



CITY COUNCIL AGENDA

MARCH 29, 2016

SYNOPSIS

CHAPPIE JONES
ASH KALRA
RAUL PERALEZ
MANH NGUYEN
MAGDALENA CARRASCO

DISTRICT 1
DISTRICT 2
DISTRICT 3
DISTRICT 4
DISTRICT 5

SAM LICCARDO MAYOR

PIERLUIGI OLIVERIO
TAM NGUYEN
ROSE HERRERA VICE MAYOR
DONALD ROCHA
JOHNNY KHAMIS

DISTRICT 6
DISTRICT 7
DISTRICT 8
DISTRICT 9
DISTRICT 10

The City of San José is committed to open and honest government and strives to consistently meet the community's expectations by providing excellent service, in a positive and timely manner, and in the full view of the public.

Welcome to the San José City Council meeting!

This Agenda contains both a Consent Calendar section for routine business items that require Council approval, and general business items arranged to correspond with San José's City Service Areas (CSAs). City Service Areas represent the policy-making level for strategic planning, policy setting, and investment decisions in the critical functions the City provides to the community. They are:

- ***Strategic Support Services*** — The internal functions that enable the CSAs to provide direct services to the community in an effective and efficient manner.
- ***Community & Economic Development*** — Manage the growth and change of the community in order to create and preserve healthy neighborhoods and ensure a diverse range of employment and housing opportunities.
- ***Neighborhood Services*** — Serve, foster, and strengthen community by providing access to lifelong learning and opportunities to enjoy life.
- ***Transportation & Aviation Services*** — A safe and efficient transportation system that contributes to the livability and economic health of the City; and provide for the air transportation needs of the community and the region at levels that is acceptable to the community.
- ***Environment and Utility Services*** — Manage environmental services and utility systems to ensure a sustainable environment for the community.
- ***Public Safety Services*** — Commitment to excellence in public safety by investing in neighborhood partnerships as well as prevention, enforcement, and emergency preparedness services.

You may speak to the City Council about any discussion item that is on the agenda, and you may also speak during Open Forum on items that are not on the agenda and are within the subject matter jurisdiction of the City Council or Successor Agency to the Redevelopment Agency Board. If you wish to speak to the City Council, please refer to the following guidelines:

- **Fill out a Yellow Speaker's Card and submit it to the City Clerk seated at the front table. Do this before the meeting or before the item is heard.** This will ensure that your name is called for the item(s) that you wish to address, and it will help ensure the meeting runs smoothly for all participants.
- When the Council reaches your item on the agenda, the Mayor will open the public hearing and call your name. Please address the Council from the podium, which is located to the left of the City Clerk's table.
- Each speaker generally has two minutes to speak per item. The amount of time allotted to speakers may vary at the Mayor's discretion, depending on the number of speakers or the length of the agenda.
- To assist you in tracking your speaking time, there is a display on the podium. The green light turns on when you begin speaking; the yellow light turns on when you have 30 seconds left; and the red light turns on when your speaking time is up.

Please be advised that, by law, the City Council is unable to discuss or take action on issues presented during Open Forum. According to State Law (the Brown Act) items must first be noticed on the agenda before any discussion or action.

The San José City Council meets every Tuesday at 1:30 p.m. and Tuesday at 7 p.m. as needed, unless otherwise noted. If you have any questions, please direct them to the City Clerk's staff seated at the tables just below the dais. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings.

Agendas, Staff Reports and some associated documents for City Council items may be viewed on the Internet at <http://www.sanjoseca.gov/index.aspx?NID=3549>. Council Meetings are televised live and rebroadcast on Channel 26.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the City Clerk at San José City Hall, 200 E. Santa Clara Street, Tower 14th Floor, San José, CA 95113 at the same time that the public records are distributed or made available to the legislative body. Any draft contracts, ordinances and resolutions posted on the Internet site or distributed in advance of the Council meeting may not be the final documents approved by the City Council. Contact the Office of the City Clerk at (408) 535-1260 or CityClerk@sanjoseca.gov for the final document.

To request an accommodation or alternative format under the Americans with Disabilities Act for City-sponsored meetings, events or printed materials, please call (408) 535-1260 or (408) 294-9337 as soon as possible, but at least three business days before the meeting.

On occasion the City Council may consider agenda items out of order.

- **Call to Order and Roll Call**
9:09 a.m. - Closed Session, Call to Order in Council Chambers
Absent Council Members: All Present.

1:31 p.m. - Regular Session, Council Chambers, City Hall
Absent Council Members: All Present.
- **Invocation (District 3)**
Evan Brasco offered an original song "My City" for the Invocation.
- **Pledge of Allegiance**
Mayor Sam Liccardo led the Pledge of Allegiance.
- **Orders of the Day**
Heard after Ceremonial Items.
The Orders of the Day and the Amended Agenda were approved.

Mayor Sam Liccardo, Vice Mayor Rose Herrera, Council Member Ash Kalra and Assistant City Manager David Sykes presented their thoughts honoring Joseph Horwedel, the City's Director of the Department of Planning, Building and Code Enforcement from 2006-2014, who passed away on February 22, 2016.

- **Closed Session Report**

Heard after Ceremonial Items.

City Attorney Doyle disclosed the following Closed Session actions of March 29, 2016:

A. Authority to Initiate Litigation:

Authority to initiate litigation was given in one (1) matter(s). The name of the action(s) and the defendant(s), as well as the substance of the litigation shall be disclosed to any person upon inquiry once the action(s) is/are formally commenced.

Council Vote:

Ayes: Carrasco, Herrera, Jones, Kalra, Khamis, M. Nguyen, T. Nguyen, Oliverio, Peralez, Rocha; Liccardo.

Noes: None.

Abstain: None.

Not Present: None.

1. CEREMONIAL ITEMS

- 1.1** Presentation of Commendation to Evergreen Valley High School student, Labanya Mukhopadhyay, for her outstanding efforts to make robotics accessible to students in elementary and middle school. (Herrera)

Mayor Sam Liccardo and Vice Mayor Rose Herrera recognized and commended Labanya Mukhopadhyay for her exceptional efforts.

- 1.2** Presentation of a proclamation to the San José Sports Authority and USA Gymnastics recognizing March 30, 2016 as the 100 day countdown to the start of the U.S. Olympic Trials – Women’s Gymnastics at SAP Center at San José. (Mayor/Oliverio/Rocha)

Mayor Sam Liccardo, Vice Mayor Rose Herrera, Council Member Pierluigi Oliverio and Council Member Donald Rocha commended the San José Sports Authority and USA Gymnastics. Mary Lou Retton, 1984 Olympic Gold Medal Winner, accepted the award. Mayor Sam Liccardo recognized March 30, 2016 as the 100 day countdown to the start of the U.S. Olympic Trials – Women’s Gymnastics at SAP Center in San José.

2. CONSENT CALENDAR

2.1 Approval of Minutes.

Recommendation: Approval of minutes:

(a) Regular Minutes of January 12, 2016.

Approved.

(b) Regular Minutes of January 26, 2016.

CEQA: Not a Project, File No. PP10-069(c), City Administrative Activities.

Deferred to April 05, 2016 per Administration.

2.2 Final Adoption of Ordinances.

There were none.

2.3 Approval of Council Committee Minutes.

Recommendation: Approval of Council Committee Minutes:

(a) Rules and Open Government Committee Minutes of March 2, 2016. (Mayor)

(b) Transportation and Environment Committee Minutes of March 7, 2016. (Kalra)

CEQA: Not a Project, File No. PP10-069(c), City Administrative Activities.

Approved.

2.4 Mayor and Council Excused Absence Requests.

There were none.

2.5 City Council Travel Reports.

There were none.

2.6 Report from the Council Liaison to the Retirement Boards.

There were none.

2.7 First Amendment to Agreement with Hanson Bridgett LLP for Ethics Commission Evaluator and Investigative Services.

Recommendation: Adopt a resolution authorizing the City Attorney to negotiate and execute a First Amendment to Agreement for Services between the City of San José and Hanson Bridgett LLP to provide legal and investigative services as the Evaluator to the San José Ethics Commission, increasing compensation by \$50,000 for a total amount of compensation not to exceed a total amount for FY 2015-2016 to \$110,000 without increasing the total compensation under the agreement. CEQA: Not a Project; File No. PP10-066(e), Services that involve no physical changes to the environment. (City Attorney)

(Deferred from 3/22/16 – Item 2.7)

Deferred to April 05, 2016 per Administration.

2. CONSENT CALENDAR

2.8 Actions Related to Amendments to Agreements with Ice Miller LLP, Renne Sloan, and Hanson Bridgett LLP for Legal Services Relating to the Alternate Pension Reform Settlement.

Recommendation:

- (a) Adopt a resolution authorizing the City Attorney to negotiate and execute:
 - (1) A Seventh Amendment to the Agreement with Ice Miller LLP (Ice Miller) for legal services in connection with retiree health and dental benefits and related tax issues, increasing the contract amount by \$100,000 for a total amount not to exceed \$400,000, and extending the term through June 30, 2017.
 - (2) A Third Amendment to the Continuation Agreement with Renne Sloan Holtzman & Sakai LLP (Renne Sloan) for legal services in connection with labor relations matters, increasing the amount of compensation by \$200,000, for a total amount not to exceed \$1,645,000, and extending the term through June 30, 2017.
 - (3) A Sixth Amendment to the Agreement with Hanson Bridgett LLP (Hanson Bridgett) for legal services in connection with the City's retirement plans and other benefit plans and programs, increasing the amount of compensation by \$100,000, for a total amount not to exceed \$350,000, and extending the term through June 30, 2017.

Resolution No. 77692 adopted.

- (b) Adopt the following Appropriation Ordinance amendments in the General Fund for Fiscal Year 2015-2016:
 - (1) Increase the City-Wide appropriation to the City Attorney's Office for Fiscal Reform Plan Outside Legal Counsel by the amount of \$66,543.
 - (2) Decrease the Fiscal Reform Plan Implementation Reserve by the amount of \$66,543.

CEQA: Not a Project; File No. PP10-066(e), Services that involve no physical changes to the environment. (City Attorney/City Manager)

Ordinance No. 29714 adopted.

2.9 Amendment to the Agreement with Jacobs Engineering Group, Inc. for Airport Capital Improvement Projects.

Recommendation: Approve a Fourth Amendment to Master Agreement with the Jacobs Engineering Group, Inc. (formerly Carter & Burgess, Inc.) for continuing program support services on Airport capital improvement projects, extending the term one year from July 1, 2016 through June 30, 2017, with no increase in total compensation. CEQA: Not a Project, File No. PP10-066(a), Agreements/Contracts for Professional Services that involve no changes to the physical environment. (Airport)

Deferred to April 12, 2016 per Administration.

2. CONSENT CALENDAR

2.10 Amendment to the Agreement with Renne Sloan Holtzman & Sakai, LLP for Consulting Services Related to Labor Matters.

Recommendation: Adopt a resolution authorizing the City Manager to execute a Third Amendment to the Agreement with Renne Sloan Holtzman & Sakai, LLP, for labor consulting services in connection to labor matters, extending the term to December 31, 2017, with no increase to the total compensation. CEQA: Not a Project, File No. PP10-069(a), Agreements/Contracts for Professional Services that involve no changes to the physical environment. (City Manager)

Resolution No. 77693 adopted.

2.11 Amendment to the Agreement with Bartel Associates, LLC for Actuarial Consulting Services Related to Labor Matters.

Recommendation: Adopt a resolution authorizing the City Manager to execute a Second Amendment to the Agreement with Bartel Associates, LLC, for actuarial consulting services in connection with labor matters related to various retirement benefits for both pension and retiree healthcare, increasing the amount of compensation by \$135,000 for a total compensation amount not to exceed \$435,000. CEQA: Not a Project, File No. PP10-069(a), Agreements/Contracts for Professional Services that involve no changes to the physical environment. (City Manager)

Resolution No. 77694 adopted.

2.12 Agreement with Christmas in the Park, Inc. to Manage and Produce a Holiday Event Downtown.

Recommendation: Adopt a resolution authorizing the City Manager to negotiate and execute a three-year Agreement with Christmas in the Park, Inc. to manage and produce Christmas in the Park at Plaza de Cesar Chavez and to provide limited support staff and in-kind services to support the successful production of the event. CEQA: Exempt, Section 15304(e) Minor Alterations to Land, File No. PP16-031. Council District 3. (Economic Development)

Resolution No. 77695 adopted.

2.13 Amendment to Purchase Order 51590 with California Roofing Company for Roof Repairs and Maintenance Services.

Recommendation: Adopt a resolution authorizing the City Manager to:

(a) Amend Purchase Order 51590 with California Roofing Company (San José, CA) for roof repairs and maintenance services, to increase compensation by \$400,000, for a revised total amount not-to-exceed \$650,000 for the current term ending June 30, 2016.

(b) Exercise the last remaining one-year option to extend the term of the Purchase Order through June 30, 2017, subject to appropriation of funds.

CEQA: Exempt, Section 15301(d) Existing Facilities, File No. PP16-003. (Finance)

Resolution No. 77696 adopted.

2. CONSENT CALENDAR

2.14 Report on Request for Proposal for City Generated Towing Services.

Recommendation: Accept the report on the Request for Proposal for City Generated Towing Services, and adopt a resolution authorizing the City Manager to:

- (a) Execute Agreements with each of the following companies to provide City-Generated Towing Services, for an initial five-year term ending March 31, 2021:
 - (1) Zone 1: Matos Auto Towing & Transport (San José, CA)
 - (2) Zone 2: City Towing, Inc. (San José, CA)
 - (3) Zone 3: Century Tow (San José, CA)
 - (4) Zone 4: Motor Body Company, Inc. (San José, CA)
 - (5) Zone 5: Courtesy Tow Services, Inc. (San José, CA)
 - (6) Zone 6: Alongi Brothers, Inc. (San José, CA)
- (b) Execute five one-year options to extend the Agreements through March 31, 2026.
CEQA: Not a Project, File No. PP10-066, Agreements and Contracts that involve no physical changes to the environment. (Finance)

Report Accepted.

Resolution No. 77697 adopted.

2.15 8th Annual Senior Health Fair and Walk.

Recommendation: As recommended by the Rules and Open Government Committee on March 16, 2016:

- (a) Approve the 8th Annual Senior Health Fair and Walk scheduled on Friday, May 20, 2016 as a City Council Sponsored Special Event and approve the expenditure of funds.
- (b) Approve and accept donations from various individuals, businesses or community groups to support the event.

CEQA: Not a Project, File No. PP15-077, Temporary Special Events. (Herrera)

[Rules Committee referral 3/16/16 – Item G(1)(c)]

Approved.

2.16 Day in the Park Festival.

Recommendation: As recommended by the Rules and Open Government Committee on March 16, 2016:

- (a) Approve the Day in the Park Festival scheduled on Saturday, October 1, 2016 as a City Council Sponsored Special Event and approve the expenditure of funds.
- (b) Approve and accept donations from various individuals, businesses or community groups to support the event.

CEQA: Not a Project, File No. PP15-077, Temporary Special Events. (Herrera)

[Rules Committee referral 3/16/16 – Item G(1)(d)]

Approved.

2. CONSENT CALENDAR

2.17 Actions Related to the Settlement Reserve for Fairways at the San Antonio Court Apartments.

Recommendation: Adopt a resolution authorizing the Director of Housing to:

- (a) Negotiate and execute an amendment or termination for the three-party Litigation Reserve and Security Agreement between San José Family Housing Partners, L.P. (“Borrower”), Citicorp USA, Inc., and the City, and to any other necessary documents such that up to \$505,000 of City settlement reserve funds can be distributed with 75% of the proceeds distributed to Borrower and 25% to the City, and allowing the use of the proceeds disbursed to Borrower for certain Borrower costs including those incurred with respect to the billboard litigation, for the Fairways at San Antonio Court Apartments (“Fairways”), a restricted affordable rental development located at 305 San Antonio Court.
- (b) Negotiate and execute amendments to existing loan documents to implement the changes described in the memorandum including allowing City funds to be used for the costs of litigation incurred by the Borrower’s managing general partner, the Affirmed Housing Group (“Affirmed” or “Developer”) and changes regarding the amount and accrual of Partnership Administration Fees described below; and
- (c) Negotiate and execute amendments to existing loan documents, program agreements, and other documents as needed to implement a Transition In Place program to house homeless individuals or families in nine of Fairways’ apartments and any other consideration obtained by the City.

CEQA: Mitigated Negative Declaration, File No. PDC05-104, Section 15061 (b) (3) Review for Exemption for Release of the Settlement Reserve & Other Actions for Fairways at San Antonio Court Apartment. Council District 5. (Housing)

Resolution No. 77698 adopted.

2.18 Summary Vacation of an Emergency Access Easement Located at 484 Piercy Road.

Recommendation: Adopt a resolution:

- (a) Approving the report of the Director of Public Works setting forth the facts justifying the summary vacation of an emergency access easement on private property located at 484 Piercy Road (“EAE”).
- (b) Summarily vacating the EAE which has not been used for the purpose for which it was dedicated or acquired for five consecutive years immediately preceding this proposed vacation.
- (c) Directing the City Clerk to record a certified copy of the resolution of vacation with the Office of the Recorder, County of Santa Clara.

CEQA: Exempt, Section 15305 Minor Alterations in Land Use Limitations, File No. PP16-001. Council District 2. (Public Works)

Resolution No. 77699 adopted.

2. CONSENT CALENDAR

2.19 Vacation of Landscape and Street Easement Located at 1385 Prelude Drive.

Recommendation: Adopt a resolution of intention to vacate a public easement for landscape purposes and a portion of a street easement restricting vehicular access on 1385 Prelude Drive and set April 26, 2016 at 1:30 p.m. for a Public Hearing on the vacations. CEQA: BART Extension to Berryessa Final and Supplemental EIR (Resolution No. 76126). Council District 4. (Public Works)

Resolution No. 77700 adopted.

2.20 Consent to Common Use Agreement with Caltrans for the I-880/HOV Widening Project.

Recommendation: Approve the Consent to Common Use Agreement with the State of California Department of Transportation for the reservation of an easement to the City of San José at the intersection of the I-880 northbound ramps at Brokaw Road. CEQA: Exempt, CEQA Guidelines Section 15061(b)(3) No potential for causing a significant impact to the environment, File No. PP16-017. Council District 3. (Transportation)
Approved.

2.21 Agreements with Standard Insurance Company and Life Insurance Company of North America for Insurance Benefits Plans.

Recommendation: Adopt a resolution authorizing the City Manager to negotiate and execute amendments to extend the term by one year to December 31, 2017 of the following three agreements:

- (a) Agreement between the City and Standard Insurance Company to provide life insurance, voluntary supplemental life insurance and accidental death & dismemberment (AD&D) insurance to employees and retirees at a cost not to exceed \$1,318,693 for the period of January 1, 2017 through December 31, 2017 subject to appropriation of funds.
- (b) Agreement between the City and Standard Insurance Company to provide long-term disability insurance to employees at a cost not to exceed \$2,165,363 for the period of January 1, 2017 through December 31, 2017.
- (c) Agreement between the City and Life Insurance Company of North America, an affiliated Cigna company to provide voluntary AD&D insurance to employees and retirees at a cost not to exceed \$216,000 for the period of January 1, 2017 through December 31, 2017.

CEQA: Not a Project, File No. PP10-066(a), Professional Services that involve no physical changes to the environment. (Human Resources)

Item 2.21 was renumbered from Item 3.6.

Resolution No. 77701 adopted.

2. CONSENT CALENDAR

2.22 AB 1591 (Frazier) – Transportation Funding.

Recommendation: As recommended by the Rules and Open Government Committee meeting on March 23, 2016, adopt a position of support for AB 1591 (Frazier) – Transportation Funding. CEQA: Not a Project, File No. PP10-069(d), Legislative Positions. (Transportation)
[Rules Committee referral 3/23/16 – Item G(2)]
Support Position Adopted.

3. STRATEGIC SUPPORT SERVICES

3.1 Report of the City Manager, Norberto Dueñas (Verbal Report). No Report.

3.2 Labor Negotiations Update.

Recommendation: Accept Labor Negotiations Update.
Heard at 9:09 a.m.
No Report.

3.3 Actions Related to the Medical Marijuana Program.

Recommendation:

- (a) Approve an ordinance amending Section 6.88.600 of Chapter 6.88 of Title 6 of the San José Municipal Code to change the deadline for medical marijuana collectives to file their annual audit from April 15 of every year to September 30 of every year.

Ordinance No. 29715 passed for publication.
Noes: M. Nguyen.

- (b) Adopt a resolution amending the Administrative Citation Schedule of Fines to create escalating fines for certain violations of Chapter 6.88 of Title 6 of the San José Municipal Code (Code) related to the City’s Medical Marijuana Program, and repealing Resolution No. 77570.

Resolution No. 77702 adopted.
Noes: M. Nguyen.

- (c) Accept the Administration’s report on the cost of creating a Division of Medical Marijuana Control and sources of funding.

- (d) Discussion and follow up on Council referrals regarding the Medical Marijuana Program.

CEQA: Not a Project, File No. PP10-068(c), Municipal Code or Policy change that involves no changes in the physical environment. (City Manager/Police)
(Action Continued on the Next Page)

3. STRATEGIC SUPPORT SERVICES

3.3 Actions Related to the Medical Marijuana Program. (Action Cont'd.)

- (1) The supplemental memorandum from Assistant to the City Manager Angelique Gaeta and Director of Planning, Building and Code Enforcement Harry Freitas, dated March 25, 2016, was approved, responding to the City Council direction of December 8, 2015 for the Staff to return in March 2016 with an analysis on allowing transactions/transfers with registered and licensed/permitted cultivators and manufacturers of medical marijuana products throughout the State of California and with changes to Title 20 regarding the following:**
 - (a) Allow secondary/multiple locations for cultivation, manufacturing and extraction for the registered collectives (not to include retail locations).**
 - (b) Allow cultivation throughout the State of California, charging collectives the Staff time and expense to conduct inspections.**
 - (c) Allow collectives to inhabit a single location/site for multiple separate grows.**
 - (d) Remove the 50-foot restriction for cultivation and manufacturing but keep it in place for retail dispensary locations.**
 - (e) Allow greenhouse, but not sun-grown cultivation, in appropriately zoned locations.**
- (2) Clarify Staff direction moving forward into the California Environmental Quality Act (CEQA) review process, returning to Council in October 2016 with final (CEQA) clearance and changes to the Municipal Code including:**
 - (a) Maintain the zoning districts and sensitive-use buffers for cultivation, manufacturing and distribution as outlined in Title 20 and applying to all of the following.**
 - (b) Allow each individual collective a maximum of two locations for cultivation and/or manufacturing.**
 - (c) Allow each individual collective one cultivation – not manufacturing – location anywhere in the State of California that would count towards the maximum two locations in Item (b).**
 - (d) Allow that a maximum of two collectives may share a single site for cultivation – not manufacturing and not at a dispensing location – and that their crops are keep separate and closed to the public.**
- (3) Complete CEQA review for greenhouses and return to Council with final CEQA review in Spring of 2017.**
- (4) The memorandum from Vice Mayor Rose Herrera, dated March 16, 2016, was approved:**
 - (a) Staff was directed to continue working with manufacturers toward having childproof packing for all marijuana products, including edibles.**
 - (b) Staff was directed to return to Council every three months with an information memorandum updating the progress of implementation of childproof packing for marijuana products.**

(Action Continued on the Next Page)

3. STRATEGIC SUPPORT SERVICES

3.3 Actions Related to the Medical Marijuana Program. (Action Cont'd.)

- (5) The memorandum from Council Member Ash Kalra, dated March 10, 2016, was approved, and in advance of the matter coming before Council, clarify and direct the City Manager on the following items:
- (a) Clarify the December 8, 2015 direction from the Mayor and Council to have Staff analysis for the City allowing for Transactions/Transfers with Registered and Licensed/Permitted Cultivators and Manufacturers of Cannabis Products throughout the State of California.
 - (b) In addition to the analysis of Transactions/Transfers, add Distributors, as well as Delivery to patients by legally certified San José collectives to the analysis.
 - (c) Delay the current audit deadline for medical marijuana dispensaries until September 30, 2016.
 - (d) Delay final determination on details of packing requirements until there is an opportunity for feedback from the State on how it is proceeding on these complex issues.
 - (e) Lobbying the State in order to allow cities to preserve vertical integration as part of local control.
 - (f) Work with the San José Police Department and the Santa Clara County District Attorney's Office to continue the work of closing illegal dispensaries and delivery operators throughout the City and report back regarding the status of the closures to Council on a semi-annual basis starting in June 2016.

Staff was directed to explore adopting guidelines that may delegate the issue of edibles to the County of Environmental Health with possible enforcement features.

Staff was requested to encourage the County to have a Study Session on Marijuana Edibles with City of San José residents encouraged to attend.

- (6) The Administration's report on the cost of creating a Division of Medical Marijuana Control and sources of funding was accepted, with final approval during the Budget Process.

Noes: M. Nguyen.

3.4 Annual Summary of Labor Negotiations.

Recommendation: Accept staff report and public input on the Annual Summary of Upcoming Labor Negotiations. CEQA: Not a Project, File No. PP10-069(a), Annual Reports that involve no approvals of any City Actions. (City Manager)
Accepted.

3. STRATEGIC SUPPORT SERVICES

3.5 Actions Related to the 2014 Staffing and Adequate Fire and Emergency Response Grant Implementation.

Recommendation:

- (a) Adopt the following Appropriation Ordinance and Funding Sources Resolution Amendments in the General Fund in Fiscal Year 2015-2016:
 - (1) Increase the Personal Services appropriation to the Fire Department in the amount of \$458,715.
 - (2) Increase the Non-Personal/Equipment appropriation to the Fire Department in the amount of \$155,707.
 - (3) Decrease the Staffing for Adequate Fire and Emergency Response (SAFER) 2014 Grant Earmarked Reserve by \$189,509.
 - (4) Increase the estimate for Revenue from the Federal Government by \$424,913.

Ordinance No. 29716 adopted.

Resolution No. 77703 adopted.

- (b) Approve the following position additions to the Fire Department, effective April 1, 2016:
 - (1) 3.0 Fire Captain positions.
 - (2) 4.0 Fire Engineer positions.
 - (3) 7.0 Firefighter positions.

CEQA: Not a Project, File No. PP10-067(c), Grant Distribution that would not result in a physical change to the environment. (Fire/City Manager)

Approved.

3.6 Agreements with Standard Insurance Company and Life Insurance Company of North America for Insurance Benefits Plans.

Recommendation: Adopt a resolution authorizing the City Manager to negotiate and execute amendments to extend the term by one year to December 31, 2017 of the following three agreements:

- (a) Agreement between the City and Standard Insurance Company to provide life insurance, voluntary supplemental life insurance and accidental death & dismemberment (AD&D) insurance to employees and retirees at a cost not to exceed \$1,318,693 for the period of January 1, 2017 through December 31, 2017 subject to appropriation of funds.
- (b) Agreement between the City and Standard Insurance Company to provide long-term disability insurance to employees at a cost not to exceed \$2,165,363 for the period of January 1, 2017 through December 31, 2017.
- (c) Agreement between the City and Life Insurance Company of North America, an affiliated Cigna company to provide voluntary AD&D insurance to employees and retirees at a cost not to exceed \$216,000 for the period of January 1, 2017 through December 31, 2017.

CEQA: Not a Project, File No. PP10-066(a), Professional Services that involve no physical changes to the environment. (Human Resources)

Item 3.6 was renumbered to Item 2.21. See Item 2.21 for Action.

3. STRATEGIC SUPPORT SERVICES

3.7 Approval of the FY 2016-2017 Mayor's March Budget Message.

Recommendation: Approve the FY 2016-2017 Mayor's March Budget Message.

CEQA: Not a Project, File No. PP10-069(a), Annual Reports that involve no approvals of any City Actions. (Mayor)

The memorandum from Mayor Sam Liccardo, dated March 18, 2016, was approved, and to direct the City Manager to submit a proposed budget for Fiscal Year 2016-2017 that is balanced and guided by the policy direction and framework of priorities outlined in this March Budget Message.

Administration Staff was directed to request a report out from the Office of Immigration.

3.8 Smart City Vision.

Recommendation: As recommended by the Rules and Open Government Committee on March 16, 2016, accept the Smart City Vision for the City of San José. CEQA: Not a Project, File No. PP10-069(c), City Administrative Activities. (Mayor)

[Rules Committee referral 3/16/16 – Item G(6)]

Heard Immediately Following the Consent Calendar.

The memorandum from Mayor Sam Liccardo, Vice Mayor Rose Herrera and Council Members Chappie Jones, Raul Peralez and Johnny Khamis, dated March 29, 2016, was approved:

- (1) **Adopt the Smart City Vision for the City of San José, which includes:**
 - (a) **Five key goals: Safe City, Inclusive City, User-Friendly City, Sustainable City and a Demonstration City.**
 - (b) **The Core Values to guide the work of the City Staff.**
 - (c) **Direct the City Manager to create an Office of Innovation and Digital Strategy by realigning existing resources through the annual budget process.**
 - (d) **Form a new Smart City and Continuous Improvement Council Committee.**
- (2) **Direct the City Manager to develop a work plan for implementation to return to Council by September 15, 2016.**

4. COMMUNITY & ECONOMIC DEVELOPMENT

4.1 Implementation of the Inclusionary Housing Ordinance.

Recommendation: Adopt a resolution:

- (a) Updating the findings for the Inclusionary Housing Ordinance (“Ordinance”); and
- (b) Directing staff to implement a grace period in the Inclusionary Housing Guidelines for projects subject to the Ordinance, providing an exemption from its requirements if all Planning Permits needed for the project are obtained by June 30, 2016.

CEQA: Determination of Consistency to the Final Program EIR for the Envision San José 2040 General Plan and Supplemental EIR (SCH# 2009072096), File No. PP16-025. (Housing)

Not to be Heard Before 4:00 p.m.

Resolution No. 77704 adopted.

Noes: M. Nguyen.

4.2 Grant Agreement with Project WeHOPE to Provide Mobile Hygiene Services to Homeless Persons.

Recommendation: Approve a Grant Agreement between the City of San José and WeHOPE, a California nonprofit public benefit corporation, also known as Project WeHOPE, in the amount of \$350,000, from March 1, 2016 through June 30, 2017, to provide mobile hygiene services to homeless persons in San José under the Essential Services Program. CEQA: Not a Project, File No. PP10-066(e), Agreements and Contracts. (Housing)

Approved.

5. NEIGHBORHOOD SERVICES

6. TRANSPORTATION & AVIATION SERVICES

6.1 Agreement with Kimley-Horn & Associates, Inc. for Airport Runway Incursion/Design Standards Analysis Services.

Recommendation:

- (a) Approve a Consultant Agreement with Kimley-Horn & Associates, Inc. for Airport Runway Incursion/Design Standards Analysis services at the Norman Y. Mineta San José International Airport in an amount not to exceed \$1,864,889 and for a term from date of execution to September 30, 2018.

Approved.

6. TRANSPORTATION & AVIATION SERVICES

6.1 Agreement with Kimley-Horn & Associates, Inc. for Airport Runway Incursion/Design Standards Analysis Services. (Cont'd.)

- (b) Adopt a resolution authorizing the Director of Aviation to exercise an option to extend the agreement for an additional one-year term from October 1, 2018 through September 30, 2019.

CEQA: Not a Project, PP10-066(d), Consultant services for design/study/research/inspection with no commitment to future action. (Airport)

Resolution No. 77705 adopted.

7. ENVIRONMENTAL & UTILITY SERVICES

7.1 Drought Response Update.

Recommendation: As recommended by the Transportation and Environment Committee on March 7, 2016:

- (a) Accept the status report on the community's efforts to reduce water use by 30 percent for the period January 2015 through November 2015.

Accepted.

- (b) Adopt a resolution superseding Resolution No. 77327, to be in effect through June 30, 2016, continuing the declaration of a 30 percent city-wide water shortage and continuing the watering schedule and exceptions thereto established by Resolution No. 77327.

CEQA: Not a Project, File No. PP10-069(a), Staff Reports that involve no approval of any City Actions and File No. PP10-068, General Procedure and Policy Making. (Environmental Services)

[Transportation and Environment Committee referral from 3/7/16 – Item (d)(4)]

Resolution No. 77706 adopted.

7.2 Municipal Regional Stormwater Permit and Long-Term Load Reduction Plan Update.

Recommendation: As recommended by the Transportation and Environment Committee on March 7, 2016, accept the update on the status of the Municipal Regional Stormwater National Pollutant Discharge Elimination System Permit and Long-Term Trash Load Reduction Plan. CEQA: Not a Project, File No. PP10-069(a), Staff Reports that involve no approval of City Actions. (Environmental Services)

[Transportation and Environment Committee referral from 3/7/16 – Item (d)(5)]

Accepted.

7. ENVIRONMENTAL & UTILITY SERVICES

7.3 Street Sweeping: Significant Investment and Re-Tooling Are Needed to Achieve Cleaner Streets.

Recommendation: As recommended by the Transportation and Environment Committee on March 7, 2016, accept the Audit Report on the efficiency and effectiveness of street sweeping services. CEQA: Not a Project, File No. PP10-069(a), Staff Reports that involve no approval of City Actions. (City Auditor)

[Transportation and Environment Committee referral from 3/7/16 – Item (d)(3)]

The memorandum from Council Member Raul Peralez, dated March 28, 2016, was approved, accepting the Audit on Street Sweeping: Significant Investment and Re-Tooling Are Needed to Achieve Cleaner Streets.

Staff was directed to report back to Council on the feasibility of developing a street sweeping text notification system.

8. PUBLIC SAFETY SERVICES

9. REDEVELOPMENT – SUCCESSOR AGENCY

- Notice of City Engineer’s Pending Decision on Final Maps

In accordance with Sec. 19.16.140d of the San José Municipal Code, this is notice of the City Engineer's pending decision on the following Final Maps:

<u>Tract</u>	<u>Location</u>	<u>Council District</u>	<u>Developer</u>	<u>Lots/ Units</u>	<u>Type</u>	<u>Proposed Decision</u>
10297	Area generally bounded by Hwy. 85, Great Oaks Blvd., and Little Ave.	2	iStar San José, LLC	11 Lots	Residential/ Commercial	Approve

- **Open Forum**
There was no public testimony from the floor.

- **Adjournment**
The Council of the City of San José was adjourned at 8:08 p.m. in honor of Joseph Horwedel, the City's Director of the Department of Planning, Building and Code Enforcement from 2006-2014, who passed away on February 22, 2016. His colleagues at City Hall and in the development community celebrate Joe's distinguished 33-year public service career and laud him for his contributions to promoting an exceptional quality of life for residents who live, work and play in the 10th largest city in America. Under his leadership , San José attracted several high profile development projects and investments which have generated jobs and tax revenues for the City's General Fund. Joe's vision and legacy will live on across San José's skyline, and in the hearts of all of us who were graced by his presence in our lives.