

MINUTES of the CITY COUNCIL

SAN JOSÉ, CALIFORNIA

TUESDAY, OCTOBER 30, 2018

The Council of the City of San José convened in Regular Session at 9:30 a.m. in the Council Chambers at City Hall.

9:30 a.m.- Closed Session, Call to Order in Council Chambers
Absent Councilmembers: None.

1:32 p.m.- Regular Session, Council Chambers, City Hall
Absent Councilmembers: None.

CLOSED SESSION

Upon motion unanimously adopted, Council recessed at 9:30 a.m. to a Closed Session in Room W133; (A) to Confer with Legal Counsel, Existing Litigation, pursuant to Section 54956.9(d)(1) of the Government Code: (1) In re: Claim of Yu; Names Of Partie(s) Involved: Workers Compensation Appeals Board ADJ10002384; ADJ10239231; Amount of Money or Other Relief Sought: Benefits; (2) In re: Claim of Millhone; Names Of Partie(s) Involved: Workers Compensation Appeals Board ADJ9457785; ADJ9099242; ADJ809292; Amount of Money or Other Relief Sought: Benefits; (3) Wood v. Morales, et al.; Names Of Partie(s) Involved: Ronald Wood; Daniel Morales, individually and as an Officer of the San José Police Department; Mark Mitten, individually and as an Officer of the San José Police Department; Sergeant Darrell Unger, individually and as an Officer of the San José Police Department; Court: U.S. District Court, Northern District of California, San José Division; Case No. 16-CV-06621-LH; (B) to Confer with Real Property Designated Representatives Pursuant to Government Code Section 54956.8: Property Street Address, Parcel Number, or other Unique Reference of Property: 255 South Montgomery Street (APN 261-37-025), 8 South Montgomery Street (APN 259-38-130), 102 South Montgomery Street (APN 259-48-012), 510 West San Fernando Street (APN 259-48-011, 259-48-013), 150 South Montgomery Street (APN 259-48-059), 105 South Montgomery Street (APN 261-35-003, 261-35-006, 261-35-010), 645 Park Avenue (APN 261-35-014), 525 West Santa Clara Street/566 West Julian Street (APN 259-28-031, 259-28-041, 529-28-043, 259-28-044) West San Carlos Street (261-37-030) No Address (261-37-028); Negotiating Parties: Nanci Klein for the City of San José and Jay Bechtel for Google; Under Negotiation: The direction will concern price and terms of payment; (2) Property Street Address, Parcel Number, or other Unique Reference of Property: 200 Edenvale Avenue, San José, California; Negotiating Parties: Nanci Klein for the City of San José and Kevin Morgan for JMA Ventures; Under Negotiation: The direction will concern price and terms of payment; Likely Range of Value of Property: Negotiated price based on appraisal and comparable property values

Access the video, the agenda and related reports for this meeting by visiting the City's website at <http://www.sanjoseca.gov/city> or <http://www.sanjoseca.gov/civiccentertv>. For information on any ordinance that is not hyperlinked to this document, please contact the Office of the City Clerk at (408) 535-1266.

CLOSED SESSION (Cont'd.)

(C) to Confer with Labor Negotiator Pursuant to Government Code Section 54957.6: City Negotiator: Jennifer Schembri, Director of Employee Relations; Employee Organizations: (1) Association of Building, Mechanical and Electrical Inspectors (ABMEI); Nature of Negotiations: Wages/Salaries, Hours, Working Conditions, etc.; Name of Existing Contract or MOA: Memorandum of Agreement between City of San José and ABMEI; (2) Association of Engineers & Architects (AEA); Nature of Negotiations: Wages/Salaries, Hours, Working Conditions, etc.; Name of Existing Contract or MOA: Memorandum of Agreement between City of San José and AEA. (3) Association of Maintenance Supervisory Personnel (AMSP); Nature of Negotiations: Wages/Salaries, Hours, Working Conditions, etc.; Name of Existing Contract or MOA: Memorandum of Agreement between City of San José and AMSP. (4) City Association of Management Personnel Agreement (CAMP); Nature of Negotiations: Wages/Salaries, Hours, Working Conditions, etc.; Name of Existing Contract or MOA: Memorandum of Agreement between City of San José and CAMP. (5) Confidential Employees' Organization, AFSCME Local 101 (CEO); Nature of Negotiations: Wages/Salaries, Hours, Working Conditions, etc.; Name of Existing Contract or MOA: Memorandum of Agreement between City of San José and CEO; (6) International Association of Firefighters, Local 230 (IAFF); Nature of Negotiations: Wages/Salaries, Hours, Working Conditions, etc.; Name of Existing Contract or MOA: Memorandum of Agreement between City of San José and International Association of Firefighters. (7) International Brotherhood of Electrical Workers (IBEW); Nature of Negotiations: Wages/Salaries, Hours, Working Conditions; Name of Existing Contract or MOA: Memorandum of Agreement between City of San José and IBEW; (8) Municipal Employees' Federation, AFSCME Local 101, AFL-CIO (MEF); Nature of Negotiations: Wages/Salaries, Hours, Working Conditions, etc.; Name of Existing Contract or MOA: Memorandum of Agreement between City of San José and MEF; (9) International Union of Operating Engineers, Local No. 3 (OE#3); Nature of Negotiations: Wages/Salaries, Hours, Working Conditions, etc.; Name of Existing Contract or MOA: Memorandum of Agreement between City of San José and International Union of Operating Engineers, Local No. 3. (10) San José Police Officers' Association (SJPOA); Nature of negotiations: wages/salaries, hours, working conditions, etc.; Name of Existing Contract or MOA: Memorandum of Agreement - City of San José and San José Police Association; (11) Association of Legal Professionals of San José (ALP); Nature of Negotiations: Wages/Salaries, Hours, Working Conditions, etc; Web: <http://www.sanjoseca.gov/?nid=186>; Telephone for Employee Relations: 408-535-8150.

By unanimous consent, Council recessed from Closed Session at 11:16 a.m.; Council reconvened to Regular Session at 1:32 p.m. in the Council Chambers.

Present: Councilmembers: Arenas, Carrasco, Davis, Diep, Jimenez, Jones, Khamis, Nguyen, Peralez, Rocha; Liccardo.

Absent Councilmembers: All Present.

INVOCATION (District 8)

Charmaine Caward, Cambrian Branch Library, read from from the book "Dreamers", by Yuyi Morales.

PLEDGE OF ALLEGIANCE

Mayor Sam Liccardo led the Pledge of Allegiance.

ORDERS OF THE DAY

Upon motion by Councilmember Johnny Khamis, seconded by Vice Mayor Magdalena Carrasco, and carried unanimously, the Orders of the Day and the Amended Agenda were approved. (10-0-1. Absent: Arenas.)

CEREMONIAL ITEMS

- 1.1** Mayor Sam Liccardo and Vice Mayor Magdalena Carrasco presented a commendation for National Arts and Humanities Month. (Vice Mayor Carrasco)
- 1.2** Mayor Sam Liccardo and Councilmember Sergio Jimenez presented a proclamation for Filipino American History Month for preserving, documenting, and highlighting the contributions of Filipino Americans in San José and beyond. (Jimenez)
- 1.3** Mayor Sam Liccardo and Councilmember Donald Rocha presented a commendation to March For Our Lives San José Leadership Team for their dedication to getting the San José Youth involved in voting and bringing over 10,000 people together in San José for common sense gun regulation awareness. (Rocha)

CONSENT CALENDAR

Upon motion Vice Mayor Carrasco, seconded by Vice Mayor Chappie Jones and carried unanimously, the Consent Calendar was approved and the below listed actions were taken as indicated. (10-0-1. Absent: Arenas.)

2.1 Approval of City Council Minutes.

None provided.

2.2 Final Adoption of Ordinances.

None provided.

2.3 Approval of Council Committee Minutes.

None provided.

2.4 Mayor and Council Excused Absence Requests.

18-1503 Request for an Excused Absence.

Approve excused absence for Councilmember Peralez from the regular meeting of City Council and Closed Session on October 2, 2018 due to the death of a close family member.

Deferred one week, per City Clerk.

2.x 18-1505 Actions Related to Councilmember Lan Diep's Travel to Washington, DC.

1. Authorize domestic travel for Councilmember Lan Diep to Washington, DC from December 6-8, 2018;
2. Excuse Councilmember Diep from the December 6th meeting of the Smart Cities & Services Improvements Committee; and
3. Authorize the use of District 4 funds for incidental expenses related to official travel.

Documents Filed: Memorandum from Councilmember Lan Diep, dated October 23, 2018, requesting authorization to travel on official City business.

Action: The travel for Councilmember Lan Diep was authorized. (10-0-1. Absent: Arenas.)

2.5 City Council Travel Reports.

Mayor Sam Liccardo spoke on his attendance at CityLab, an annual meeting of mayors and urban experts, which was hosted by Mike Bloomberg in Detroit, Michigan.

2.6 Report from the Council Liaison to the Retirement Boards.

None provided.

2.7 18-1434 Actions Related to Citywide Purchase Orders for Computer Parts, Peripherals, and PC Software.

Adopt a resolution authorizing the City Manager to:

- (a) Amend Citywide Purchase Orders OP 55573 with B&H Photo & Electronics (New York, NY), OP 55526 with ComputerLand of Silicon Valley (San José, CA), OP 55518 with SHI International Corp. (Somerset, NJ), and OP 56306 with CDW Government, Inc. (Vernon Hills, IL) for the purchase of computer parts, peripherals, and PC software to increase the aggregate compensation by \$920,000 for the term beginning July 1, 2018 and ending June 30, 2019 for a total aggregate compensation not to exceed \$2,000,000, subject to the appropriation of funds; and
- (b) Approve a contingency of \$500,000 to further amend the purchase orders as may be required to meet any additional unanticipated increases in City demand through June 30, 2019, subject to the appropriation of funds.

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.
(Finance)

Documents Filed: City Council Action Request from Director of Finance Julia H. Cooper, dated October 16, 2018, recommending adoption of a resolution.

Action: Resolution No. 78844, entitled: "A Resolution of the Council of the City of San José Authorizing the City Manager to 1) Amend Citywide Purchase Orders OP 55573 with B&H Photo & Electronics (New York, NY), OP 55526 with Computerland of Silicon Valley (San Jose, CA), OP 55518 with Shi International Corp. (Somerset, NJ), and OP 56306 with CDW Government, Inc. (Vernon Hills,

2.7 (Cont'd.)

Il) for the Purchase of Computer Parts, Peripherals, and PC Software to Increase the Aggregate Compensation by \$920,000 for the Term Beginning July 1, 2018 and Ending June 30, 2019 for a Total Aggregate Compensation Not to Exceed \$2,000,000, Subject to the Appropriation of Funds; and 2) Approve a Contingency of \$500,000 to Further Amend the Purchase Orders as May be Required to Meet Any Additional Unanticipated Increases in City Demand Through June 30, 2019, Subject to the Appropriation of Funds”, was adopted. (10-0-1. Absent: Arenas.)

2.8 18-1497 **Retroactive Approval of Fire Safety Town Hall and Clean Streets Initiative Launch as a City Council Sponsored Special Event to Expend City Funds and Accept Donations of Materials and Services for the Event.**

As recommended by the Rules and Open Government Committee on October 24, 2018:

1. Retroactively approve the Fire Safety Town Hall scheduled on October 10, 2018 as a City Council sponsored Special Event and approve the expenditure of funds; and
2. Approve and accept donations from various individuals, businesses, or community groups to support the event.

Documents Filed: Memorandum from City Clerk Toni J. Taber, dated October 30, 2018, transmitting the recommendations of the Rules and Open Government Committee.

Action: The Fire Safety Town Hall and Clean Streets Initiative Launch as a City Council Sponsored Special Event was retroactively approved, and expenditure of funds and authorization to accept donations from various individuals, businesses or community groups to support the event, was approved. (10-0-1. Absent: Arenas.)

2.9 18-1498 **Approval of the Oakgrove Neighborhood Dumpster Day and Approval of Additional Dumpster Day Events Sponsored by Council District 2 as a City Council Sponsored Special Event to Expend City Funds and Accept Donations of Materials and Services for the Event.**

As recommended by the Rules and Open Government Committee on October 24, 2018:

1. Retroactively approve the Oakgrove Neighborhood Dumpster Day scheduled on October 20, 2018 as a City Council sponsored Special Event and approve the expenditure of funds.
2. Approve the Cottle to Lean Neighborhood Dumpster Day scheduled on November 10, 2018 as a City Council sponsored Special Event and approve the expenditure of funds.
3. Approve the Edenvale, Great Oaks Neighborhood Dumpster Day scheduled on November 17, 2018 as a City Council sponsored Special Event and approve the expenditure of funds.
4. Approve the Skyway, Riverview Neighborhood Dumpster Day scheduled on December 8, 2018 as a City Council sponsored Special Event and approve the expenditure of funds.
5. Approve and accept donations from various individuals, businesses, or community groups to support the event.

2.9 (Cont'd.)

Documents Filed: Memorandum from City Clerk Toni J. Taber, dated October 30, 2018, transmitting the recommendations of the Rules and Open Government Committee.

Action: The Oakgrove Neighborhood Dumpster Day and approval of Additional Dumpster Day Events sponsored by Council District 2 as a City Council Sponsored Special Event was retroactively approved, and expenditure of funds and authorization to accept donations from various individuals, businesses or community groups to support the event, was approved. (10-0-1. Absent: Arenas.)

2.10 18-1499 **Approval of Second Annual Halloween Spooktacular Sponsored by Council District 8 as a City Council Sponsored Special Event to Expend City Funds and Accept Donations of Materials and Services for the Event.**

As recommended by the Rules and Open Government Committee on October 24, 2018:

1. Approve the Second Annual Halloween Spooktacular scheduled on October 27, 2018 as a City Council sponsored Special Event and approve the expenditure of funds; and
2. Approve and accept donations from various individuals, businesses, or community groups to support the event.

Documents Filed: Memorandum from City Clerk Toni J. Taber, dated October 30, 2018, transmitting the recommendations of the Rules and Open Government Committee.

Action: The Second Annual Halloween Spooktacular as a City Council Sponsored Special Event was approved, and expenditure of funds and authorization to accept donations from various individuals, businesses or community groups to support the event, was approved. (10-0-1. Absent: Arenas.)

STRATEGIC SUPPORT

3.1 Report of the City Manager, David Sykes (Verbal Report)

None provided.

3.3 18-1435 **Appointments to the Civil Service Commission.**

- (a) Interview applicant(s) who satisfy the Attorney-at-Law Seat qualifications for appointment on the Civil Service Commission;
- (b) Appoint one (1) candidate to the Attorney-at-Law Seat to a term ending November 30, 2022;
- (c) Interview applicant(s) for appointment to the Public Member Seat on the Civil Service Commission; and
- (d) Appoint one (1) candidate to the Public Member Seat to a term ending November 30, 2022.

Documents Filed: Memorandum from City Clerk Toni J. Taber, dated October 19, 2019, recommending appointments to upcoming vacancies on the Civil Service Commission.

3.3 (Cont'd.)

Action: Upon motion by Councilmember Sergio Jimenez, seconded by Councilmember Tam Nguyen and carried unanimously, Sharon Hightower was appointed to the Attorney-at-Law Seat on the Civil Service Commission for a term ending November 30, 2022; Michael Wilcoxon was appointed to the Public Member Seat on the Civil Service Commission for a term ending November 30, 2022.

(10-0-1. Absent: Arenas.)

3.4 18-1436 **Public Member Appointments to the Board of Administration for Federated City Employees' Retirement System and Police and Fire Retirement Plan.**

1. Board of Administration for the Federated City Employees' Retirement System

a. Interview applicant(s) for appointed to the Public Member Seats on the Federated City Employees' Retirement Board;

b. Appoint up to two (2) applicants to the Public Member Seats on the Federated City Employees' Retirement Board to a term ending November 30, 2022; and

1. c. If any vacancies remain, direct the City Clerk to continue recruitment efforts and bring forward additional applicants for consideration.

2. Board of Administration for Police and Fire Retirement Plan

a. Interview applicant(s) for appointed to the Public Member Seats on the Police and Fire Retirement Board;

b. Appoint up to three (3) applicants to the Public Member Seats on the Police and Fire Retirement Board to a term ending November 30, 2022; and

c. If any vacancies remain, direct the City Clerk to continue recruitment efforts and bring forward additional applicants for consideration.

Documents Filed: (1) Memorandum from City Clerk Toni J. Taber, dated October 19, 2019, recommending appointments to upcoming vacancies on the Board of Administration for Federated City Employees' Retirement System and Police and Fire Retirement Plan. (2) Voting ballots for the October 30, 2018 vote.

Action: A manual vote of the City Council was taken, and Anurag Chandra and Elaine Orr were appointed to Public Member Seats on the Federated City Employees' Retirement Board for terms ending November 30, 2022. Vikas Oswal, Ghia Griarte and Eswar Menon were appointed to Public Member Seats on the Police and Fire Retirement Board for terms ending November 30, 2022.

(10-0-1. Absent: Arenas.)

3.5 18-1437 **Emergency Services Council Membership.**

Accept the proposed initial Emergency Services Council Membership to allow for a meeting to be scheduled in December 2018.

CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. (City Manager)

3.5 (Cont'd.)

Documents Filed: Memorandum from Director of the Office of Emergency Management, Ray Riordan, dated October 17, 2018, recommending acceptance of the initial Emergency Services Council Membership.

Director of the Office of Emergency Management, Ray Riordan provided a presentation.

Motion: Councilmember Johnny Khamis moved approval, and the motion was seconded by Councilmember Donald Rocha. Vice Mayor Magdalena Carrasco requested a friendly amendment, to include of increased representation from the East Side of the City. The friendly amendment was accepted.

Action: On a call for the question, the motion carried unanimously, and the proposed initial Emergency Services Council Membership, allowing for a meeting to be scheduled in December 2018, was approved, with the inclusion of increased representation from the East Side of the City. (10-0-1. Absent: Arenas.)

Councilmember Sylvia Arenas arrived at 2:40 p.m.

3.6 18-1438 **Actions Related to the Request for Proposal for Parking Access and Revenue Control System and Automated License Plate Recognition Policy.**

(a) Accept the report on the Request for Proposal for a Parking Access and Revenue Control System and adopt a resolution authorizing the City Manager to:

(1) Execute an Agreement with Sentry Control Systems, LLC (Van Nuys, CA) for the purchase of a Parking Access and Revenue Control System on behalf of the Department of Transportation, including all hardware, equipment, software, implementation and configuration, training, support, maintenance, and related professional services for an initial one-year term ending on October 31, 2019, with maximum compensation amount not-to-exceed \$6,326,346.

(2) Negotiate and execute amendments and/or change orders not to exceed \$300,000 for contingencies related to implementation and system requirements, subject to the appropriation of funds.

(3) Execute up to ten one-year options to extend the term of the Agreement for ongoing support, maintenance, and related professional services through October 31, 2029, subject to the appropriation of funds.

(4) Negotiate and execute an agreement with Sentry Control Systems for the purchase of a parking access and revenue control system for the Airport, subject to substantially the same terms and conditions as the Agreement for the Department of Transportation, for an initial one-year term with maximum compensation amount not-to-exceed \$7,000,000, and up to ten additional one-year options to extend the term of the agreement for ongoing support, maintenance, and related professional services, subject to the appropriation of funds.

3.6 (Cont'd.)

(b) Adopt a resolution approving a Parking Operations-Specific Automated License Plate Recognition Policy.

(c) Adopt the following 2018-2019 Appropriation Ordinance and Funding Sources Resolution amendments in the Airport Renewal and Replacement Fund:

(c) (1) Increase the Parking Revenue Control System Upgrade appropriation to the Airport Department by \$3,500,000;

(2) Increase the estimate for Transfers and Reimbursements by \$3,500,000.

(d) Adopt the following 2018-2019 Appropriation Ordinance amendments in the Airport Revenue Fund:

(1) Decrease the Future Budgets/Capital Reserve by \$3,500,000;

(2) Increase the Transfer to the Airport Surplus Revenue Fund by \$3,500,000.

(e) Adopt the following 2018-2019 Appropriation Ordinance and Funding Sources Resolution amendments in the Airport Surplus Revenue Fund:

(1) Increase the Transfer to the Airport Renewal and Replacement Fund by \$3,500,000;

(2) Increase the estimate for Transfers and Reimbursements by \$3,500,000.

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment. (Finance/Transportation/Airport/City Manager)

Documents Filed: Joint memorandum from Director of Finance Julia H. Cooper, John Ristow, Deputy Director of Department of Transportation, Director of Aviation, John Aitken, A.A.E. and Budget Director Margaret McCahan, dated October 18, 2018, recommending acceptance of the report and adoption of a resolutions and appropriation ordinances.

John Ristow, Deputy Director of Department of Transportation offered an introduction, and staff members followed up with a discussion of PARCS and automated license plate recognition policy. Staff continued and responded to questions from Council.

Action: Upon motion by Councilmember Johnny Khamis, seconded by Councilmember Chappie Jones, and carried unanimously, the report on the Request for Proposal for a Parking Access and Revenue Control System was accepted, and Resolution 78845, entitled: "A Resolution of the Council of the City of San José Authorizing the City Manager to 1) Execute an Agreement with Sentry Control Systems, LLC for the Purchase of a Parking Access and Revenue Control System on Behalf of the Department of Transportation for an Initial One-Year Term in an Amount not to Exceed \$6,326,346; 2) Negotiate and Execute Amendments and/or Change Orders not to Exceed \$300,000 for Contingencies Related to Implementation and System Requirements; 3) Execute up to Ten One-Year Options to Extend the Term; and 4) Negotiate and Execute an Agreement for the Airport Subject to Substantially the Same Terms and Conditions as the Agreement for the Department of Transportation for an Initial One-Year Term in an Amount not to Exceed \$7,000,000, and Execute up to Ten One-Year Options to Extend the Term; Subject to the Appropriation Of Funds"; Resolution No. 78846, entitled: "A Resolution of the Council

3.6 (Cont'd.)

of the City of San José Approving an Automated License Plate Recognition Policy for Parking Operations”; Resolution No. 78847, entitled: “A Resolution of the Council of the City of San José Amending Resolution No. 78672 Setting Forth the Estimated Sources of Funds for the Fiscal Year 2018-2019 to Adjust Revenues in the Airport Renewal and Replacement Fund”; Resolution No. 78848, entitled: “A Resolution of the Council of the City of San José Amending Resolution No. 78672 Setting Forth the Estimated Sources of Funds for the Fiscal Year 2018-2019 to Adjust Revenues in the Airport Surplus Revenue Fund”; Ordinance No. 30178, entitled “An Ordinance of the City of San José Amending Ordinance No. 30124 to Appropriate Moneys in the Airport Renewal and Replacement Fund for the Parking Revenue Control System Upgrade; and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption”, Ordinance No. 30179, entitled “An Ordinance of the City of San José Amending Ordinance No. 30124 to Appropriate Moneys in the Airport Revenue Fund for the Transfer to the Airport Surplus Revenue Fund; and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption”, and Ordinance No. 30180, entitled “An Ordinance of the City of San José Amending Ordinance No. 30124 to Appropriate Moneys in the Airport Surplus Revenue Fund for the Transfer to the Airport Renewal and Replacement Fund; and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption”, were adopted. (11-0.)

3.7 18-1439 **Second Amendment to the Agreement with Intercare Holdings Insurance Services for City’s Workers’ Compensation Services.**

Adopt a resolution authorizing the City Manager to negotiate and execute a Second Amendment to the Agreement with the City’s Third Party Administrator for Workers’ Compensation, Intercare Holdings Insurance Services, to increase compensation by \$1,934,897 for the current contract term of July 1, 2018 through June 30, 2019, for a total contract amount not to exceed \$10,405,042.

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.
(Human Resources)

Documents Filed: Memorandum from Director of Employee Relations/Acting Director Human Resources, Jennifer Schembri recommending adoption of a resolution.

Action: Upon motion by Councilmember Johnny Khamis, seconded by Councilmember Donald Rocha and carried unanimously, Resolution No. 78849, entitled: “A Resolution of the Council of the City of San José Authorizing the City Manager to Negotiate and Execute a Second Amendment to the Agreement with the City’s Third-Party Administrator for Workers’ Compensation, Intercare Holdings Insurance Services, to Increase Compensation by \$1,934,897 for the Current Contract Term of July 1, 2018 through June 30, 2019, for a Total Contract Amount not to Exceed \$10,405,042”, was adopted. (11-0.)

NEIGHBORHOOD SERVICES

5.1 18-1443 Anti-Graffiti and Anti-Litter Programs Annual Report.

As recommended by the Neighborhood Services and Education Committee on October 11, 2018, accept the Anti-Graffiti and Anti-Litter Programs Annual Report.

CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. (Parks, Recreation and Neighborhood Services) [Neighborhood Services and Education Committee referral 10/11/18 - Item D.6]

Action: Deferred to November 6, 2018 per Administration.

TRANSPORTATION AND AVIATION SERVICES

6.1 18-1442 Master Agreements for On-Call Transportation Consultant Services.

Approve Master Agreements with the following nine firms to provide on-call consultant services in four technical service areas: Traffic Operations, Intelligent Transportation Systems, Traffic Engineering, and Traffic Data Collection for a five-year term ending August 30, 2023; for a maximum aggregate compensation not to exceed \$6,300,000, subject to the appropriation of funds:

- (a) CHS Consulting, Inc.
- (b) Kimley-Horn and Associates, Inc.
- (c) Iteris, Inc.
- (d) Parsons Transportation Group Inc.
- (e) Fehr & Peers
- (f) Hexagon Transportation Consultants, Inc.
- (g) All Traffic Data Services, Inc.
- (h) Innovative Data Acquisitions, LLC
- (i) Traffic Data Service, LLC

CEQA: Not a Project, File No. PP17-002, Consultant services for design, study, inspection or other professional services with no commitment to future action. (Transportation)

Documents Filed: Memorandum from John Ristow, Deputy Director of Department of Transportation, dated October 25, 2018, recommending approval of Master Agreements.

John Ristow, Deputy Director of Department of Transportation provided an overview.

Action: Upon motion by Councilmember Donald Rocha, seconded by Councilmember Chappie Jones and carried unanimously, the Master Agreements for On-Call Transportation Consultant Services were approved. (10-0-1. Absent: Peralez.)

ENVIRONMENTAL & UTILITY SERVICES

7.1 18-1444 Update on Climate Smart San José Activities.

As recommended by the Transportation and Environment Committee on October 1, 2018, accept the update on the Climate Smart San José activities.

CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. (Environmental Services)

[Transportation and Environment Committee referral 10/1/18 – Item D.1]

Documents Filed: (1) Memorandum from Mayor Sam Liccardo, dated October 30, 2018, offering acceptance of the report and asking for staff to return to Council in January 2019 with a report. (2) Memorandum from Councilmember Johnny Khamis offering acceptance of the update including additional direction to staff. (3) Supplemental memorandum from Director, Environmental Services, Kerrie Romanow, dated October 24, 2018, informing Council of the selection of San José as a winning city in the Bloomberg American Cities Climate Challenge. (4) Memorandum from City Clerk Toni J. Taber, CMC, dated October 30, 2018, transmitting the recommendations of the Transportation and Environment Committee.

Director, Environmental Services, Kerrie Romanow, provided a presentation followed by Cindy Cammerford Deputy Director of Climate Smart.

Motion: Councilmember Johnny Khamis moved approval of Mayor Sam Liccardo's memorandum dated October 30, 2018 and his own memorandum dated October 29, 2018.

Action: On a call for the question the motion carried unanimously, and the Update on Climate Smart San José Activities was accepted, including the memorandum from Mayor Sam Liccardo, dated October 30, 2018, with direction to return to Council in January with a report of the following:

- (1) The specific metrics that will be utilized to assess progress on the specific initiatives identified within the successful Bloomberg Philanthropies' American Cities Climate Challenge proposal. Identify which metrics can be satisfied with existing methods of data measurement and collection, and which metrics will require additional time or resources to gather data.
- (2) A list of key municipal code or other regulatory changes that need to be made to clear the way for progress on the ACCC, with a proposed timeline for Council to consider adopting those changes.
- (3) A proposed timeline for achievement of key ACCC goals that stretches to 2020, and where appropriate, beyond. The timeline should include the anticipated "drumbeat" of progress from concrete implementation of initiatives, new legislation/ Council action, and reports of results.

(Item Continued on the Next Page)

7.1 (Cont'd.)

And including the memorandum from Councilmember Johnny Khamis, dated October 29, 2018, directing the City Manager to have the Environmental Services Department (ESD):

- (1) Research a buy-back program for gasoline powered lawn equipment as well as funding opportunities via grants from the State's Cap-and-Trade program or other programs.
- (2) Return to the Rules Committee with preliminary findings for consideration of placing the item on the Transportation & Environment Committee work plan.

(10-0-1. Absent: Rocha.)

7.2 18-1445 Actions Related to the New Markets Tax Credit Transactions for the Construction of the Environmental Innovation Center.

(a) Approve the unwinding of the New Markets Tax Credit transactions by: adopting a resolution to authorize the City Manager to (i) acquire the respective membership interests of Chase Community Equity, LLC, a Delaware limited liability company and Community Development Properties New Markets MM, INC., a Delaware corporation and, collectively with Chase Community Equity, LLC, the (“Fund Investors”) in Chase New Markets Tax Credit SJEIC Investment Fund, LLC (“Investment Fund”) for a purchase price of \$1,010 and, in connection therewith, to negotiate and execute the New Markets Tax Credit Exit Agreement and the Fund Purchase Agreement with Fund Investors; (ii) accept the Assignment of QLICI Notes and Leasehold Deed of Trust from the Investment Fund in satisfaction of the leverage loan; and (iii) negotiate and execute other related documents as necessary in connection with the unwinding of the New Markets Tax Credit transactions.

(b) Adopt a resolution consenting to the redemption of Investment Fund’s membership interests in the (i) NDC New Markets Investments LXV, LLC (holder of QLICI Notes A and B), (ii) Northern California Community Loan Fund New Markets Tax Credit Sub-CDE III, LLC (holder of QLICI Notes C and D), and (iii) Brownfield Revitalization XV, LLC (holder of QLICI Notes E and F) in exchange for assignments of QLICI Notes (A-F) (collectively, the “QLICI Notes”) and the QLICI Loan Documents securing the QLICI Notes to the Investment Fund; and authorizing the City Manager to execute the Consent to the Redemption and Assignment.

(c) Adopt a resolution to authorize the City Manager to negotiate and execute all necessary documents to (i) cause Investment Fund to forgive the QLICI Loan and reconvey the QLICI Deed of Trust; (ii) dissolve the Investment Fund; (iii) terminate the Ground Lease and the Master Lease between the City and the EIC QALICB, Inc.; and (iv) enable the EIC QALICB, Inc. to dissolve as a California nonprofit public benefit corporation and transfer all of its assets to the City.

7.2 (Cont'd.)

CEQA: Not a Project, File No. PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment. Council District 3. (Environmental Services)

Documents Filed: Memorandum from Director, Environmental Services, Kerrie Romanow, dated October 16, 2018, recommending adoption of resolutions.

Action: Upon motion by Councilmember Chappie Jones, seconded by Vice Mayor Magdalena Carrasco and carried unanimously, Resolution No. 78850, entitled: "A Resolution of the Council of the City of San José Authorizing the City Manager to (1) Acquire the Respective Membership Interests of Chase Community Equity, LLC, a Delaware Limited Liability Company ("Chase Investor") and Community Development Properties New Markets MM, Inc., a Delaware Corporation ("Chase Manager") and, Collectively with Chase Investor, the ("Fund Investors") in Chase NMTC SJEIC Investment Fund, LLC ("Investment Fund") for a Purchase Price of \$1,010 and, in Connection Therewith, to Negotiate and Execute the NMTC Exit Agreement and the Fund Purchase Agreement with Fund Investors; (2) Accept the Assignment Of QLICI Notes and Leasehold Deed of Trust from the Investment Fund in Satisfaction of the Leverage Loan; and (3) Negotiate and Execute Other Related Documents as Necessary in Connection with the Unwinding of the NMTC Transactions"; Resolution No. 78851, entitled: "A Resolution of the Council of the City of San José Consenting to the Redemption of Investment Fund's Membership Interests in the (1) NDC New Markets Investments LXV, LLC (Holder Of QLICI Notes a and B), (2) Northern California Community Loan Fund NMTC Sub-CDE III, LLC (Holder Of QLICI Notes C And D), and (3) Brownfield Revitalization XV, LLC (Holder Of QLICI Notes E And F) in Exchange for Assignments of QLICI Notes (A-F) (Collectively, the "QLICI Notes") and the QLICI Loan Documents Securing the QLICI Notes to the Investment Fund; and Authorizing the City Manager to Execute the Consent to the Redemption and Assignment"; Resolution No. 78852, entitled: "A Resolution of the Council of the City of San José Authorizing the City Manager to Negotiate and Execute all Necessary Documents to (1) Cause Investment Fund to Forgive the QLICI Loan; (2) Dissolve the Investment Fund; (3) Terminate the Ground Lease and the Master Lease Between the City and the EIC QALICB, Inc.; and (4) Enable the EIC QALICB, Inc. to Dissolve as a California Nonprofit Public Benefit Corporation and Transfer all of its Assets to the City", were adopted. (9-0-2. Absent: Nguyen, Rocha.)

Mayor Sam Liccardo left the meeting at 6:08 p.m. and returned for the final vote on Item 7.3.

7.3 18-1496 **Report on Bids and Award of a Contract for the 8073 - Blower Improvements Project at the Regional Wastewater Facility.**

(a) Report on bids and award of a construction contract for the 8073 - Blower Improvements Project to the low bidder, Monterey Mechanical Company, for the base bid and Add Alternate No. 1, in the amount of \$29,498,000, and approval of a contingency in the amount of \$4,425,000.

(b) Adopt a resolution authorizing the Director of Public Works to negotiate and execute any single and/or multiple change orders in excess of \$100,000, up to the amount of the contingency of \$4,425,000.

7.3 (Cont'd.)

CEQA: Categorically Exempt, CEQA Guidelines Section 15301, Existing Facilities, File No. PP16-124. (Environmental Services/Public Works)
[Deferred from City Council Meeting of October 23, 2018-Item 7.1 (File No. 18-1413)]

Documents Filed: Memorandum from City Clerk Toni J. Taber, CMC dated October 30, 2018, recommending approval of the report and adoption of a resolution.

Action: Upon motion by Councilmember Johnny Khamis, seconded by Councilmember Chappie Jones, and carried unanimously, the Report on Bids and Award of a Contract for the 8073 - Blower Improvements Project at the Regional Wastewater Facility was accepted, and Resolution No. 78837, entitled: "A Resolution of the Council of the City of San José Authorizing the Director of Public Works to Negotiate and Execute Any Single and/or Multiple Change Orders for the 8073 – Blower Improvements Project in Excess of \$100,000 up to the Amount of the Contingency of \$4,425,000", was adopted. (10-0-1. Absent: Rocha.)

OPEN FORUM

Brian Darby spoke on needs of the mobile home community.

ADJOURNMENT

Mayor Sam Liccardo adjourned the meeting of the City of San José City Council at 6:24 p.m. in memory of Drina Collins, wife, mother, and grandmother who worked in every way to make our community a stronger, more democratic one. (Perez)

Minutes Recorded, Prepared and Respectfully Submitted by,



Toni J. Taber, CMC
City Clerk

rmk/10-30-18 MIN