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, December 5, 2018 7:00 pm

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

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 7:01 p.m.

ROLL CALL ATTENDANCE

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

None.

CITY MANAGER'S REPORT

City Manager Christina Turner announced the evening's supplements and presentations. She shared that our Police Department has been awarded a grant in the amount of $560,000 under Proposition 56; a Cigarette Tax to Fund Healthcare, Tobacco Use Prevention, Research, and Law Enforcement. This grant will pay for an additional School Resources Officer (SRO). This grant will cover the salary and benefits of the additional SRO for three years. This position will focus on tobacco education and prevention in our schools, with an emphasis on electronic cigarettes and flavored tobacco. The tobacco prevention and education work will include both student and parent outreach. These grant funds also align with the enforcement grant that is being presented and accepted this evening.

She introduced and welcomed our new Police Captain Emil Kokesh. Captain Kokesh joins us from the City of San Bernadino where he has served for over 27 years. Most recently, he served as a sergeant overseeing the homicide unit. While working in San Bernadino, he led their regional auto theft task force, worked as an acting lieutenant, and was a first responder to the terrorist attack at the Inland Regional Center in December 2015. Here in Morgan Hill, he will lead our Special Operations Division which includes investigations, internal affairs, school resource officers, and the office of emergency services.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin shared that he attended the Board of Directors (Board) for the Plan Joint Powers Authority (JPA) meeting this morning, which is the City's public liability assurance network. It is not quite an insurance policy, rather it is a risk pool in which the City has joined with other agencies to share liability risks in the event of claims or lawsuits. He commented that the Board usually only meets twice a year, however, they will hold an additional meeting in February for a strategic planning session. At that meeting they will consider a number of things including addition of coverage for employment practices liability, cyber liability, earthquake coverage, and some other things such as if they should be recruiting members from outside the greater bay area. One other piece of news that came out of the meeting this morning, is that the City's payment into the pool will likely increase next fiscal year due to our claims history and because our actual insurance is over and above what is covered through the plan.

OTHER REPORTS

Council Member Constantine asked that the meeting be adjourned in honor of President George Herbert Walker Bush.

Mayor Tate shared that he spent most of the afternoon at the Local Area Formation Commission (LAFCO) meeting regarding the annexation of property into the City to accommodate a Catholic High School. He complimented City staff for their excellent work at the meeting. He also thanked all of the people who attended the meeting and spoke in support of the project. He shared that unfortunately, the vote was not in our favor. He commented that we will do some thinking about how to move forward and will let the community know. He also reported that he learned this evening that the County of Santa Clara will be taking over Saint Louise and O'Connor hospitals, as well as, the DePaul Center here in Morgan Hill.

PUBLIC COMMENT

The public comment was opened at 7:09 p.m.

Brian Faircloth was called to speak.

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:	Caitlin Jachimowicz, Council Member
SECONDER:	Larry Carr, Council Member
AYES:	Tate, Constantine, Carr, Jachimowicz, Spring

CONSENT CALENDAR

MOTION:

Approving consent calendar items 1 through 8, 10 through 12, and 14 through 22.

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

1. DECLARE SURPLUS OF VEHICLES AND ONE PIECE OF EQUIPMENT FOR AUCTION

Recommendation:

1. Declare nine vehicles and one piece of equipment to be surplus; and
2. Authorize the purchasing officer to dispose of the vehicles and equipment in accordance with Section 3.04.400 of the City of Morgan Hill Municipal Code.

2. ACCEPT MONTEREY ROAD SEWER VAULT COATING AT LLAGAS CREEK PROJECT

Recommendation:

1. Accept as complete, the Monterey Road Sewer Vault Coating at Llagas Creek Project, in the final amount of $203,863;
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.

3. RESOLUTION APPROPRIATING FUNDS FOR A CUT-THROUGH TRAFFIC STUDY

Recommendation:

Adopt resolution to amend the Fiscal Year 2018-19 budget to appropriate $26,000 from the General Fund to perform a Citywide cut-through traffic study.

4. **APPROVE AGREEMENT ACCEPTING LAW ENFORCEMENT TOBACCO GRANT FROM THE COUNTY OF SANTA CLARA**

Recommendation:

Adopt resolution authorizing the City Manager to execute an agreement with the County of Santa Clara to accept grant funds as a sub-recipient of the State of California Department of Justice Law Enforcement Tobacco Grant for total amount of $63,731 over two fiscal years and amending the City's FY 2018-19 and FY 2019-20 adopted budget to appropriate expenditure of the grant funding of $31,568 in FY 2018-19 and $32,163 in FY 2019-20, in the General Fund (010).

5. **APPROVE HEALTHIER KIDS FOUNDATION FUNDING MOU AND LICENSE AGREEMENT**

Recommendation:

Authorize the City Manager to enter into and administer a memorandum of understanding, and a license agreement, with the Healthier Kids Foundation to provide funding in the amount of $20,000 annually and usage of a City facility.

6. **APPROVE MEMORANDUM OF UNDERSTANDING FOR SOUTH VALLEY CIVIC THEATER FUNDING**

Recommendation:

Authorize the City Manager to enter into and administer a memorandum of understanding with South Valley Civic Theater for the purpose of providing funding of $10,000 annually to support theater programming for low-income participants.

7. **APPROVAL OF MEMORANDUM OF UNDERSTANDING (MOU) WITH THE AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES (AFSCME), THE COMMUNITY SERVICE OFFICERS' ASSOCIATION (CSOA), POLICE OFFICERS' ASSOCIATION (POA) AND CORRESPONDING SALARY SCHEDULES AND APPROVAL OF THE MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEES RESOLUTION AND PART-TIME TEMPORARY AND SEASONAL EMPLOYEES RESOLUTION AND CORRESPONDING SALARY SCHEDULES**

Recommendation:

1. Approve a Memorandum of Understanding (MOU) with AFSCME effective December 30, 2018 – December 31, 2021 and corresponding salary schedules;
2. Approve a MOU with CSOA effective December 30, 2018 - December 31, 2021 and corresponding salary schedules;
3. Approve a MOU with POA effective December 30, 2018 - December 31, 2021 and corresponding salary schedules;
4. Approve the Management, Professional, and Confidential Employees Resolution effective December 30, 2018 and corresponding salary schedules; and
5. Approve the Part-Time Temporary and Seasonal Employees Resolution effective December 30, 2018 and corresponding salary schedule.

8. **APPROVE GEOGRAPHIC INFORMATION SYSTEM (GIS) SERVICES CONTRACT WITH GEOGRAPHIC TECHNOLOGIES GROUP**

Recommendation:

1. Approve an agreement with Geographic Technologies Group for a not to exceed amount of $59,000, for the GIS Services Project; and
2. Authorize City Manager to execute and administer the said agreement.

9. ITEM PULLED FOR DISCUSSION

10. APPROVE FIRST AMENDMENT TO COMMUNITY CHRISTIAN LEASE AGREEMENT

Recommendation:

1. Approve First Amendment to the Lease Agreement with Community Christian for use of the El Toro Youth Center Building; and
2. Authorize the City Manager to execute and administer the First Amendment to the Lease Agreement.

11. APPROVE IMPACT FEE FREEZE AGREEMENT WITH TBI-MISSION WEST II, LLC FOR THE DEVELOPMENT OF A MANUFACTURING BUILDING IN THE MADRONE BUSINESS PARK, PARCEL IDENTIFIED AS APN 726-35-029

Recommendation:

1. Approve an Impact Fee Freeze Agreement for the development of a 31,100 manufacturing building on 2.4 acres on Madrone Parkway identified by Assessor Parcel Number 726-35-029; and
2. Authorize the City Manager to execute and administer the Impact Fee Freeze Agreement.

12. ADOPT RESOLUTION INITIATING 2019 HAZARDOUS VEGETATION PROGRAM

Recommendation:

Adopt resolution declaring weeds and brush to be a nuisance and setting the hazardous vegetation public hearing on February 6, 2019.

13. ITEM PULLED FOR DISCUSSION

14. RECEIVE AND FILE THE ANNUAL SB 165 REPORT FOR COMMUNITY FACILITIES DISTRICT NO. 2014-1 (FISHER CREEK)

Recommendation:

Receive and file the report.

15. APPROVE FISCAL YEAR 2017-18 RECOMMENDED YEAR END BUDGET AMENDMENTS

Recommendation:

Adopt resolution amending the Fiscal Year 2017-18 adopted budget to appropriate a total of $314,317, in various funds, as detailed in Exhibit A to the resolution.

16. ADOPT RESOLUTION APPROVING AND MAKING FINDINGS RELATED TO THE AB 1600 DEVELOPMENT IMPACT FEE ANNUAL REPORT FOR FISCAL YEAR 2017-18

Recommendation:

Adopt resolution making findings for unexpended development impact fees and accept the annual development impact fee report.

17. <u>ACCEPT COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2018</u>

Recommendation:

Accept the City's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

18. <u>CONTINUE RECRUITMENT EFFORTS TO FILL UP TO TWO VACANCIES ON THE PLANNING COMMISSION</u>

Recommendation:

Direct the City Clerk to continue recruitment efforts to fill up to two unexpired terms ending June 1, 2021, on the Planning Commission.

19. <u>ADOPT ORDINANCE AUTHORIZING THE CITY MANAGER TO APPOINT THE CITY CLERK</u>

Recommendation:

Waive the reading, adopt Ordinance No. 2291, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

20. <u>ADOPT ORDINANCE ADDING CHAPTER 5.68 TO TITLE 5 (BUSINESS LICENSES GENERALLY) OF THE MORGAN HILL MUNICIPAL CODE TO PROVIDE UNIFORM REGULATIONS APPLICABLE TO ALL FIREARM DEALERS IN THE CITY</u>

Recommendation:

Waive the reading, adopt Ordinance No. 2292, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

21. <u>ADOPT ORDINANCE APPROVING ZONING AMENDMENT ZA 2018-0006 CHANGING THE ZONING DESIGNATION OF AN APPROXIMATELY 16.28-ACRE SITE LOCATED ON THE NORTH SIDE OF HALF ROAD BETWEEN CONDIT ROAD AND MISSION VIEW DRIVE (ASSESSOR PARCEL NUMBERS 728-30-003, -004) FROM R-2 3,500/PD PLANNED DEVELOPMENT DISTRICT TO RAL-3,500 RESIDENTIAL ATTACHED LOW DISTRICT</u>

Recommendation:

Waive the reading, adopt Ordinance No. 2293, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

22. <u>APPROVE THE NOVEMBER 28, 2018 MEETING MINUTES</u>

Recommendation:

Approve Minutes.

<u>ITEMS PULLED FOR DISCUSSION</u>

9. APPROVE FIRST AMENDMENT TO AGREEMENT WITH MEYERS NAVE FOR LABOR NEGOTIATION SERVICES

Recommendation:

1. Approve First Amendment to Agreement with Meyers Nave for an additional $50,000 to provide labor negotiations services for a total not to exceed amount of $100,000;
2. Authorize the City Manager to execute and administer the amended agreement; and
3. Adopt resolution amending the City's adopted Fiscal Year 2018-19 budget, to appropriate $50,000 from the General Fund (010) for labor negotiations.

The public comment was opened at 7:14 p.m.
Doug Muirhead was called to speak.
There being no further requests to speak, the public comment was closed.

MOTION:
Approving the recommended actions.

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

13. FOUNTAIN OAKS RANCH EASEMENT

Recommendation:

1. Authorize the City Manager to negotiate and execute an agreement with Fountain Oaks Ranch, LLC for the purchase of an agricultural conservation easement for up to $3.0 million on approximately 33 acres of land consisting of the entire historical parcels 155, 168, and 169 on APN 817-21-011 subject to the review and approval of the City Attorney; and
2. Authorize the City Manager to execute all additional forms and agreements relating to the preservation of the agricultural lands including the transfer of the agricultural conservation easement to another agency, land trust, or other qualified entity.

Program Administrator Anthony Eulo presented the report.

The public comment was opened at 7:45 p.m. The following people were called to speak:
John Telfer
Greg Leonard
George Chiala
There being no further requests to speak, the public comment was closed.

MOTION:
Approving the recommended actions with the condition that the City will make an agreement with a suitable trust to oversee the land.

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

OTHER BUSINESS

23. EDEN HOUSING - APPROVE ASSIGNMENT, MODIFICATION, EXTENSION, ASSUMPTION, AND RE-SUBORDINATION OF EXISTING CITY LOANS AND GROUND LEASES FOR REHABILITATION OF APARTMENTS; SKEELS, VILLA CIOLINO, WILLOWS APARTMENTS AND DEPOT COMMONS

Recommendation:

1. Authorize City Manager to negotiate and approve assignment, modification, extension, assumption, and re-subordination of existing City loan in the principal amount of $162,331 and accrued interest of approximately $68,339 for rehabilitation of 13-unit Skeels Affordable Housing Apartment Complex subject to the final review and approval of the City Manager;
2. Authorize City Manager to negotiate and approve assignment, modification, extension, and assumption, of ground lease for rehabilitation of housing component of Skeels Affordable Housing Apartment Complex and potential subdivision of commercial space subject to the final review and approval of the City Manager;
3. Authorize City Manager to negotiate and approve assignment, modification, extension, assumption, and re-subordination of existing City loan in the principal amount of $2,375,000 and accrued interest of approximately $1,783,111 for rehabilitation of 42-unit Villa Ciolino Affordable Housing Apartment Complex subject to the final review and approval of the City Manager;
4. Authorize City Manager to negotiate and approve assignment, modification, extension, and assumption, of ground lease for 20-unit Willows Affordable Housing Apartment Complex subject to the final review and approval of the City Manager; and
5. Approve a letter of commitment to support EDEN's efforts to seek new Low Income Housing Tax Credit financing and tax-exempt bonds to support their re-capitalization and rehabilitation of projects.

Housing Manager Rebecca Garcia and Assistant City Manager Leslie Little presented the report.

The public comment was opened at 8:36 p.m.
Teddy Newmyer was called to speak.
There being no further requests to speak, the public comment was closed.

MOTION:
Authorizing the City Manager to negotiate and approve assignment, modification, extension, and assumption, of ground lease for 20-unit Willows Affordable Housing Apartment Complex subject to the final review and approval of the City Manager.

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

MOTION:
Authorizing the City Manager to negotiate and approve assignment, modification, extension, assumption, and re-subordination of existing City loan in the principal amount of $162,331 and accrued interest of approximately $68,339 for rehabilitation of 13-unit Skeels Affordable Housing Apartment Complex subject to the final review and approval of the City Manager; Authorizing the City Manager to negotiate and approve assignment, modification, extension, and assumption, of ground lease for rehabilitation of housing component of Skeels Affordable Housing Apartment Complex and potential subdivision of commercial space subject to the final review and approval of the City Manager; Authorizing the City Manager to negotiate and approve assignment, modification, extension, assumption, and re-subordination of existing City loan in the principal amount of $2,375,000 and accrued interest of approximately $1,783,111 for rehabilitation of 42-unit Villa Ciolino Affordable Housing Apartment Complex subject to the final review and approval of the City Manager; and Approving a letter of commitment to support EDEN's efforts to seek new Low Income Housing Tax Credit financing and tax-exempt bonds to support their re-capitalization and rehabilitation of projects.

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

The meeting recessed at 8:45 p.m.
The meeting was reconvened at 8:51 p.m.

24. MONTEREY CORRIDOR BLOCK-LEVEL MASTER PLAN ALTERNATIVES FOLLOW-UP

Recommendation:

1. Receive follow-up information on Monterey Corridor Block-Level Master Plan Alternatives and Specific Plan preparation; and
2. Direct staff to proceed with Monterey Corridor Block-Level Master Plan process.

Development Services Director Jennifer Carman and Principal Planner John Baty presented the report.

The public comment was opened at 8:59 p.m. The following people were called to speak
Dick Oliver
Kathy Sullivan
There being no further requests to speak, the public comment was closed.

Council provided direction to staff.

RESULT:	**NO ACTION TAKEN**

25. SEPTEMBER 2018 FINANCIAL AND INVESTMENT REPORT

Recommendation:

Accept and file report.

Finance Director Dat Nguyen presented the report.

The public comment was opened at 9:26 p.m.
There being no requests to speak, the public comment was closed.

Council accepted the report.

RESULT:	**ACCEPT REPORT**

26. ADOPT AN ANNUAL REGULATORY FEE FOR MASSAGE ESTABLISHMENTS WITHIN THE CITY

Recommendation:

Adopt resolution establishing an Annual Regulatory Fee for Massage Establishments.

Accounting Manager Harjot Sangha presented the report.

The public comment was opened at 9:31 p.m.
There being no requests to speak, the public comment was closed.

MOTION:
Adopting the resolution setting the initial annual fee at 100% cost recovery ($843) and setting the subsequent annual renewals at 75% cost recovery ($497).

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

PUBLIC HEARING

27. ADOPT RESOLUTION OF NECESSITY FOR THE ACQUISITION OF REAL PROPERTY CONSISTING OF A PORTION OF APN NO. 767-03-936 FOR HALE AVENUE EXTENSION PROJECT

Recommendation:

1. Adopt resolution of necessity determining that the public interest and necessity require the acquisition by eminent domain of real property from Faridey Betpolice as identified in Exhibits A and B for the Hale Avenue Extension Project;
2. Authorize the City Attorney to file suit in eminent domain with respect to said property; and
3. Approve the expenditure of $300,500 for said properties for deposit into the State Condemnation Deposit Fund.

Associate Engineer David Gittleson presented the report.

The public hearing was opened at 9:39 p.m.
Trevor Bacolini was called to speak.
There being no further requests to speak, the public hearing was closed.

MOTION:
Adopting the resolution of necessity determining that the public interest and necessity require the acquisition by eminent domain of real property from Faridey Betpolice as identified in Exhibits A and B for the Hale Avenue Extension Project.

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

MOTION:
Authorizing the City Attorney to file suit in eminent domain with respect to said property and Approving the expenditure of $300,500 for said properties for deposit into the State Condemnation Deposit Fund.

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

FUTURE COUNCIL INITIATED AGENDA ITEMS

Council Member Spring asked that staff bring back a discussion regarding cannabis in Morgan Hill. He also asked to have a report come to Council on the Fire Disaster Plan for Morgan Hill with scenarios. Lastly, he asked for a discussion on the high level plan for agricultural land preservation.

ADJOURNMENT

There being no further business, the meeting was adjourned in honor of President George Herbert Walker Bush at 9:47 p.m.

MINUTES PREPARED BY:

Michelle Bigelow, Deputy City Clerk