



Meeting Minutes City Council

Rich Constantine - Mayor
John McKay - Mayor Pro Tem
Gino Borgioli - Council Member
Yvonne Martinez Beltran - Council Member
Rene Spring - Council Member

Wednesday, June 23, 2021 5:30 pm

Virtual Meeting

PUBLIC NOTICE

The Public Hearing to consider Vehicle-Miles-Traveled (VMT) screening criteria and thresholds of significance regarding the City's implementation of State Senate Bill 743 (SB 743) transition from Level-of-Service (LOS) to VMT as the metric for transportation analysis under the California Environmental Quality Act (CEQA) for development projects that was noticed for consideration by the City Council at this meeting was continued to a date uncertain. This will be duly noticed.

SPECIAL/REGULAR MEETING

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

5:30 p.m. Housing Sustainability Workshop

6:30 p.m. Closed Session

7:00 p.m. Regular Meeting

SPECIAL MEETING

5:30 p.m. Housing Sustainability Workshop

6:30 p.m. Closed Session

CALL TO ORDER

Mayor Pro Tem McKay called the meeting to order at 5:30 p.m.

ROLL CALL ATTENDANCE

City Clerk Michelle Bigelow called the roll.

Attendee Name	Title	Status	Arrived
Rich Constantine	Mayor	Late	
John McKay	Mayor Pro Tem	Remote	
Gino Borgioli	Council Member	Remote	
Yvonne Martinez Beltran	Council Member	Remote	
Rene Spring	Council Member	Remote	

DECLARATION OF POSTING AGENDA

City Clerk Michelle Bigelow declared the posting of the agenda.

WORKSHOP

This workshop is the fourth in a series of Housing Workshops that will look at the current and future state of housing in Morgan Hill. This workshop is called "Housing Sustainability." Staff will present and discuss the following:

- o How the City plans for infrastructure needs, including planning for water, sewer, roads, police, and fire.
- o How the City can maintain long-term sustainability in the context of all of the new State-mandated housing production.

City Manager Christina Turner introduced the workshop and turned the presentation over to Assistant City Manager Edith Ramirez, Development Services Director Jennifer Carman, and Housing Manager Rebecca Garcia.

Public Comment opened at 6:16 p.m. The following people were called to speak:

Armando Benavides

Rocke Garcia

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

WORKSHOP PRESENTATION

CLOSED SESSION

City Attorney Donald Larkin announced the closed session items.

OPPORTUNITY FOR PUBLIC COMMENT

Public comment opened at 6:30 p.m. There being no requests to speak, public comment closed.

ADJOURN TO CLOSED SESSION

The special meeting adjourned to closed session at 6:30 p.m.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code section 54956.8.)

Property: APN's - 817-06-001
Agency negotiator: Christina Turner and Chris Ghione
Negotiating parties: Chu, John C. and May-Jih C.
Under negotiation: Price and Terms of Payment

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code section 54956.8.)

Property: APN's - 762-61-3052 (Community and Cultural Center)
Agency negotiator: Christina Turner and Chris Ghione
Under negotiation: Price and Terms of Lease

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION (Gov. Code section 54956.9(d)(2).): (one case).

REGULAR MEETING

The regular meeting convened at 7:00 p.m.

PROCLAMATIONS

Proclaiming the month of July as Parks & Recreation Month

RECOGNITIONS

Recognizing Fred Gomez for his years of service to Morgan Hill

CITY COUNCIL REPORTS

Council Member Spring had no reports.

CITY MANAGER'S REPORT

City Manager Christina Turner spoke to the evening's supplements and presentations. She announced the City's updated watering and irrigation schedule which is limited to two days per week. You can learn more about the updated regulations on the City's webpage. She reminded the community that fireworks are illegal in Morgan Hill. Fireworks result in brush fires, damages to homes, missing pets, and unnecessary injuries. She invited the community to join the free FreedomFest Fireworks show at the Outdoor Sports Center. Illegally obtained fireworks, as well as safe and sane fireworks purchased legally elsewhere, are still illegal in Morgan Hill. Morgan Hill Police and Fire have adopted a zero-tolerance policy and will be actively patrolling for violations. She reported that Stephen Sheldon has joined our Police Department part time to develop and implement our South County Youth Diversion Program. Our Police Department partners with the County District Attorney's Office, Sheriff's Office, Gilroy Police Department, Morgan Hill and Gilroy Unified School Districts, Community Solutions, South County Youth Task Force, County Behavioral Health, and Rebecca's Children Services to develop and implement a South County specific based youth diversion program. This is a collaborative effort that will serve all youth and will greatly benefit our underserved youth by reducing racial and economic inequities by providing a tailored approach to our youth and their families based on individual needs. The program will be phased in with a goal of being up and running by next fall. She shared that Cal Cities will have a division legislative event and policy update on Friday, June 25th at noon. She concluded by inviting everyone to join our Town Hall on Thursday, June 24th at 5:30 p.m. to learn more about Morgan Hill's water, where it comes from, what a level 2 shortage means, how growth in Morgan Hill relates to water usage, and similar topics.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin shared that he serves as the City's representative on the Board of Directors for Plan JPA which is our risk management pool liability insurance program. He announced that we will be seeing an increase in the insurance portion that will be significantly higher than 36%. These increases are capped at 40% on an annual basis. We can anticipate a 40% increase for the next several years due to some very large claims. Due to COVID, fires, climate change, extreme weather events, and other factors, our property damage insurance is going up even more significantly. The Plan JPA is still putting together final numbers, we can look to see those costs increasing as much as 50%. We are looking at ways to join other risk pools at higher levels to stabilize those increases so that we won't be seeing 40-50% increases year over year.

OTHER REPORTS

Mayor Pro Tem McKay reiterated that there are no legal fireworks in Morgan Hill. He asked that community members be considerate of families with pets and those who live in high fire danger areas especially in extreme fire conditions.

PUBLIC COMMENT

Public comment opened at 7:12 p.m.

Krista Rupp was called to speak.

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

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	John McKay, Mayor Pro Tem
SECONDER:	Rene Spring, Council Member
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

CONSENT CALENDAR

MOTION:

Approving consent calendar items 1 through 4, 6 and 7.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	John McKay, Mayor Pro Tem
SECONDER:	Rene Spring, Council Member
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

1. **APPROVE AN IMPROVEMENT AGREEMENT AND A DEFERRED IMPROVEMENT AGREEMENT WITH TSC MOTORS INC. (MORGAN HILL CDR+J DEALERSHIP), AND AUTHORIZE THE CITY MANAGER TO EXECUTE AN ASSOCIATED RIGHT-OF-WAY ACQUISITION AGREEMENT WITH THE OWNER OF THE PROPERTY WITH ASSESSOR'S PARCEL NUMBER (APN) 728-17-032**

Recommendation:

1. Approve an Improvement Agreement with TSC Motors Inc.;
2. Approve a Deferred Improvement Agreement with TSC Motors Inc.;
3. Authorize the City Attorney to review and approve an alternative form of security to be provided by TSC Motors Inc. as part of the Improvement Agreement for the Morgan Hill CDR+J Dealership Project;
4. Authorize the City Manager to execute the Improvement Agreement and Deferred Improvement Agreement;
5. Authorize the recordation of the Improvement Agreement and Deferred Improvement Agreement; and
6. Authorize the City Manager to negotiate and execute a Right-of-Way Acquisition Agreement with the Owner of the property with Assessor's Parcel Number (APN) 728-17-032.

2. APPROVE SECOND AMENDMENT TO MAINTENANCE SERVICE AGREEMENT WITH ANIMAL DAMAGE MANAGEMENT, INC.

Recommendation:

1. Determine that competitive bids upon notice would not likely result in a lower price to the City from a responsible bidder or would cause unnecessary expense or delay under the circumstances per Section 3.04.150 (1) of the Morgan Hill Municipal Code; and
2. Authorize the City Manager to execute and administer the Second Amendment to the Maintenance Service Agreement with Animal Damage Management, Inc., extending the agreement for one additional year of service at annual amount of \$35,160 for a new total contract amount of \$140,640 over 4 years.

3. APPROVE THIRD AMENDMENT TO AGREEMENT WITH INNOVATIVE CLAIMS SOLUTIONS, INC.

Recommendation:

Authorize the City Manager to execute and administer a Third Amendment to Agreement with Innovative Claims Solutions, Inc. to provide third party claims administration for workers' compensation extending the agreement for one additional year of service at annual amount of \$34,380, for a new total contract amount of \$206,600 over 6 years.

4. APPROVE THE JUNE 16, 2021 MEETING MINUTES

Recommendation:

Approve Minutes.

5. ITEM PULLED FOR DISCUSSION

6. AWARD COMMUNITY AND CULTURAL CENTER BOILER REPLACEMENT PROJECT TO STEPHEN CIARI PLUMBING AND HEATING, INC.

Recommendation:

1. Adopt resolution amending the Fiscal Year 2020-21 Adopted Budget to appropriate an additional \$28,101 from the Building Replacement Fund (741) for the Community and Cultural Center Boiler Replacement Project;
2. Award contract to Stephen Ciari Plumbing and Heating, Inc. in the amount of \$98,274 and authorize the expenditure of (10%) contingency funds not to exceed \$9,827 for a total authorization of \$108,101; and
3. Authorize the City Manager to execute and administer that certain contract with Stephen Ciari Plumbing and Heating, Inc.

7. AWARD OF EAST FIFTH STREET SEWER MAIN PROJECT TO PACIFIC UNDERGROUND CONSTRUCTION, INC.

Recommendation:

1. Approve East 5th Street Sewer Main Project plans and specifications;
2. Award contract to Pacific Underground Construction, Inc. for the East 5th Street Sewer Main Project in the amount of \$1,226,730;
3. Authorize expenditure of construction contingency not to exceed \$122,673; and
4. Authorize the City Manager to execute and administer the construction contract with Pacific Underground Construction, Inc.

ITEM PULLED FOR DISCUSSION

5. AWARD POLICE AND PUBLIC SERVICES DEPARTMENTS FLEET SERVICE AGREEMENT TO FRANK'S AUTO SERVICE

Recommendation:

1. Award Vehicle Service Agreement to Frank's Auto Service for a total not-to-exceed amount of \$368,308 over three years; and
2. Authorize City Manager to Execute the Agreement.

Public comment opened at 7:19 p.m.

Joe Baranowski was called to speak.

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

MOTION:

Approving the recommended actions.

RESULT:	AWARDED [UNANIMOUS]
MOVER:	Rene Spring, Council Member
SECONDER:	Yvonne Martinez Beltran, Council Member
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

PUBLIC HEARING

8. ADOPT RESOLUTION ESTABLISHING CREDIT CARD PAYMENT SERVICE FEE

Recommendation:

1. Open/Close public hearing; and
2. Adopt resolution establishing new credit card service fee for development fees and transient occupancy tax payments by credit card.

Finance Director Dat Nguyen provided the report.

The public hearing opened at 7:32 p.m.

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

MOTION:

Approving the recommended action.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Rene Spring, Council Member
SECONDER:	Gino Borgioli, Council Member
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

9. CONSIDER APPEAL OF PLANNING COMMISSION'S APPROVAL OF SD2020-0011/SR2020-0029 THROUGH SR2020-0033 DE PAUL - TRAMMELL CROW MORGAN HILL VENTURE: REQUEST FOR A TENTATIVE PARCEL MAP AND DESIGN PERMITS FOR THE REDWOOD TECH AT 101, A FIVE BUILDING INDUSTRIAL PARK, ON A 29± ACRE SITE (APNS 728-30-006 AND 728-30-009). (AAE2021-0004 AND AAE2021-0005)

Recommendation:

1. Grant a hearing de novo;
2. Open/close public hearing; and
3. Adopt Resolution denying the appeals and reaffirming the decision of the Planning Commission to approve the project subject to Conditions of Approval.

Council Member Borgioli recused himself.

Mayor Constantine announced that he spoke with representatives from the Sprinkler Fitters Union and representatives from Trammell Crow.

Council Member Spring stated that he received several emails on this item and he disclosed that he had lunch with Joe Baranowski but they did not speak on this topic.

Mayor Pro Tem McKay announced that he received various emails and shared that he did speak with a Trammell Crow representative a few months ago.

Council Member Martinez Beltran shared that she received various emails and spoke with the Morgan Hill Responsible Growth Coalition (MHRGC).

Principal Planner Adam Paszkowski provided a presentation and report.

Don Little and David Blackwell spoke on behalf of the applicant, Trammell Crow.

Joe Baranowski spoke on behalf of the appellant, The Morgan Hill Responsible Growth Coalition.

The public hearing opened at 8:56 p.m. The following people were called to speak:

Russell Blalack

Carolyn and Eric Wallace

Murali Chirala

Ernie Tibaldi

John Williams

Brittney Sherman

Jordan Navy

Toni Navy

Dylan Boldt

David Dindak

Linda Nowlen

Miguel Jimenez

Stephen Cronin

Terry Williams

Mercedes Little

Dave Matthews

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

MOTION:

Approving staff recommendation to deny the appeal.

RESULT:	ADOPTED [3 TO 1]
MOVER:	John McKay, Mayor Pro Tem
SECONDER:	Rich Constantine, Mayor
AYES:	Constantine, McKay, Martinez Beltran
NAYS:	Spring
RECUSED:	Borgioli

FUTURE COUNCIL INITIATED AGENDA ITEMS

Council Member Spring asked that staff review policies to ensure that they are written as intended.

Mayor Pro Tem McKay reiterated Council Member Spring's request, however he asked that this work be deferred until staff can complete some of the current projects they are working on.

Council Members Borgioli and Martinez Beltran reiterated Council Member Spring's request.

Council Member Borgioli asked for a presentation on the timing of lights on Butterfield Blvd and through Downtown. He also requested that a subcommittee be formed regarding the widening of HWY 101.

Council Member Martinez Beltran asked that staff review the policy for City contracts, both for service and professional contracts.

CLOSED SESSION ITEMS CONTINUED FROM BEGINNING OF AGENDA

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

The meeting recessed at 10:15 p.m. and reconvened at 10:25 p.m.

The City Council meeting adjourned to closed session to continue to the closed session items from earlier in the agenda.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:55 p.m.

MINUTES PREPARED BY:

Michelle Bigelow, City Clerk