted were delivered to City Hall on Friday.

"I don't have anything to hide," he said. "I didn't want the community to misunderstand and believe the assertions that Margaret was making."

Mayor Fabrizio on Monday said she didn't receive what she requested.

"I don't think I have anything close to the full set," she said.

Fabrizio added it was time that the council and the treasurer work together to put the city back on its feet.

"He needs to be working with us," she said.

At the last council meeting, Fabrizio had chastised Hanna for not giving documents to the council while providing them to Ron Malone, a San Francisco attorney hired by the city to determine whether the city should pursue a civil case against anyone involved in the financial troubles. Hanna, she said, has also given material to the grand jury, the state Treasurer's Office and others.

"Mr. Hanna's failure to provide documents to us while he provides them to others now requires that we challenge the source of those documents, the validity of his ongoing comments and that we ask



Fabrizio



Hanna

about the real reason for his failure to provide us with what we ask," she said, reading from a letter she wrote to the council.

Hanna had written to Malone that he had documents that raised, in his mind, significant questions about the conduct of several past and present city employees and agents.

The city misspent more than \$2 million of bond money on projects not listed in the bond agreement, which puts the city in jeopardy of defaulting on the deal. The handling of the bond by city officials is under investigation by the Santa Cruz County District Attorney's Office, which is nearing the final stages of its probe.

Fabrizio said the city needed proof, not just Hanna's innuendos,

about any misconduct city officials may have committed.

"Where are the documents?" she asked four times at the meeting.

Hanna held his ground.

"As much as it may dismay the council, I do not work for the council, and the council does not work for me," he said.

"You indicate you don't work for me, but in fact you do," Fabrizio said. "You work for all of us."

"No, I work for the community," said Hanna.

"Of which I'm a part," answered Fabrizio.

"That's exactly right," Hanna said. "As a citizen, I work for you. As the mayor, I don't."

"For the purposes of being a citizen, I want to see those documents," Fabrizio said.

"You didn't sign the letter as citizen Fabrizio," answered Hanna. "You signed it as Mayor Fabrizio. Perhaps, if you write me as a citizen I might respond."

On Monday, Hanna said he gave Malone 124 documents — 64 memos addressed to the council, 47 memos between Hanna and the council and other internal correspondence, nine notes and chronologies Hanna wrote to people or as notes to himself and four articles from outside agencies.

Hanna added that he had al-

ready given the council many of the documents during the last two years.

"I really should have said, 'I gave you all this stuff for two years. You didn't do anything about it,' he said Monday. "Why should I give it to you again?"

In a Jan. 23 letter to Fabrizio, Hanna said that Malone had agreed to make all the documents available to her.

"I think the whole thing is a charade," he said of the controversy.

Fabrizio said the 124 documents given to Malone are only part of what she wants to review. The debate may have focused on what was delivered to the attorney, but she said she was requesting all of the treasurer's materials.

"We are at the point we are about to make decisions that are serious decisions and have serious consequences and we may not have everything to make those decisions," she said.

REFERENCE