CITY OF MORGAN HILL

Meeting Minutes
City Council

Steve Tate - Mayor
Rich Constantine - Mayor Pro Tem
Larry Carr - Council Member
Caitlin Jachimowicz - Council Member
Rene Spring - Council Member

Wednesday, June 20, 2018 7:00 pm

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

PUBLIC NOTICE

The Establishment of an Annual Regulatory Fee for Massage Establishments within City Limits will be scheduled for a future meeting with date uncertain.

The City Council has adopted a policy that regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority of the City Council.

CALL TO ORDER

Mayor Tate called the meeting to order at 7:00 p.m.

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow called the roll.

Attendee Name	Title	Status	Arrived
Steve Tate	Mayor	Present	
Rich Constantine	Mayor Pro Tem	Present	
Larry Carr	Council Member	Present	
Caitlin Jachimowicz	Council Member	Present	
Rene Spring	Council Member	Present	

DECLARATION OF POSTING AGENDA

Deputy City Clerk Michelle Bigelow declared the posting of the agenda.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Mayor Pro Tem Constantine spoke about the Magical Bridge Inclusive Park project. The project started three and a half years ago with a $5.2 million budget. To date the project has received just over $2 million from the City, grants, and fund raising. Thanks to Supervisor Mike Wasserman, they also received a generous grant from the County of Santa Clara in the amount of $2 million. With all these contributions considered, the group now needs to raise an additional $1.2 million. Although they have made great progress in their fundraising efforts to date, there is still a large amount of money needed. He encouraged the community to contribute. Donations can be made on the Magical Bridge Morgan Hill Facebook page.

CITY MANAGER'S REPORT

City Manager Christina Turner announced the evening's supplements and presentations.

She mentioned that the City has been working with the County of Santa Clara on rolling out the 2020 census. The theme is “Your Community Counts.” Volunteers are working to canvas neighborhoods and have almost completed their efforts. She wanted to let the community know that volunteers will not knock on your door or collect any names or personal information. Census information is never shared with immigration and customs enforcement. It is very important for us to get an accurate census because it helps provide more funding for families within the community, including money for schools, healthcare, libraries, and services.

She shared that early in June, the Santa Clara Valley Water District (SCVWD) held a meeting to provide an update on the Anderson Dam Retrofit project. They provided a presentation and held an extensive question and answer session. She shared that recreational boating will not be allowed in the reservoir in 2018 as low water levels are required to perform the retrofit work. The SCVWD is in communication with the High Speed Rail Authority (HSRA) to discuss the coordination of these projects and their respective schedules, so that the two projects can work together well. Lastly, the SCVWD conveyed that most of the dirt stockpiling will take place on site, reducing the amount of large trucks on the roads. We will likely get another update from the SCVWD in the fall.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin shared that he is the City's representative on the Board for the Pooled Liability Assurance Network which functions as our liability and property insurance. The Board meets twice yearly and today was the fiscal year end meeting. The Board voted to dissolve the Plan Corporation which was a non-profit organization run by the Association of Bay Area Governments (ABAG). Those responsibilities have been transferred to the Plan Joint Powers Authority (JPA) which is the JPA that Council voted to join in January 2018. ABAG is no longer part of what we do, but everything else will function the same as it always has. The Board adopted the Plan’s budget for the next fiscal year. The largest item in the City Attorney's budget is the payment to the Plan and each year staff estimates what that payment will be. He was relieved to learn that the City’s payment to the Plan Board will be a little less than was budgeted, offering a small savings to the City. He highlighted that the Board voted unanimously to spend up to $13,000 on mass shooting insurance which covers expenses not covered by existing insurance, such as psychological counseling, expenses for employees that were killed, and services to redesign and reconstruct facilities in case of a covered incident.

He announced that the Council was supposed to meet today as the Successor Agency to the Morgan Hill Redevelopment Agency, however, that meeting was canceled. There were to have been two items of discussion. The first was the transfer of 41% interest in the Valley Transportation Authority (VTA) parking lot to the City. The County Counsel's office raised several potential legal challenges to any of the proposed actions that we wanted to consider. It looks like we may have the opportunity to work with VTA on another solution, so we agreed to comply with the County's request to postpone the item. The second item was a restructuring of the loan for El Toro Brew Pub. The County informed the City and El Toro Brew Pub that they were not in support of the restructuring and would use their authority to block that item from approval at the Oversight Board. In response, El Toro Brew Pub withdrew their request.

He shared that the Oversight Board meeting that was scheduled for next week, would have been the last meeting of our local Oversight Board. The Oversight Board was charged with the dissolution of Redevelopment Agency (RDA) assets. Now that most RDAs are winding down, the State has now created a County-wide Oversight Board. From now on, all our related items will go up to that Board. The city representative will be someone from Sunnyvale, so we will not have any local representation.

OTHER REPORTS

Council Member Jachimowicz announced that in relation to the families being separated at the border, Cecelia Ponzini of the Edward Boss Prado Foundation and Showing up for Racial Justice (SURJ) have organized a rally. They are taking part in the "Nation-Wide Families Belong Together Event." You can get more information at www.moveon.org/familiesbelongtogether and select the South Santa Clara County event. The event will be June 30th at 9:00 a.m. at the Community and Cultural Center and will have a rally with speakers. The details are still being put together; they may do a march after the rally. They have also asked if the City Council would be interested in drafting and signing a letter of support. There is not another City Council meeting before the event, but she will ask under the future business items of the agenda for an item to come back for discussion.

Council Member Carr announced that he and the Mayor attended a City/School Liaison meeting last week. He shared that there will be construction going on at some of the school sites over the summer. The summer school program will be held at Jackson Academy of Math and Music (JAMM) and asked the people who live in the area to be patient with the added traffic.

Mayor Tate announced that his next Coffee with the Mayor will take place Saturday from 10:00 a.m. to 11:30 a.m. at Booksmart. His guest will be Council Member Rene Spring.

PROCLAMATIONS

Proclaiming the month of July 2018 as Parks and Recreation Month

PRESENTATIONS

RECYCLER OF THE YEAR, CHILI'S RESTAURANT- BY JULIE ALTER, RECOLOGY SOUTH VALLEY

YAC PRESENTATION- ASSET # 15- POSITIVE PEER INFLUENCE

PUBLIC COMMENT

The public comment was opened at 7:21 p.m. The following people were called to speak:
Jeff Dixon
Brian Faircloth
There being no further requests to speak, the public comment was closed.

ADOPTION OF AGENDA

MOTION:
Adopting the agenda as posted.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Larry Carr, Council Member
SECONDER:	Rich Constantine, Mayor Pro Tem
AYES:	Tate, Constantine, Carr, Jachimowicz, Spring

CONSENT CALENDAR

MOTION:

Approving consent calendar items 1 through 6, 8 through 10, and 12 through 14.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Caitlin Jachimowicz, Council Member
SECONDER:	Larry Carr, Council Member
AYES:	Tate, Constantine, Carr, Jachimowicz, Spring

1. APPROVE LEASE WITH GO KIDS, INC

Recommendation:

Authorize the City Manager to execute and administer a ground lease with GO Kids, Inc.

2. FINAL MAP APPROVAL OF LAS COLINAS (FORMERLY E DUNNE MANA/E DUNNE KYONO) - TRACT NO. 10471

Recommendation:

1. Approve the Final Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with MH Las Colinas 2017 LLC, a California Corporation;
3. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement pending review and approval by the City Attorney; and
4. Authorize the recordation of the Final Map, the Subdivision Improvements Agreement, and the Stormwater BMP Operation and Maintenance Agreement.

3. FINAL MAP APPROVAL OF HENCKEN OAKS - TRACT NO. 10448

Recommendation:

1. Approve the Final Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with Reliance Development LLC, a California Limited Liability Company;
3. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement pending review and approval by the City Attorney;
4. Authorize the City Manager to execute a Cash Deposit Agreement Guaranteeing Improvements; and
5. Authorize the recordation of the Final Map, the Subdivision Improvements Agreement, and the Stormwater BMP Operation and Maintenance Agreement.

4. AWARD ANNUAL TRAFFIC SIGNAL AND LIGHTING AGREEMENT

Recommendation:

1. Award a three-year contract to Cal-West Lighting and Signal Maintenance, Inc. in the amount of $450,000; and
2. Authorize the City Manager to execute and administer the Maintenance Service Agreement with Cal-West Lighting and Signal Maintenance, Inc.

5. AWARD 2018 PAVEMENT RESURFACING PROJECT TO O'GRADY PAVING, INC.

Recommendation:

1. Approve the 2018 Pavement Resurfacing Project plans and specifications;
2. Award contract to O'Grady Paving, Inc. for the 2018 Pavement Resurfacing Project in the amount of $1,556,650.50;
3. Authorize expenditure of construction contingency funds not to exceed $155,665.05; and
4. Authorize the City Manager to execute and administer the construction contract with O'Grady Paving, Inc. pending review and approval by the City Attorney.

6. ITEM PULLED FOR SEPARATE VOTE

7. ITEM PULLED FOR SEPARATE VOTE

8. FIFTH AMENDMENT TO AGREEMENT WITH LEONE AND ALBERTS

Recommendation:

Authorize City Manager to Execute Fifth Amendment to Legal Services Consultant Agreement with Leone and Alberts for Litigation Services For a Total Not to Exceed Amount of $170,000.

9. APPROVAL OF MEYERS NAVE AGREEMENT

Recommendation:

Approve contract with Meyers Nave to provide labor negotiations services for an amount not to exceed $50,000.

10. APPROVE PURCHASE OF POLICE VEHICLES

Recommendation:

1. Authorize the purchase (including build-out) of three patrol vehicles - 2018 Ford Explorers - for an amount not to exceed $65,400 each;
2. Authorize the purchase (including build-out) of one MSO Patrol Vehicle - Ford F150 Truck– in an amount not to exceed $50,800;
3. Auction two aged patrol vehicles: 2011 Ford Crown Victoria - #133 (VIN#:2767) and 2011 Ford Crown Victoria - #139 (VIN#: 6669);
4. Salvage one 2005 Chevrolet Silverado Graffiti Abatement Vehicle (VIN#: 3348);
5. Repurpose one 2010 Ford Crown Victoria - #140 (VIN#:8668) to the Traffic Division; and
6. Repurpose one 2007 Chevrolet Silverado Truck (VIN#: 9290) to a Graffiti Abatement Vehicle.

11. ITEM PULLED FOR DISCUSSION

12. TENTH SEMI-ANNUAL REPORT ON POST-ISSUANCE COMPLIANCE FOR TAX ADVANTAGED BONDS

Recommendation:

Receive and accept report.

13. APRIL 2018 FINANCIAL AND INVESTMENT REPORT

Recommendation:

Accept and file report.

14. APPROVE THE JUNE 6, 2018 MEETING MINUTES

Recommendation:

Approve Minutes.

ITEM PULLED FOR SEPARATE VOTE

6. AMENDMENT OF DEVELOPMENT AGREEMENT WITH UHC00661 MORGAN HILL, LP

Recommendation:

Approve technical modifications to the Development Agreement (Agreement) by and between the City of Morgan Hill and UHC 00661, LP, for the development of the Crossings on Monterey 39-unit housing project, and authorize staff to make the appropriate changes to the Exhibit C of the Agreement.

MOTION:
Approving the recommended action.

RESULT:	**APPROVED [4 TO 0]**
MOVER:	Caitlin Jachimowicz, Council Member
SECONDER:	Larry Carr, Council Member
AYES:	Tate, Constantine, Jachimowicz, Spring
RECUSED:	Carr

7. THIRD AMENDMENT TO AGREEMENT WITH LUHDORFF & SCALMANINI CONSULTING ENGINEERS

Recommendation:

1. Approve Third Amendment to Agreement with Luhdorff & Scalmanini Consulting Engineers for an additional amount of $54,000 for a total not to exceed contract amount of $283,840; and
2. Authorize the Assistant City Manager to execute and administer the Third Amendment to Agreement with Luhdorff & Scalmanini Consulting Engineers.

MOTION:
Approving the recommended action.

RESULT:	**APPROVED [4 TO 0]**
MOVER:	Caitlin Jachimowicz, Council Member
SECONDER:	Larry Carr, Council Member
AYES:	Tate, Carr, Jachimowicz, Spring
RECUSED:	Constantine

ITEMS PULLED FOR DISCUSSION

11. BOOKSMART UPDATE

Recommendation:

Informational Only.

MOTION:
Approving the recommended action.

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Caitlin Jachimowicz, Council Member
SECONDER:	Larry Carr, Council Member
AYES:	Tate, Constantine, Carr, Jachimowicz, Spring

PUBLIC HEARING

15. APPEAL (AAE2018-0006 AND AAE2018-0008) OF PLANNING COMMISSION'S DISTRIBUTION OF RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) BUILDING ALLOTMENTS FOR RDCS2017-0013: COCHRANE – MWEST PROP CO AND RDCS2017-0014: MONTEREY/CENTRAL-ECA FOR FISCAL YEAR 2019/20

Recommendation:

1. Grant a hearing de novo;
2. Open/close public hearing; and,
3. Adopt a Resolution denying the appeals and reaffirming the distribution of the Residential Development Control System (RDCS) Building Allotments for Fiscal Year 2019/20.

Principal Planner Gina Paolini and Development Services Director Jennifer Carman presented the report.

The public hearing for the Monterey/Central - ECA project was opened at 7:38 p.m.
Scott Murray was called to speak.
There being no further requests to speak, the public hearing was closed.

The public hearing for the Cochrane - MWest Property Co. project was opened at 8:22 p.m. The following people were called to speak:
Ryan McDaniel
Kerry Williams
Tamsen Plume
Dick Oliver
Rocke Garcia
John Telfer
There being no further requests to speak, the public hearing was closed.

A recess was called at 9:47 p.m.

The meeting was reconvened at 9:53 p.m.

The public hearing was re-opened at 9:54 p.m. The following people were called to speak:
Kerry Williams and Ryan McDaniel
John Telfer
Tamsen Plume
There being no further requests to speak, the public hearing was closed.

MOTION:
Approving the recommended action.

RESULT:	**DENIED [4 TO 1]**
MOVER:	Rene Spring, Council Member
SECONDER:	Caitlin Jachimowicz, Council Member
AYES:	Tate, Constantine, Jachimowicz, Spring
NAYS:	Carr

OTHER BUSINESS

16. ACQUISITION OF 41% INTEREST IN MORGAN HILL TRANSIT CENTER LOT

Recommendation:

1. Authorize the transfer at no cost, of the 41% interest for future parking, subject to negotiation of compensation agreement and approval of the Successor Agency and Oversight Board; or
2. Authorize the transfer of the property by purchase and compensation agreement for the 2011 value of the asset of $1,489,218. Or, should this not be negotiable and or supported by the Department of Finance,
3. Authorize the transfer and sale of the property to the City of Morgan Hill, for up to $2.6 million, as supported by the 2018 appraisal prepared by Valbridge/Hulberg and Associates.
4. Adopt resolution approving an amendment to the Fiscal Year 2018-19 Fund 255 Housing Fund budget for the purchase of the 108,408-sf (41%) Successor Agency interest in the jointly owned Valley Transportation Authority/Successor Agency parking and transit facility located at 17295 Butterfield Blvd. up to the fair market appraised value of $2.6 million, for future development at a time when replacement parking can be required of the development and important transit operation functions considered;
5. Authorize the City Manager to prepare and execute any and all related documents to affect the purchase; and
6. Direct staff to forward the recommendation to the Morgan Hill Successor Agency, Oversight Board, and subsequently the state Department of Finance (DOF) for review and concurrence, consistent with AB 1484, the California Redevelopment Dissolution Act.

Council Member Carr excused himself from the dais.

Assistant City Manager for Development Services Leslie Little presented the report.

The public comment was opened at 10:15 p.m.
There being no requests to speak, the public comment was closed.

MOTION:

Approving recommended action number 4; adopting resolution approving an amendment to the Fiscal Year 2018-19 Fund 255 Housing Fund budget for the purchase of the 108,408-sf (41%) Successor Agency interest in the jointly owned Valley Transportation Authority/Successor Agency parking and transit facility located at 17295 Butterfield Blvd. up to the fair market appraised value of $2.6 million, for future development at a time when replacement parking can be required of the development and important transit operation functions considered.

RESULT:	**ADOPTED [4 TO 0]**
MOVER:	Caitlin Jachimowicz, Council Member
SECONDER:	Rene Spring, Council Member
AYES:	Tate, Constantine, Jachimowicz, Spring
RECUSED:	Carr

FUTURE COUNCIL INITIATED AGENDA ITEMS

Mayor Tate requested a review of next year's RDCS allotments and how the MWest project can be accelerated at the Mid-Year Goal Review Workshop. He also asked that an item come back to Council to address the Cities Association request for the Council to review materials regarding the Regional Housing Needs Allocation (RHNA) sub-region.

Council Member Carr would like to explore the decision-making process for future multi-year allocations and how the Council should be a part of that discussion. He also asked that a resolution be brought to Council regarding the families that are being separated.

Council Member Jachimowicz asked that the Mayor or City Council draft and sign a letter of support for Cecelia Ponzini and SURJ's efforts and that a resolution be brought to Council regarding the families being separated.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:18 p.m.

MINUTES PREPARED BY:

Michelle Bigelow, Deputy City Clerk