



**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, October 3, 2018 5:30 pm

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

SPECIAL/REGULAR MEETING

(5:30 P.M. Closed Session/ 7:00 P.M. Regular Meeting)

A special meeting of the City Council was called at 5:30 p.m. for the purpose of conducting a closed session.

SPECIAL MEETING

5:30 P.M.

CALL TO ORDER

Mayor Tate called the special meeting to order at 5:31 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 Bigelow declared the posting of the agenda.

CLOSED SESSION

CLOSED SESSION ANNOUNCEMENT

City Attorney Donald Larkin announced the closed session items.

OPPORTUNITY FOR PUBLIC COMMENT

The public comment was opened at 5:33 p.m.

There being no requests to speak, the public comment was closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 5:34 p.m.

CONFERENCE WITH LABOR NEGOTIATOR

Authority:	Pursuant to Government Code Section 54957.6
City Negotiators	Christina Turner City Manager; Cindy Murphy Assistant City Manager for Administrative Services; Michelle Katsuyoshi Human Resources Director; Edward Kreisberg, Meyers Nave; Jesse Lad, Meyers Nave
Employee Organization:	Morgan Hill Police Officers Association Employees Covered under Management Resolution #17-042 AFSCME Local 101 Morgan Hill Community Service Officers Association

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to:	Government Code Section 54956.9(d)(2)
Number of Cases:	One (1)

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to:	Government Code Section 54956.8
Property:	APN 817-21-001
Agency Negotiators:	Christina Turner and Anthony Eulo
Negotiating Parties:	Fountain Oaks Ranch, LLC
Under Negotiation:	Price and Terms of Payment

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Authority: Government Code 54957 (b)(1)
Title: City Manager

REGULAR MEETING

7:00 P.M.

Mayor Tate called the regular meeting to order at 7:02 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Spring shared that the Taste of Morgan Hill took place this past weekend and thanked the Chamber of Commerce and the many volunteers involved for setting up another wonderful event.

CITY MANAGER'S REPORT

City Manager Christina Turner announced the evening's supplements and presentations. She shared that today is National Coffee with a Cop day. Here in Morgan Hill at the Starbucks on Walnut Grove Drive, our police officers hosted the Coffee with a Cop event which was well attended. She thanked the many community members that came out and talked with our police officers. She announced that the City and Chamber of Commerce will be holding Manufacturing Day in Morgan Hill tomorrow, Thursday October 4th. She invited the community to join us and our local business community in understanding the role that manufacturing plays in career and product development. The event begins at 8:30 a.m. at the Community and Cultural Center with a panel. The balance of the day will be dedicated to tours of four manufacturing businesses including Anritsu Company, Creative Manufacturing Solutions, Wolfsped, and Bruce's Custom Covers. She also shared that on Saturday, October 6th, from 4:00 p.m. to 7:30 p.m. we will have a Latin concert at the Downtown Amphitheatre. This event is a part of the National Hispanic Heritage Month Celebration. She announced that on Saturday, October 13th, we will hold our 12th Annual Get Fit Obstacle Course Challenge at Community Park. This is a one and a half mile run/walk and obstacle course for kids ages 5 through 13. If you missed the American Association of University Women (AAUW) candidate forum that took place last week, we do have the video available on our website in the media center. Lastly, she shared that public input on the Gun Violence Ordinance is due to Maureen Tobin this Friday, October 5th.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin announced that the Council met in closed session on four items earlier this evening and shared that there was no reportable action on any of the items. He shared that regarding the MWest/Divco litigation matter, the Superior Court entered an order and judgment holding, as we expected, that the Housing Accountability Act preempts our Residential Development Control System (RDCS) program as it applies to affordable housing projects that provide a significant amount of housing at an affordability level for which we are deficient. With that moving forward, we will be coming back to Council with a development agreement with the Divco/MWest project that will outline how that project will be developed outside of RDCS. He commented that we have received a lot of feedback from the community regarding the Gun Violence Ordinance and are still in the process of digesting that. To make sure that we are evaluating all the feedback that has come in and to provide a good recommendation to Council, we will likely not be bringing this item to Council until the October 24th or November 7th City Council meetings.

OTHER REPORTS

None.

PROCLAMATIONS

Proclaiming the week of October 7-13, 2018 as Fire Prevention Week
Received by Fire Marshal Dwight Good

RECOGNITION

Recognizing the Chiala Family for their generous donation to the City of Morgan Hill in Memory of Rick Chiala

PUBLIC COMMENT

The public comment was opened at 7:16 p.m.

There being no requests to speak, the public comment was closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

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

CONSENT CALENDAR

MOTION:

Approving Consent Calendar items 1 through 6.

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

1. ACCEPT FEDERAL EMERGENCY MANAGEMENT AGENCY GRANT – ASSISTANCE TO FIREFIGHTERS 2017

Recommendation:

1. Accept the Assistance to Firefighters Grant award in the amount of \$142,764; and
2. Adopt a resolution amending the Fiscal Year 2018-19 Budget, appropriating \$157,040 in the General Fund (010) for the related Grant expenditures.

2. ADOPTION OF A RESOLUTION OPPOSING PROPOSITION 6

Recommendation:

Adopt resolution opposing Proposition 6, which would repeal Senate Bill 1 (SB 1), also known as the "Road Repair and Accountability Act of 2017."

3. ACCEPTANCE OF OUTDOOR SPORTS CENTER ARTIFICIAL TURF REPLACEMENT PROJECT

Recommendation:

1. Accept as complete the Outdoor Sports Center Artificial Turf Replacement Project;
2. Authorize the City Engineer to sign the attached Notice of Completion; and
3. Direct the City Clerk to file said Notice of Completion with the County Recorder's Office.

4. AWARD EL TORO FIRE STATION ROOF REPLACEMENT PROJECT

Recommendation:

1. Award a contract to Andy's Roofing Company, Inc. in the amount of \$71,773;
2. Authorize the expenditure of contingency funds not to exceed \$14,355; and
3. Authorize City Manager to execute and administer that certain construction contract with Andy's Roofing Company, Inc.

5. APPROVAL OF IMPROVEMENT AGREEMENT AND STORMWATER BEST-MANAGEMENT-PRACTICES OPERATION AND MAINTENANCE AGREEMENT WITH MORGAN HILL REAL ESTATE, LLC (TOWBIN DODGE)

Recommendation:

1. Approve an Improvement Agreement with Morgan Hill Retail Estate, LLC;
2. Authorize the City Manager to execute the Improvement Agreement;
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 Improvement Agreement and the Stormwater BMP Operation and Maintenance Agreement.

6. APPROVE AGREEMENT AND INTERFUND LOAN FOR PURCHASE OF PROPERTY (APN 767-01-052) FOR THE HALE AVENUE EXTENSION PROJECT

Recommendation:

1. Approve Possession and Use Agreement with Glenda and Rocke Garcia for fee property (APN 767-01-052) for the Hale Avenue Extension project;
2. Approve expenditure of \$3,563,200 for said property into an escrow account;
3. Authorize the City Manager to execute all documents and make minor modifications as necessary in order to consummate the transaction; and
4. Adopt resolution amending the Fiscal Year 2018-19 Budget and authorizing an interfund loan to the Traffic Impact Fund (309) of up to \$2.25 million from the Local Drainage Impact Fund (303).

PUBLIC HEARING

7. APPROVE DISPOSITION AND DEVELOPMENT AGREEMENT FOR HALE LUMBER SITE INCLUDING VACATION OF 0.29 ACRES OF DEPOT STREET AND REALIGNMENT OF A PORTION OF DEPOT STREET TO CHURCH STREET AT EAST DUNNE AVENUE INTERSECTION

Recommendation:

1. Adopt Addendum to the 2035 General Plan Final Environmental Impact Report (FEIR) and Downtown Specific Plan FEIR; and
2. Adopt resolution approving a Disposition and Development Agreement with Latala Group, LLC for the sale of .29 acres of Depot Street, the re-alignment of Depot Street to Church Street at the East Dunne intersection, and the purchase of 3,000 square feet of office space within the mixed-use project.

Assistant Planner Tiffany Brown, Economic Development Director Edith Ramirez, and Development Services Director Jennifer Carman presented the report.

Mayor Tate called a recess at 8:03 p.m.
The meeting was reconvened at 8:10 p.m.

The public hearing was opened at 8:28 p.m. The following people were called to speak:

Michael Van Every
Reyad Katwan
Chuck Bradley
Joe Guerra
Devin Spencer
John Horner
Paul Latala

There being no further requests to speak, the public hearing was closed.

MOTION:

Approving the recommended actions.

RESULT:	ADOPTED [3 TO 2]
MOVER:	Rich Constantine, Mayor Pro Tem
SECONDER:	Steve Tate, Mayor
AYES:	Tate, Constantine, Carr
NAYS:	Jachimowicz, Spring

8. APPROVE GENERAL PLAN AND ZONING AMENDMENT TO CHANGE THE GENERAL PLAN LAND USE DESIGNATION FROM PUBLIC FACILITIES TO MIXED-USE AND THE ZONING CLASSIFICATION FROM PUBLIC FACILITIES TO DOWNTOWN MIXED USE (MU-D) ON HALF OF A 0.29 ACRE PORTION OF DEPOT STREET LOCATED AT THE CORNER OF DEPOT STREET AND EAST DUNNE AVENUE

Recommendation:

1. Adopt resolution approving an amendment to the 2035 General Plan;
2. Waive first and second reading of the ordinance;
3. Introduce ordinance approving a Zoning amendment;
4. Determine Project Consistency with the General Plan; and
5. Adopt an Addendum to the 2035 General Plan Final Environmental Impact Report (FEIR) and Downtown Specific Plan FEIR.

Assistant Planner Tiffany Brown, Economic Development Director Edith Ramirez, and Development Services Director Jennifer Carman presented the report.

The public hearing was opened at 9:38 p.m.
There being no requests to speak, the public hearing was closed.

MOTION:

Adopting resolution approving an amendment to the 2035 General Plan and determining that the project is consistent with the General Plan.

RESULT:	ADOPTED [3 TO 2]
MOVER:	Rich Constantine, Mayor Pro Tem
SECONDER:	Steve Tate, Mayor
AYES:	Tate, Constantine, Carr
NAYS:	Jachimowicz, Spring

MOTION:

Waiving the first and second reading of the ordinance.

RESULT:	WAIVED [3 TO 2]
MOVER:	Rich Constantine, Mayor Pro Tem
SECONDER:	Steve Tate, Mayor
AYES:	Tate, Constantine, Carr
NAYS:	Jachimowicz, Spring

MOTION:

Introducing the ordinance.

RESULT:	INTRODUCED [3 TO 2]
MOVER:	Rich Constantine, Mayor Pro Tem
SECONDER:	Steve Tate, Mayor
AYES:	Tate, Constantine, Carr
NAYS:	Jachimowicz, Spring

9. AMEND CHAPTER 5.32 - MASSAGE ESTABLISHMENT, AND INSTATE AN ANNUAL REGULATORY FEE FOR RELATED COMPLIANCE ACTIVITIES

Recommendation:

1. Open/close public hearing;
2. Waive the first and second reading of the ordinance;
3. Introduce Massage Establishment Amendment Ordinance; and
4. Adopt resolution establishing an Annual Regulatory Fee for Massage Establishments.

Accountant Manager Harjot Sangha presented the report.

The public hearing was opened at 9:56 p.m.

There being no requests to speak, the public hearing was closed.

Mayor Tate called a recess at 10:06 p.m.

The meeting was reconvened at 10:12 p.m.

MOTION:

Waiving the first and second reading of the ordinance.

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

MOTION:

Introducing the ordinance.

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

10. APPROVE AMENDMENTS TO THE MORGAN HILL MUNICIPAL CODE BY AMENDING SECTION 2.08.040 OF CHAPTER 2.08 (CITY MANAGER) OF TITLE 2 TO AMEND THE CITY MANAGER'S POWERS AND DUTIES AND BY AMENDING CHAPTER 3.04 OF TITLE 3 RELATED TO PURCHASING OF GOODS AND SERVICES

Recommendation:

1. Open/Close Public Hearing;
2. Waive the first and second reading of the Ordinance to amend Section 2.08.040 of Chapter 2.08 of Title 2 of the Municipal Code to increase the signature authority of the City Manager;
3. Introduce Ordinance by title;
4. Waive the first and second reading of the Ordinance to amend Chapter 3.04 of Title 3 of the Municipal Code to revise the regulations pertaining to the purchasing of goods and services; and
5. Introduce this Ordinance by title.

Finance Director Dat Nguyen presented the staff report.

The public hearing was opened at 10:16 p.m.

There being no requests to speak, the public hearing was closed.

MOTION:

Waiving the first and second reading of the ordinance amending section 2.08.040 of the Municipal Code.

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

MOTION:

Introducing the ordinance.

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

MOTION:

Waiving the first and second reading of the ordinance amending Chapter 3.04 of the Municipal Code.

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

MOTION:

Introducing the ordinance.

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

OTHER BUSINESS

11. DE PAUL HEALTH CENTER PROPERTY DISCUSSION

Recommendation:

Discuss Verity Health System's Bankruptcy as it relates to the De Paul Health Center Property in Morgan Hill.

City Attorney Donald Larkin recused himself and exited the dais.

City Manager Christina Turner presented the report. Mayor Tate continued the presentation.

RESULT:	NO ACTION TAKEN
----------------	------------------------

12. APPROVE FUNDING AGREEMENT FOR DOWNTOWN TREE LIGHTING

Recommendation:

1. Authorize the City Manager to negotiate, execute and administer all necessary agreements and documents to accept \$15,000 from the Morgan Hill Downtown Association, for the purpose of funding tree lighting in Downtown Morgan Hill; and
2. Adopt resolution amending the Fiscal Year 2018/19 Budget appropriating \$30,000 in the General Fund (010).

Public Services Director Chris Ghione presented the report.

The public comment was opened at 10:32 p.m.

John McKay was called to speak.

There being no further requests to speak, the public comment was closed.

MOTION:

Approving the recommended actions with the modification of the City funding up to \$19,000.

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

13. INTRODUCE THE 2018 STORM DRAINAGE SYSTEM MASTER PLAN

Recommendation:

Receive the 2018 Storm Drainage System Master Plan.

Associate Engineer David Gittleson, Deputy Director for Engineering Scott Creer, and Tony Akel with Akel Engineering Group presented the report.

The public comment was opened at 10:45 p.m.

There being no requests to speak, the public comment was closed.

RESULT:	NO ACTION TAKEN
----------------	------------------------

14. JUNE 2018 FINANCIAL AND INVESTMENT REPORT

Recommendation:

Accept and file report.

Finance Director Dat Nguyen presented the report.

RESULT:	ACCEPT REPORT
----------------	----------------------

15. APPROVE CITY COUNCIL MEETING SCHEDULE FOR CALENDAR YEAR 2019

Recommendation:

1. Review and adjust the 2019 City Council meeting schedule as deemed appropriate; and
2. Approve 2019 City Council meeting schedule.

Deputy City Clerk Michelle Bigelow presented the report.

MOTION:

Approving the 2019 City Council Meeting Calendar.

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

FUTURE COUNCIL INITIATED AGENDA ITEMS

Council Member Spring asked that staff bring back a policy regarding City Manager reporting of contracts signed under the City Manager signature authority.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:01 p.m.

MINUTES PREPARED BY:

Michelle Bigelow, Deputy City Clerk