

MINUTES OF THE CITY COUNCIL

SAN JOSÉ, CALIFORNIA

TUESDAY, FEBRUARY 6, 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.

Present: Councilmembers - Arenas, Carrasco (10 a.m.), Davis, Diep, Jimenez, Jones, Khamis, Nguyen, Peralez, Rocha; Liccardo.

Absent: Councilmembers - None.

CLOSED SESSION

Upon motion unanimously adopted, Council recessed at 9:32 a.m. to a Closed Session in Room W133; (A) To Confer with Legal Counsel – Anticipated Litigation – Pursuant to Section 54956.9(d)(4) of the Government Code: Number of Matters to be discussed: 1 (one); (B) To confer with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): (1) Zhou, Yuefeng and Ying Shi v. City of San José; Names Of Partie(s) Involved: Yuefeng Zhou and Ying Shi; City of San José and Does 1-25, inclusive; Court: Superior Court of California, County of Santa Clara; Case No.: 16-CV-299426; Amount of Money or Other Relief Sought: Damages according to proof; (2) McMahon, Maeve v. Santa Clara Valley Transportation Authority, et al.; Names Of Partie(s) Involved: Maeve McMahon, Santa Clara Valley Transportation Authority, County of Santa Clara, Unlimited Jurisdiction; Case No. 16-CV-291461; Amount of Money or Other Relief Sought: Damages according to proof; (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)

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/civiccenterv>. 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.)

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) 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 the Closed Session at 10:35 a.m. and reconvened to Regular Session at 1:34 p.m. in the Council Chambers.

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

Absent: Councilmembers - All present.

INVOCATION

Father Abiy Demilew of St.Gabriel Cathedral, Ethiopian Orthodox Tewahedo Church, provided the Invocation.

PLEDGE OF ALLEGIANCE

Mayor Sam Liccardo led the Pledge of Allegiance.

ORDERS OF THE DAY

Upon motion by Councilmember Chappie Jones, seconded by Councilmember Tam Nguyen, and carried unanimously, the Orders of the Day and the Amended Agenda were approved. (11-0.)

CEREMONIAL ITEMS

- 1.1** Mayor Sam Liccardo, Vice Mayor Magdalena Carrasco and Councilmember Sylvia Arenas presented a proclamation recognizing February 2018 as Teen Dating Violence Awareness Month in the City of San José. (Arenas/Carrasco)

CONSENT CALENDAR

Upon motion by Councilmember Raul Peralez, seconded by Councilmember Johnny Khamis and carried unanimously, the Consent Calendar was approved and the below listed actions were taken as indicated. (11-0.)

2.2 18-202 **Final Adoption of Ordinances:**

(a) ORD. NO. 30058 - An ordinance of the City of San José amending Section 4.76.290.5 of Chapter 4.76 of Title 4 of the San Jose Municipal Code to extend the deadline from December 15, 2017 to June 29, 2018 for residential landlords of 1 or 2 units to apply for a business tax certificate and pay the business tax owed as of July 1, 2017 without incurring interest or penalties, to take effect retroactively on December 15, 2017.

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

Documents Filed: Proof of Publication of the Title of Ordinance No. 30058 executed on December 15, 2017, submitted by the City Clerk.

Action: Ordinance No. 30058 was adopted. (11-0.)

(b) ORD. NO. 30063 - An ordinance of the City of San José establishing Rule 20A Underground Utility District along McKee Road, from Jose Figueres to North Jackson Avenues

CEQA: Determination of Consistency to the Mitigated Negative Declaration for the Citywide Utility Undergrounding Program and City-Issued Excavation/Encroachment Permits Project (approved in January 22, 2009), File No. PP08-257.

Documents Filed: Proof of Publication of the Title of Ordinance No. 30063 executed on December 15, 2017, submitted by the City Clerk.

Action: Ordinance No. 30063 was adopted. (11-0.)

(c) ORD. NO. 30064 - An ordinance of the City of San José amending Chapter 11.48 of Title 11 of the San Jose Municipal Code to establish a new residential permit parking zone in the Eden Neighborhood.

CEQA: Not a Project, File No. PP17-008, General Procedure & Policy Making resulting in no changes to the physical environment.

Documents Filed: Proof of Publication of the Title of Ordinance No. 30064 executed on December 15, 2017, submitted by the City Clerk.

Action: Ordinance No. 30064 was adopted. (11-0.)

2.2 18-202 Final Adoption of Ordinances (Cont'd.)

(d) ORD. NO. 30066 - An ordinance of the City of San José rezoning certain real property of approximately 0.47 acre, situated on the north side of Aborn Road, approximately 100 feet westerly of Serpa Drive (2525 Aborn Road) from the R-1-8 Single Family Residence Zoning District to the PQP Public/Quasi-Public Zoning District
CEQA: Exempt per CEQA Guidelines Section 15303 for New Construction or Conversion of Small Structures. Director of Planning, Building and Code Enforcement recommends approval. (Planning, Building and Code Enforcement)

Documents Filed: Proof of Publication of the Title of Ordinance No. 30066 executed on December 15, 2017, submitted by the City Clerk.

Action: Ordinance No. 30066 was adopted. (11-0.)

2.3 18-136 Approval of Council Committee Minutes.

Recommendation: (a) Rules and Open Government Committee Minutes of April 26, 2017. (Mayor)
(b) Rules and Open Government Committee Minutes of May 3, 2017. (Mayor)
(c) Rules and Open Government Committee Minutes of May 10, 2017. (Mayor)
(d) Rules and Open Government Committee Minutes of August 2, 2017. (Mayor)
CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

Documents Filed: Rules and Open Government Committee Minutes, dated April 26, May 3, May 10 and August 2, 2017.

Action: The Council Committee Minutes were accepted. (11-0.)

2.4 Mayor and Council Excused Absence Requests.

None provided.

2.5 City Council Travel Reports.

None provided.

2.6 Report from the Council Liaison to the Retirement Boards.

None provided.

- 2.7 18-130 Approve the following revisions to the San José Community Energy Department staffing in 2017-2018:**
- (a) Add the following positions in 2017-2018:
Deputy Director (Director, Marketing/Public Affairs) (1.0 FTE).
 - (b) Delete the following positions in 2017-2018:
Public Information Manager (Director, Marketing/Public Affairs) (-1.0 FTE); Senior Office Specialist (-1.0 FTE)
 - (c) Accelerate recruitment of the following positions from 2018-2019 to 2017-2018:
Deputy Director (Director of Power Resources) (1.0 FTE); Division Manager (Director of Administration & Finance) (1.0 FTE); Senior Analyst (Power Supply Compliance Specialist) (1.0 FTE); Senior Analyst (Account Services) (1.0 FTE).
- CEQA: Not a Project, File No. PP17-010, City Organizational & Administrative Activities resulting in no changes to the physical environment. (Community Energy/City Manager)

Documents Filed: Joint memorandum from Director, Community Energy Department, Lori Mitchell and Budget Director Margaret McCahan, dated January 24, 2018, recommending approval of staffing.

Action: Revisions to the San José Community Energy Department staffing in 2017-2018 were approved. (11-0.)

- 2.8 18-127 Amendment to the City Pay Plan.**
- (a) Adopt a resolution to amend the City of San José Pay Plan effective February 6, 2018, to create the following classification:
 - (1) City Information Security Officer U (1366) with a salary range of \$133,868.78 - \$208,668.73 annually.
 - (b) Approve the following position changes to the Information Technology Department:
 - (1) Add 1.0 City Information Security Officer U (1366); and
 - (2) Eliminate 1.0 Deputy Director U (1640).
- CEQA: Not a Project, File No. PP17-008, General Procedure & Policy Making resulting in no changes to the physical environment. (Human Resources)

Documents Filed: Joint memorandum from Deputy City Manager Julia Edmonds-Mares and Budget Director Margaret McCahan, dated January 24, 2018, recommending amendment to the City Pay Plan.

Action: Resolution No. 78501, entitled: “A Resolution of the Council of the City of San José Amending the City of San José Pay Plan for Various Job Classifications”, was adopted. (11-0.)

- 2.9 18-160** As recommended by the Rules and Open Government Committee on January 24, 2018:
(a) Approve the Coffee Hour scheduled semimonthly as a City Council sponsored Special Event and approve the expenditures of funds; and
(b) Approve and accept donations from various individuals, businesses, or community groups to support the event.
CEQA: Not a Project, File No. PP17-010, City Organization & Administrative Activities resulting in no changes to the physical environment. (Arenas)
[Rules Committee referral 01/24/18 - Item G.1.a]

Documents Filed: Memorandum Councilmember Sylvia Arenas, dated January 18, 2018, requesting approval of a City Council Sponsored Special Event.

Action: The District 8 Coffee Hour as a semimonthly 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. (11-0.)

- 2.10 18-158** As recommended by the Rules and Open Government Committee on January 24, 2018:
(a) Approve the Annual Greek Flag Raising Event scheduled March 23, 2018 as a City Council sponsored Special Event and approve the expenditures of funds; and
(b) Approve and accept donations from various individuals, businesses, or community groups to support the event.
CEQA: Not a Project, File No. PP17-011, Temporary Special Events resulting in no changes to the physical environment. (Khamis)
[Rules Committee referral 01/24/18 - Item G.1.b]

Documents Filed: Memorandum Councilmember Johnny Khamis, dated January 18, 2018, requesting approval of a City Council Sponsored Special Event.

Action: The Annual Greek Flag Raising Event 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. (11-0.)

- 2.11 18-173** Accept travel payments and authorize travel for Councilmember Sergio Jimenez to Washington DC from February 27, 2018 to February 28, 2018. Source of Funds: District 2 Office Funds.
CEQA: Not a Project, File No. PP17-010, City Organizational & Administrative Activities resulting in no changes to the physical environment. (Jimenez)

Documents Filed: Memorandum from Councilmember Sergio Jimenez, dated January 24, 2018, requesting authorization to travel.

Action: Travel payments and authorization to travel for Councilmember Sergio Jimenez, were accepted. (11-0.)

- 2.12 18-185** (a) Approve travel by Vice Mayor Carrasco to Guadalajara, Mexico on February 14, 2018 to February 17, 2018 for the All Mexico-United States Sister Cities Mayors' Summit. Source of Funds: Mayor/Council Travel Budget.
(b) Request for an excused absence for Vice Mayor Carrasco from the Rules and Open Government Committee on February 14, 2018. CEQA: Not a Project, File No. PP17-010, City Organizational & Administrative Activities resulting in no changes to the physical environment. (Carrasco)

Documents Filed: Memorandum from Vice Mayor Magdalena Carrasco, dated January 26, 2018, requesting authorization to travel and request for an excused absence.

Action: Travel payments, an excused absence and authorization to travel for Vice Mayor Magdalena Carrasco, were accepted. (11-0.)

- 2.13 18-186** Accept travel payments and authorize travel for Vice Mayor's staff, Kiara Arreola to Guadalajara, Mexico from February 13, 2018 to February 17, 2018 for the All Mexico-United States Sister Cities Mayor's Summit. Source of Funds: Mayor/Council Travel Budget. CEQA: Not a Project, File No. PP17-010, City Organizational & Administrative Activities resulting in no changes to the physical environment. (Carrasco)

Documents Filed: Memorandum from Vice Mayor Magdalena Carrasco, dated January 29, 2018, requesting authorization to travel and acceptance of travel payments for staff.

Vice Mayor Magdalena Carrasco pulled item 2.13 to offer the correction that sources of funds will be from the District 5 Budget.

Action: Upon motion by Vice Mayor Magdalena Carrasco, seconded by Councilmember Donald Rocha and carried unanimously, travel payments and authorization to travel for the Vice Mayor's staff were accepted, with correction that the Source of Funds is to come from the Council District Budget. (11-0.)

- 2.14 18-187** Authorize Councilmember Arenas' travel to Guadalajara, Mexico on February 14, 2018 to February 19, 2018 for the Mexico - U.S. Sister Cities Mayors Summit. Source of Funds: Mayor/Council Travel Fund, Sister Cities Program, and the City of Guadalajara (personal travel or activities on February 18, 2018 and February 19, 2018 will be paid for using personal funds). CEQA: Not a Project, File No. PP17-010, City Organizational & Administrative Activities resulting in no changes to the physical environment. (Carrasco)

Documents Filed: Memorandum from Councilmember Sylvia Arenas, dated January 22, 2018, requesting authorization to travel and request for an excused absence.

2.14 (Cont'd.)

Action: Authorization to travel for Councilmember Sylvia Arenas was accepted. (11-0.)

END OF CONSENT CALENDAR

STRATEGIC SUPPORT

- 3.3 17-546** Accept the Annual Report on City Services for 2016-2017.
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 Auditor)

Documents Filed: (1) Memorandum from Mayor Sam Liccardo, dated February 5, 2017, recommending support with additional direction. (2) Annual Report on City Services for 2016-2017, from City Auditor Sharon Erickson, dated December 15, 2017. (3) Presentation: Annual Report on City Services for 2016-2017, dated December 2017.

City Auditor Sharon Erickson presented the Annual Report.

City Auditor Sharon Erickson, Senior Deputy City Manager/Budget Director Jennifer Maguire and City Manager, David Sykes responded to questions.

Public Comments: Brian Darby, Andrew Siegler and Mr. Perez spoke to the high cost of living, safety, and needs of the homeless population.

Motion: Councilmember Johnny Khamis moved approval of the Annual Report, including Mayor Sam Liccardo's memorandum dated February 5, 2018 and use of this dashboard as indicated below in "Action". Vice Mayor Magdalena Carrasco seconded the motion.

Action: On a call for the question, the Annual Report on City Services for 2016-17 was accepted, with direction as outlined in Mayor Sam Liccardo's memorandum, dated February 5, 2018, and: (1) Direct the City Manager to identify the top half-dozen or so priorities from each of the six (6) City Service Areas as part of the Annual Budget process; and, for these priorities, identify metrics that measure outcomes versus output (i.e., cycle times and performance improvements versus number of permits approved) with quantifiable baselines and targets; and, (2) Direct the City Auditor to include this dashboard for the highest priority metrics in the 2017-18 City Services Annual Report. (11-0.)

- 3.4 18-129** Accept the following annual reports:
(a) Police and Fire Department Retirement Plan Comprehensive Annual Financial Report for the Fiscal Years ended June 30, 2017 and June 30, 2016; and
(b) Federated City Employees' Retirement System Comprehensive Annual Financial Report for the Fiscal Years ended June 30, 2017 and June 30, 2016.

3.4 18-129 (Cont'd.)

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

Documents Filed: (1) Memorandum from Director of Retirement Services Roberto Peña, dated January 16, 2018, recommending acceptance of the reports. (2) Police and Fire Department Retirement Plan Comprehensive Annual Financial Report; (3) Federated City Employees' Retirement System Comprehensive Annual Financial Report; (4) Presentations: Federated City Employees' Retirement System and Police and Fire Department Retirement Plan Comprehensive Annual Financial Reports.

Action: Upon motion by Councilmember Sergio Jimenez, seconded by Councilmember Sylvia Arenas, and carried unanimously, the reports were accepted. (10-0-1. Absent: Carrasco.)

3.5 18-007 Worker's Compensation Program: Evaluation of Service Delivery Options. DROP

(a) As recommended by the Public Safety, Finance and Strategic Support Committee on December 14, 2017, accept the evaluation of service delivery options for administering workers' compensation claims, including providing services In-House with City staff, through a Third-Party Administrator, and a Hybrid Model that includes both In-House and Third Party claims administration.

(b) Additional recommendation by the Public Safety, Finance and Strategic Support Committee on December 14, 2017, direct the City Manager to:

(1) Continue the current Worker's Compensation Pilot Program (Hybrid Model) through the completion of the State audit of the In-House program;

(2) Develop a work plan for bringing the entire worker's compensation program In-House in stages upon successful completion of the State audit; and

(3) Return through the budget process with funding recommendations for bringing the program In-House in stages beginning in 2019-2020.

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

[Public Safety, Finance and Strategic Support Committee referral
12/14/17 - Item (d)1]

(Deferred from 1/9/18 - Item 3.4)

Councilmember Raul Peralez pulled item 3.5 to discuss the background and how to accelerate the process. Senior Deputy City Manager/Budget Director Jennifer Maguire explained why this item was returning to the budget process, and Deputy City Manager Julia Edmonds-Mares responded to additional questions.

Action: Upon motion by Councilmember Chappie Jones, seconded by Councilmember Tam Nguyen and carried unanimously, the deferral of this item was approved. (11-0.)

3.6 18-200

- (a) Consider a motion to reconsider Council Action on January 30, 2018 regarding Item 3.6 Station Area Advisory Group (SAAG) Membership.
- (b) If the motion for reconsideration is approved, consider approving the Station Area Advisory Group (SAAG) membership as part of the community engagement for development of the Diridon Station. CEQA: Not a Project, File No. PP17-010, City Organizational & Administrative Activities resulting in no changes to the physical environment. (Khamis)

Motion: Councilmember Johnny Khamis moved reconsideration of this item. Councilmember Chappie Jones seconded the motion.

Action: On a call for the question, the motion to reconsider was approved (8-3. Noes: Davis, Carrasco, Arenas.)

(b) Station Area Advisory Group (SAAG) membership was approved as part of the community engagement process for the development of the Diridon Station Area, with the following modifications: Add the following members to the SAAG roster as voting members--The Law Foundation of Silicon Valley, People Acting in Community Together (PACT) and this member is to represent East Side of San José, Minority Business Consortium; Staff was directed to prepare a memo to Council in the near future describing a potential work plan for the SAAG, proposed goals, and possible governance structures that would ensure that the SAAG is productive and successful in achieving its purpose; and to apply the policy that City Employees cannot sit on the SAAG.

Documents Filed: Memorandum from City Clerk Toni J. Taber, dated February 2, 2018, providing recommendations.

Public Comments: Recommending that People Acting in Community Together (PACT) be left on the Station Area Advisory Group (SAAG), were: Ruth Saldimar, Walter Gannon, Carrie Rosado and Blair Beekman.

Action: Upon motion by Councilmember Chappie Jones, seconded by Councilmember Tam Nguyen and carried unanimously, the Station Area Advisory Group (SAAG) membership was approved as part of the community engagement process for the development of the Diridon Station Area, with the following modifications: Add the following members to the SAAG roster as voting members--The Law Foundation of Silicon Valley, People Acting in Community Together (PACT) and this member is to represent East Side of San José, Minority Business Consortium; Staff was directed to prepare a memo to Council in the near future describing a potential work plan for the SAAG, proposed goals, and possible governance structures that would ensure that the SAAG is productive and successful in achieving its purpose; and to apply the policy that City Employees cannot sit on the SAAG (10-1. Noes: Khamis.)

NEIGHBORHOOD SERVICES

5.1 18-006 Los Lagos Golf Course Update.

As recommended by the Neighborhood Services and Education Committee on December 14, 2017, accept the status report and provide feedback on the guiding principles and results of the Los Lagos Golf Course community engagement process.

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

[Neighborhood Services and Education Committee referral 12/14/17 - Item (d)3]

(Deferred from 1/9/18 - Item 5.2)

Documents Filed: (1) Memorandum from Mayor Sam Liccardo, dated February 5, 2018, recommending adoption of staff recommendations including additional direction to the City Manager. (2) Memorandum from Councilmember Tam Nguyen, dated February 6, 2018, recommending acceptance of the staff report with additional direction. (3) Joint memorandum from Councilmember Donald Rocha and Councilmember Sergio Jimenez, dated February 2, 2018, offering additional recommendations. (4) Memorandum from City Clerk Toni J. Taber, dated December 22, 2017, transmitting the recommendations of the Neighborhood Services and Education Committee.

Public Comments: Maya Esparza offered support to the staff report.

Motion: Councilmember Tam Nguyen moved approval of the Mayor's memorandum, dated February 5, 2018; his memorandum, dated February 6 and the joint memorandum from Councilmembers Rocha and Jimenez, dated February 2 2018. Councilmember Donald Rocha seconded the motion.

Councilmember Johnny Khamis offered an amendment to the motion, to modify the RFP to exclude living wage policy.

Councilmember Tam Nguyen initially accepted the friendly amendment, but Councilmember Donald Rocha withdrew support if accepted. Councilmember Tam Nguyen respectfully declined Councilmember Johnny Khamis' friendly amendment.

Public Comments: Offering comments regarding results of the Los Lagos Golf Course community engagement process, were: Bruce Sullivan, Deb Tolliver and Blair Beekman.

Action: On a call for the question, the motion carried unanimously, and the status report and feedback on the guiding principles and results of the Los Lagos Golf Course community engagement process were accepted, including the memorandum from Mayor Sam Liccardo, Councilmembers Rocha and Jimenez, and Councilmember Nguyen. The memorandum from Councilmembers Rocha and Jimenez dated February 2, 2018, included that the City Council accept staff's report and approve the guiding principles for future work on Los Lagos as recommended by staff. (The guiding principles are listed on page 2 of the staff report.).

(Item Continued on the Next Page)

5.1 18-006 Los Lagos Golf Course Update (Cont'd.)

The memorandum from Mayor Liccardo dated February 5, 2018 to direct the City Manager to:

1. Proceed with unambiguous direction that any future use of the land encompassing the Los Lagos Golf Course must remain open to the public for recreational use.
2. Adopt staff recommendations and guiding principles, with the additional direction to return to Council in 12 to 18 months for a discussion of options for the recreational use of the site after having explored alternatives for paying off the debt that encumbers the parcels comprising the property. Those alternatives include, but are not limited to:
 - a. Proceeds from the sale of City property;
 - b. Funding from the upcoming State parks bond, should it be approved by the voters, or another source for conservation and recreational use;
 - c. Purchase by the City's Environmental Services Department for Municipal Water access to underground aquifers or for environmental protection, with accompanying recreational use;
 - d. Purchase by the Open Space Authority or other agency for conservation and recreational use;
 - e. A local ballot measure in 2018 or 2020 to fund parks land acquisition or operations; and
 - f. Any other financially feasible option that ensures that the land remains in public ownership.
3. In the meantime, consider a Qualified Management Agreement Request for Proposals that would encompass a relatively short duration, to enable staff maximum flexibility to recommend additional and/or alternative uses that will (a) expand access to the land by the public for recreation and exercise, particularly for families of modest means; and (b) reduce the financial operational burden on the Parks Department.

And including the memorandum from Councilmember Nguyen dated February 6, 2018 to accept Staff Report and Recommendation; and to include the following recommendations from community input:

- a. Maintain City ownership and recreational land use of the Los Lagos property as golf course and park;
 - b. Diversify public utilization including investment for improved and diversified services and amenities, such as quality dining, banquets, conference venue, and events, etc.
 - c. Develop a marketing strategy to increase more players and attendants;
 - d. Explore and establish new revenue streams including new fee structure;
 - e. Explore refinancing or debt retirement options.
2. For future update and discussion of golf courses, include Los Lagos together with all City golf courses in global planning and strategic solution for consistency and uniformity.

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

REDEVELOPMENT – SUCCESSOR AGENCY

The Joint Meeting of the City Council and the Successor Agency to the Redevelopment Agency of the City Of San José was convened.

9.1 18-159 Agreement with Macias, Gini & O’Connell LLP for Annual Financial and Compliance Audits.

Recommendation:

(a) City Council approve an agreement with Macias, Gini & O’Connell LLP to perform annual financial and compliance audit services for fiscal years ending June 30, 2018, 2019, and 2020 with three one-year extension options for fiscal years ended June 30, 2021, 2022, and 2023, with annual compensation not to exceed \$612,664 in year one and fees adjusted for subsequent years by the Consumer Price Index, not to exceed 3 percent per year in years two through six, for a total amount not to exceed \$3,952,789 for a potential six-year term subject to annual appropriation of funds by the City Council.

(b) Board of the Successor Agency to the Redevelopment Agency approve an agreement with Macias, Gini & O’Connell LLP to perform annual financial and compliance audit services for fiscal years ending June 30, 2018, 2019, and 2020 with three one-year extension options for fiscal years ended June 30, 2021, 2022, and 2023, with annual compensation not to exceed \$55,132 in year one and fees adjusted for subsequent years by the Consumer Price Index, not to exceed 3 percent per year in years two through six, for a total amount not to exceed \$355,700 for a potential six-year term subject to annual appropriation of funds by the Board of the Successor Agency.

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

Documents Filed: Memorandum from City Auditor Sharon Erickson, dated January 26, 2018, recommending approval of agreements.

Action: Upon motion by Councilmember Sergio Jimenez, seconded by Councilmember Chappie Jones and carried unanimously, the Agreement with Macias, Gini & O’Connell LLP for Annual Financial and Compliance Audits was accepted. (10-0-1. Absent: Rocha.)

The Joint Meeting of the City Council and the Successor Agency to the Redevelopment Agency of the City of San José was adjourned.

Open Forum

1. Patty and Gary Fishburn provided comments about the Hayes Mansion meeting with Councilmember Jimenez.
2. Blair Beekman provided comments on technology and innovation.

Adjournment

The Council of the City of San José was adjourned at 4:51 p.m.

18-199 Notice of Engineer's Pending Decision on Final Maps

Recommendation: In accordance with Sec. 19.16.140d of the San José Municipal Code, this is notice of the City Engineer has received the following Final Maps and is reviewing them for final approval:

<u>Tract</u>	<u>Location</u>	<u>Council District</u>	<u>Lots/Units</u>	<u>Type</u>
10381	East side of Monterey Highway, approximately 1,000 feet northerly of Skyway Drive.	2	38/38	SFA

This notice is to be posted with the City Council's regular agenda for 02/06/18.

Minutes Recorded, Prepared and Respectfully Submitted by,

DRAFT

Toni J. Taber, CMC
City Clerk

rmk/2-6-18/ MIN