CITY OF MORGAN HILL

City Council

Meeting Minutes

Mark Turner	-	*Mayor*
Marilyn Librers	-	*Mayor Pro Tem*
Gino Borgioli	-	*Council Member*
Rene Spring	-	*Council Member*
Yvonne Martinez Beltran	-	*Council Member*

Wednesday, June 26, 2024 6:00 PM

Council Chamber Building
17555 Peak Avenue, Morgan Hill, CA 95037

CALL TO ORDER

Mayor Turner called the City Council meeting to order at 6:00 p.m.

ROLL CALL ATTENDANCE

City Clerk Michelle Bigelow called the roll.

PRESENT	Rene Spring, Gino Borgioli, Yvonne Martinez Beltran, Mark Turner, Marilyn Librers
ABSENT	None

DECLARATION OF POSTING AGENDA

City Clerk Michelle Bigelow declared the posting of the agenda.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Martinez Beltran reported that the League of California Cities held a

Policy Committee meeting she attended. She is the Chair of the Housing, Community, and Economic Development Committee. She said that they discussed a number of different bills and policies that they are looking to support and advance, including economic development. They also held policy committees for transportation, public safety, environmental, governance, and transparency.

CITY MANAGER'S REPORT

City Manager Christina Turner mentioned that the City Council will be on recess through July and the next City Council meeting is scheduled for August 21, 2024. She spoke about a project that is at the library called Story Walk. It starts at the Magical Bridge Playground in the Community Park. She recognized Rebecca Garcia, Housing Director for the City of Morgan Hill for her 9 years of dedication and service to Morgan Hill. Rebecca will be joining the Santa Clara County Housing Authority overseeing the operations of the housing voucher program.

CITY ATTORNEY'S REPORT

None.

OTHER REPORTS

Council Member Borgioli provided an update on the Little Llagas Creek and Anderson Dam Committee report.

PUBLIC COMMENT

Public comment opened at 6:13 p.m. The following people were called to speak:
Dennis Jamison
Kenny Silva
There being no further requests to speak, public comment closed.

ADOPTION OF AGENDA

MOTION:
Adopting the agenda as posted.

RESULT:	Passed
MOVER:	Council Member Borgioli
SECONDER:	Council Member Spring
AYES:	Council Member Spring, Council Member Borgioli, Mayor Turner, Mayor Pro Tem Librers
NAYS:	None
ABSTAIN:	None

ABSENT:	Council Member Yvonne Martinez Beltran

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Pursuant to City Council Policies and Procedures (CP 97-01), any member of the Council or public may request to have an item removed from the Consent Calendar for comment and action.

MOTION:

Approving the consent calendar.

RESULT:	Passed
MOVER:	Council Member Borgioli
SECONDER:	Council Member Spring
AYES:	Council Member Spring, Council Member Borgioli, Mayor Turner, Mayor Pro Tem Librers
NAYS:	None
ABSTAIN:	None
ABSENT:	Council Member Yvonne Martinez Beltran

1. APPROVE A CONSULTANT AGREEMENT WITH BIGGS CARDOSA ASSOCIATES, INC. FOR THE COMPLETION OF DESIGN AND ENGINEERING WORK FOR GRADE SEPARATIONS FOR DUNNE AND TENNANT AVENUE AND DOWNTOWN CALTRAIN STATION PEDESTRIAN CROSSING FOR THE NOT TO EXCEED AMOUNT OF $2 MILLION, INCLUDING A CONTINGENCY OF $200,000

Recommendation:

1. Approve an agreement with Biggs Cardosa Associates, Inc. for design and engineering work for Phase 1 for grade separations for Dunne Avenue and the Downtown Caltrain Station Pedestrian crossing for an amount not to exceed $1 million ($900,000 with $100,000 contingency);
2. Authorize the City Manager to increase the maximum compensation paid to Biggs Cardosa Associates, Inc. by $1 million ($900,000 with $100,000 contingency) for design and engineering work for Phase 2 to include Tennant Avenue upon award and receipt of the Federal Railroad Administration grant; and
3. Authorize the City Manager to execute the Agreement with Biggs Cardosa Associates, Inc. and necessary amendments.

2. **APPROVE OBJECTIVE DEVELOPMENT STANDARD WAIVERS AND DENY CONCESSION REQUEST FOR THE BARNELL - HAREN PROPERTIES LLC RESIDENTIAL PROJECT AT BARNELL AVENUE AND DUNNE AVENUE (LJ COMMONS)**

Recommendation:
Adopt resolution approving the request for four waivers and denying the request for a concession to the City's Objective Development Standards for residential development.

3. **APPROVE REQUEST BY EDEN HOUSING, INC. (EHI) TO WAIVE THE 2023 ANNUAL SURPLUS PAYMENT TO CITY FOR VILLA CIOLINO AFFORDABLE APARTMENTS TO MAKE NECESSARY REPAIRS**

Recommendation:
Authorize the approval of a waiver for the receipt of the 2023 annual payment from Villa Ciolino's surplus cash in the amount of $101,197 to support the property's urgent rehabilitation needs.

4. **APPROVE THIRD AMENDMENT TO AGREEMENT WITH CITY OF GILROY FOR PROVIDING STAFF SERVICES**

Recommendation:
Authorize the City Manager to execute the Third Amendment to the City of Gilroy Staff Services Agreement for Stormwater Permitting Requirements and Environmental Management Services.

5. **APPROVE THE CLOSEOUT ANALYSIS REPORT FOR THE REASSESSMENT DISTRICT 2015-1 (MORGAN HILL RANCH)**

Recommendation:

1. Adopt resolution declaring the remaining reassessment revenue fund balance to be surplus, ordering the disposition of such surplus; and
2. Approve the Closeout Analysis Report for the Reassessment District 2015-1 (Morgan Hill Ranch).

6. **APPROVE THE JUNE 19, 2024 CITY COUNCIL MEETING MINUTES**

Recommendation:
Approve minutes.

7. **AUTHORIZE EXECUTION OF COST SHARING AGREEMENT WITH VALLEY WATER FOR THE UPPER LLAGAS FLOOD CONTROL PROJECT PHASE 2B**

Recommendation:

1. Authorize the City Manager to execute and administer a cost-share

agreement with Valley Water for the construction of improvements supporting the Upper Llagas Creek Flood Control Project for up to $4.5 million; and
2. Authorize the City Manager to make minor modifications to the agreement as necessary with the approval of the City Attorney.

8. AWARD THE EAST DUNNE HILLSIDE WATER RESERVOIR PROJECT TO AZUL WORKS, INC. IN THE AMOUNT OF $8,296,000 AND APPROVE CONSULTANT AGREEMENT WITH KENNEDY/JENKS CONSULTANTS FOR CONSTRUCTION SUPPORT SERVICES FOR A NOT TO EXCEED AMOUNT OF $300,000

Recommendation:

1. Approve the East Dunne Hillside Water Reservoir Project plans and specifications;
2. Award contract to Azul Works, Inc. for the East Dunne Hillside Water Reservoir Project in the amount of $8,296,000;
3. Authorize expenditures of construction contingency not to exceed $829,600;
4. Approve consultant agreement with Kennedy/Jenks Consultants for Construction Support Services for a not to exceed amount of $300,000; and
5. Authorize the City Manager to execute and administer the construction contract with Azul Works, Inc. and consultant agreement with Kennedy/Jenks Consultants.

9. RECEIVE MONTHLY BUDGET UPDATE AND MAY 2024 FINANCIAL AND INVESTMENT REPORTS

Recommendation:
Accept and file report.

PUBLIC HEARINGS

10. AWARD THE ENERGY SERVICES CONTRACT TO SYSERCO ENERGY SOLUTIONS, INC. FOR DESIGN AND CONSTRUCTION OF SOLAR SYSTEMS AT MULTIPLE CITY FACILITIES IN THE AMOUNT OF $7,583,500

Recommendation:

1. Open and close the Public Hearing;
2. Authorize the City Manager to execute and administer an energy service contract with Syserco Energy Services for $7,583,500;
3. Authorize contingency funds of $379,175; and
4. Adopt a resolution making findings in compliance with California

Government Code Section 4217.12 on Energy Conservation Contracts.

Public Services Director Chris Ghione provided the report.

The public hearing opened at 6:48 p.m. There being no requests to speak, the public hearing closed.

MOTION:
Approving the recommended actions.

RESULT:	Passed
MOVER:	Council Member Borgioli
SECONDER:	Mayor Pro Tem Librers
AYES:	Council Member Spring, Council Member Borgioli, Council Member Martinez Beltran, Mayor Turner, Mayor Pro Tem Librers
NAYS:	None
ABSTAIN:	None
ABSENT:	None

OTHER BUSINESS

11. AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH HOTEL MOHI BY APPELLATION FOR A TRANSIENT OCCUPANCY TAX AND SALES TAX SHARING AGREEMENT

Recommendation:
Authorize the City Manager to prepare and execute a Transient Occupancy Tax (TOT) and Sales Tax Sharing Agreement for the Hotel MOHI by Appellation project based on the Draft Deal Points as memorialized by KMA.

Economic Development Director Matt Mahood provided a presentation and report.

The meeting recessed at 7:35 p.m. and reconvened at 7:41 p.m.

Public comment opened at 8:06 p.m. The following people were called to speak:
Frank Leal and Charlie Palmer (Applicants)
Brian Sullivan
Eric and Carolyn Wallace
Nick Gaich on behalf of the Chamber of Commerce
John Horner

David Dindak
Krista Rupp on behalf of Visit Morgan Hill
Michael Van Every (Zoom)
Cosme Fagundo (Zoom)
Armando Benavides (Zoom)
Joe Baranowski (Zoom)
Miguel Jimenez (Zoom)
Daniel Fenton (Zoom)
Joe Guerra (Zoom)
Alex Vo (Zoom)
Frank Leal (Applicant)
There being no further requests to speak, public comment closed.

MOTION:
Motion to remove Deal Point 4(b) and to revisit after the Project has reached $6 million in assistance in present value terms.

RESULT:	Failed
MOVER:	Council Member Martinez Beltran
SECONDER:	None
AYES:	None
NAYS:	None
ABSTAIN:	None
ABSENT:	None

The motion failed due to a lack of second.

MOTION:
Approving the recommended action.

RESULT:	Passed
MOVER:	Council Member Borgioli
SECONDER:	Mayor Pro Tem Librers
AYES:	Council Member Borgioli, Mayor Turner, Mayor Pro Tem Librers
NAYS:	Council Member Spring, Council Member Martinez Beltran
ABSTAIN:	None
ABSENT:	None

12. RECEIVE WASTEWATER RATE STUDY REPORT, ADOPT RESOLUTION DECLARING INTENT TO IMPLEMENT NEW WASTEWATER RATES AND

COMMENCING PROPOSITION 218 NOTICES, AND SET AUGUST 28, 2024, AS THE DATE FOR A PUBLIC HEARING

Recommendation:

1. Receive Wastewater Rate Study report;
2. Consider implementing an alternative rate structure of a 100% fixed wastewater rate charge for residential customers and/or an additional wastewater meter account charge for those residential customers with detached Accessory Dwelling Units (ADU);
3. Adopt resolution declaring intent to adjust wastewater rates and authorizing the commencement of Proposition 218 noticing; and
4. Set August 28, 2024, as the date for the Public Hearing and adoption of new wastewater rates.

The meeting recessed at 9:22 p.m. and reconvened at 9:28 p.m.

Finance Director Dat Nguyen provided a presentation and report.

The Council extended the meeting to 10:30 p.m.

Public comment opened at 10:11 p.m.
Armando Benavides (Zoom) was called to speak.
There being no further requests to speak, public comment closed.

MOTION:

Adopt resolution declaring intent to adjust wastewater rates and authorizing the commencement of Proposition 218 noticing with the current rate structure and an additional wastewater meter account charge for those residential customers with detached ADU; and set August 28, 2024, as the date for the Public Hearing and adoption of new wastewater rates.

RESULT:	Passed
MOVER:	Council Member Spring
SECONDER:	Mayor Pro Tem Librers
AYES:	Council Member Spring, Council Member Borgioli, Council Member Martinez Beltran, Mayor Turner, Mayor Pro Tem Librers
NAYS:	None
ABSTAIN:	None
ABSENT:	None

PROPOSED FUTURE COUNCIL INITIATED AGENDA ITEMS

13. PROVIDE DIRECTION TO STAFF ON PROPOSED FUTURE COUNCIL INITIATED AGENDA ITEM

Recommendation:
Determine if the majority of the City Council wants the following item agendized at a future meeting for discussion:
Bring Viva Calle to Morgan Hill.

City Manager Christina Turner provided a report.

Public comment opened at 10:26 p.m.
Nick Gaich was called to speak.
There being no further requests to speak, public comment closed.

Council agreed to bring the item back at a future meeting.

FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

ADJOURNMENT

There being no further business, Mayor Turner adjourned the meeting at 10:30 p.m.

Minutes Prepared by:
Michelle Bigelow, City Clerk