

MINUTES OF THE CITY COUNCIL

SAN JOSE, CALIFORNIA

TUESDAY, JANUARY 9, 1996

The Council of the City of San Jose convened in regular session at 9:35 A.M. in City Council Chambers at City Hall.

Present: Council Members -Dando, Diaz, Diquisto, Fiscalini, Johnson, Pandori, Powers, Shirakawa, Jr., Woody; Hammer.

Absent: Council Members -Fernandes.

Upon motion unanimously adopted, Council recessed at 9:37 A.M. to a Closed Session in Room 600 to confer with Legal Counsel pursuant to Government Code Section 54956.9; under Subsection (a) to discuss existing litigation in the cases of Brueggeman v. City of San José; to discuss anticipated litigation pursuant to Subsection (b) of Government Code Section 54956.9, in one matter involving significant exposure to litigation and one matter regarding the initiation of litigation; and to confer with Labor Negotiator Pursuant to Government Code 54957.6: City Negotiator - City Manager designee Darrell Dearborn; Employee Negotiator - San José Police Officers' Association and International Association of Firefighters.

By unanimous consent, Council reconvened from the Closed Session and recessed at 10:10 A.M. and reconvened at 1:37 P.M. in the Council Chambers.

Present: Council Members -Dando, Diaz, Diquisto, Fernandes, Fiscalini, Johnson, Pandori, Powers, Shirakawa, Jr., Woody; Hammer.

Absent: Council Members -None.

INVOCATION

Pastor Bill Rushing, Central Church of the Nazarene, delivered the invocation. (District 1)

PLEDGE OF ALLEGIANCE

Mayor Hammer led the Pledge of Allegiance.

ORDERS OF THE DAY

Upon motion by Vice Mayor Johnson, seconded by Council Member Powers, and unanimously carried, Item 7e(3) was deferred to January 23, 1996, and the Orders of the Day and the Amended Agenda were approved. Vote: 11-0-0-0.

CEREMONIAL ITEMS

- 5a Presentation of commendation and award honoring Outstanding Employee - Special Team Award for December 1995 to the CPA Lighting Project Team, Conventions, Arts and Entertainment, and Public Works. (City Manager's Office)**

Documents filed: None.

Discussion/Action: Mayor Hammer was joined by Assistant City Manager Debra Figone for presentation of the Outstanding Employee - Special Team Award to the CPA Lighting Project Team and called to the podium Team Members Evelyn Velez-Rosario, Tammy Turnipseed and William Overstreet from Conventions, Arts and Entertainment; and Patrick Crowley, Frank Letteri, Joe McDonald, Alex Shkouratoff, Don Klein, and Tim Donohoe from Public Works. Public Works Director Qualls and Conventions, Arts and Entertainment Director Oppenheim added their appreciation for the excellent work performed by the Team.

- 5b Presentation of plaques to J. Caesar Sevilla for 1 year 3 months service and to Michael Van Every for 1 year 5 months service on the Disability Advisory Commission. (Mayor)**

Documents filed: None.

Discussion/Action: Mayor Hammer thanked J. Caesar Sevilla and Michael Van Every, who were unable to be present, for their service on City of San José commissions and advised that the plaques will be mailed.

CONSENT CALENDAR

Upon motion by Council Member Fiscalini, seconded by Council Member Powers, and unanimously carried, the Consent Calendar was approved and the below listed items taken as indicated. Vote: 11-0-0-0.

Minutes for Approval

6a(1) Regular Meeting of November 14, 1995

Documents filed: Minutes of November 14, 1995.

Discussion/Action: The minutes were approved. Vote: 11-0-0-0.

6a(2) Annual Review of the General Plan on November 14, 1995

Documents filed: Minutes of November 14, 1995.

Discussion/Action: The minutes were approved. Vote: 11-0-0-0.

6a(3) Annual Review of the General Plan on November 16, 1995

Documents filed: Minutes of November 16, 1995.

Discussion/Action: The minutes were approved. Vote: 11-0-0-0.

Ordinances for Final Adoption

6b(1) **ORD. NO. 25024 - Establishes an Underground Utility District at Quimby Road, from Burdick Way to Akino Court.**

Documents filed: Proof of publication of title of Ordinance No. 25024 submitted by the City Clerk. Vote: 11-0-0-0.

Discussion/Action: Ordinance No. 25024 was adopted. Vote: 11-0-0-0.

Public Hearings Set by Council

6c(1) **Adoption of a resolution setting a Special Assessment public hearing on January 30, 1996 at 1:30 p.m. for unpaid Recycle Plus garbage bills. (Finance)**

Documents filed: Memorandum from Director of Finance, John V. Guthrie, dated December 20, 1995, recommending adoption of said resolution.

Discussion/Action: Resolution No. 66367, entitled: "Resolution of the Council of the City of San José Setting a Special Assessment Public Hearing for Unpaid Recycle Plus

Bills”, was adopted. Vote: 11-0-0-0.

- 6c(2) Adoption of a resolution initiating proceedings to consider the Winchester House as a landmark of special historic, architectural, cultural, aesthetic or engineering interest or value of an historic nature; referring the proposed landmark designation back to the Historic Landmarks Commission for its consideration at a public hearing, report and recommendation; and setting a public hearing on March 5, 1996 at 1:30 p.m. CEQA: Exempt. (Historic Landmarks Commission)**

Documents filed: Memorandum from the Historic Landmarks Commission, dated December 20, 1995, recommending adoption of said resolution.

Discussion/Action: Resolution No. 66368, entitled: “Resolution of the Council of the City of San Jose Initiating Proceedings on its Own Motion, Pursuant to the Provisions of Chapter 13.48 of Title 13 of the San José Municipal Code to Designate the Winchester House as a Landmark of Special Historical, Architectural, Cultural, Aesthetic or Engineering Interest or Value of a Historic Nature”, was adopted. Vote: 11-0-0-0.

- 6c(3) Adoption of a resolution initiating proceedings to consider the Andrew P. Hill House as a landmark of special historic, architectural, cultural, aesthetic or engineering interest or value of an historic nature; referring the proposed landmark designation back to the Historic Landmarks Commission for its consideration at a public hearing, report and recommendation; and setting a public hearing on March 5, 1996 at 1:30 p.m. CEQA: Exempt. (Historic Landmarks Commission)**

Documents filed: Memorandum from the Historic Landmarks Commission, dated December 20, 1995, recommending adoption of said resolution.

Discussion/Action: Resolution No. 66369, entitled: “Resolution of the Council of the City of San Jose Initiating Proceedings on its Own Motion, Pursuant to the Provisions of Chapter 13.48 of Title 13 of the San José Municipal Code to Designate the Andrew P. Hill House as a Landmark of Special Historic, Architectural, Cultural, Aesthetic or Engineering Interest or Value of a Historic Nature”, was adopted. Vote: 11-0-0-0.

Plans and Specifications

- 6d(1) TRACT NO. 8770 - Northwest corner of Phelan and McLaughlin Avenues - Phelan Village LLC - 15 single family residential units. Adoption of resolutions approving the plans, the final map and the contract for Tract. No. 8770. CEQA: ND. District 7. (Public Works)
[Deferred from 12/12/95 - Item 6d(3)]**

Documents filed: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated December 4, 1995, recommending adoption of said resolutions.

Discussion/Action: Resolution No. 66370, entitled: "A Resolution of the Council of the City of San Jose Fixing Official Curb Grades and Position of Curbs, and Adopting Plans for Tract No. 8770 "; Resolution No. 66371, entitled: "A Resolution of the Council of the City of San Jose Approving and Accepting Final Map of Tract No. 8770"; Resolution No. 66372, entitled: "A Resolution of the Council of the City of San Jose Approving and Authorizing the Execution of Contract and Approving Bonds for the Improvement of Tract No. 8770", were adopted. Vote: 11-0-0-0.

6d(2) TRACT NO. 8789 - Avenida Espana and Downs Drive - Blossom Valley Investors, Inc., a California Corporation (Developer) - 27 single-family detached residential units. Adoption of resolutions approving the plans, final map, and contract for Tract No. 8789. CEQA: ND. District 2. (Public Works)

Documents filed: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated January 2, 1996, recommending adoption of said resolutions.

Discussion/Action: Resolution No. 66373, entitled: "A Resolution of the Council of the City of San Jose Fixing Official Curb Grades and Position of Curbs, and Adopting Plans for Tract No. 8789 "; Resolution No. 66374, entitled: "A Resolution of the Council of the City of San Jose Approving and Accepting Final Map of Tract No. 8789";

Resolution No. 66375, entitled: "A Resolution of the Council of the City of San Jose Approving and Authorizing the Execution of Contract and Approving Bonds for the Improvement of Tract No. 8789", were adopted. Vote: 11-0-0-0.

6d(3) TRACT NO. 8804 - North side of Rebel Way opposite Joseph Lane - Rebel Way Partners, a California Limited Partnership (Developer) - 8 single-family detached lots. Adoption of resolutions approving the plans, final map, and contract for Tract No. 8804. CEQA: ND. District 9. (Public Works)

Documents filed: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated January 2, 1996, recommending adoption of said resolutions.

Discussion/Action: Resolution No. 66376, entitled: "A Resolution of the Council of the City of San Jose Fixing Official Curb Grades and Position of Curbs, and Adopting Plans for Tract No. 8804 "; Resolution No. 66377, entitled: "A Resolution of the Council of the City of San Jose Approving and Accepting Final Map of Tract No. 8804"; Resolution No. 66378, entitled: "A Resolution of the Council of the City of San Jose Approving and Authorizing the Execution of Contract and Approving Bonds for

the Improvement of Tract No. 8804”, were adopted. Vote: 11-0-0-0.

Contracts/Agreements

- 6e(1) (a) Approval of a second amendment to the agreement with John Carollo Engineers for consulting engineering services, extending the agreement by six (6) months, from January 1, 1996 to June 30, 1996, at no additional cost to the City.**
- (b) Approval of a continuation agreement with John Carollo Engineers for Capital Improvement Program (CIP) consulting engineering services, extending the agreement by one (1) year, from July 30, 1995 to July 30, 1996, at no additional cost to the City.**
- (c) Approval of a continuation agreement with CH2M Hill for Capital Improvement Program (CIP) consulting engineering services, extending the agreement by one (1) year, from June 30, 1995 to June 30, 1996, at no additional cost to the City.**

(Environmental Services)

[Deferred from 12/12/95 - Item 6e(6)(a)(b)(c)]

6e(1) (Cont'd.)

Documents filed: (1) Memoranda from Director of Environmental Services, Louis N. Garcia, dated November 21, 1995, recommending approval of said amendment and continuation agreement with John Carollo Engineers. (2) Memorandum from Director of Environmental Services, Louis N. Garcia, dated November 21, 1995, recommending approval of said continuation agreement with CH2M Hill. (3) Letter from the Treatment Plant Advisory Committee dated December 15, 1995, recommending approval of the Staff recommendation.

Discussion/Action: The second amendment and continuation agreement with John Carollo Engineers and the continuation agreement with CH2M Hill were approved and its execution authorized. Vote: 11-0-0-0.

- 6e(2) Approval of a first amendment to the ground lease for trailer space with Emery Air Freight Corporation to adjust the ground rental fee, revise the security deposit language, and to modify the late charges provision. CEQA: Exempt. (Airport)**

Documents filed: Memorandum from Airport Director Ralph G. Tonseth, dated December 20, 1995, recommending approval of a first amendment to said agreement with Emery Air Freight Corporation.

Discussion/Action: The first amendment to said ground lease with Emery Air Freight

Corporation was approved and its execution authorized. Vote: 11-0-0-0.

- 6e(3) Approval of an ordinance amending the Federated Retirement System to provide reciprocal benefits to current members of the System who became members prior to 1975 and approval of the first amendment to the agreement for Reciprocal Benefits with the Public Employees' Retirement System. (Board of Administration Federated Retirement)**

Documents filed: Memorandum from Board of Administration, Federated Retirement Systems, dated December 19, 1995, recommending approval of said ordinance.

Discussion/Action: The first amendment to the agreement for Reciprocal Benefits with the Public Employees' Retirement System was approved, and Ordinance No. 25031, entitled: "An Ordinance of the City of San José Amending Sections 3.28.2410 and 3.28.2430 of Chapter 3.28 of Title 3 of the San José Municipal Code to Extend Reciprocity Benefits to Certain Federated Retirement System Members Who Were Members of the Chapter 3.24 System", was passed for publication. Vote: 11-0-0-0.

- 6e(4) (a) Adoption of a resolution authorizing the City Manager to negotiate and execute a contract, in an amount not to exceed \$60,000, in available TOT funds to support the first twelve (12) months of a temporary thirty (30) month contractual position (Arts Planning and Development Officer) to provide administrative support for the development of the upcoming Community Cultural Plan and the monitoring of the new cultural facilities being developed by the Redevelopment Agency.**
- (b) Adoption of a resolution authorizing the Director of Convention, Arts and Entertainment to negotiate and execute a grant in the amount of \$25,000 in available TOT funds to support the participation of the Arts Council of Santa Clara County in the development of the Community Cultural Plan. (Conventions, Arts and Entertainment)**

Documents filed: Memorandum from Director of Conventions, Arts and Entertainment, Ellen Oppenheim, dated December 20, 1995, recommending adoption of said resolutions.

Discussion/Action: Resolution No. 66379, entitled: "A Resolution of the Council of the City of San José Authorizing the City Manager to Negotiate and Execute an Employment Agreement for the Development of a Community Cultural Plan and Other Duties Related to the City's Cultural Facilities", and Resolution No. 66380, entitled: "A Resolution of the Council of the City of San José Authorizing the City Manager to Negotiate and Execute a Grant Agreement with the Arts Council of Santa Clara County for the development of the Community Cultural Plan", were adopted. Vote: 11-0-0-0.

- 6e(5) Approval of a first amendment to the agreement with CH2M Hill for Capital**

Improvement Program (CIP) engineering support, increasing the contract limit on subconsulting work, at no additional cost to the City. (Environmental Services)

Documents filed: (1) Memorandum from Director of Environmental Services, Louis N. Garcia, dated December 20, 1995, recommending approval of a first amendment to said agreement. (2) Letter from the Treatment Plant Advisory Committee, dated December 15, 1995, recommending approval of said amendment.

Discussion/Action: The first amendment to said agreement with CH2M Hill was approved and its execution authorized. Vote: 11-0-0-0.

6e(6) Adoption of a resolution authorizing the Director of General Services to execute all documents necessary for the donation of three (3) surplus fire trucks to the Ghana National Fire Service. (General Services)

Documents filed: None.

Discussion/Action: This item was deferred to January 23, 1996.

6e(7) Adoption of a resolution:

(a) **Authorizing a Community Housing Development Organization (CHDO) operating grant for Emergency Housing Consortium (EHC) for Calendar Year 1996, in the amount of \$28,000, for support of HOME-eligible affordable housing activities.**

(b) **Authorizing the Director of Housing to negotiate and execute the grant agreement on behalf of the City.**

(Housing)

Documents filed: Memorandum from Director of Housing, Alex Sanchez, dated December 20, 1995, recommending adoption of said resolution.

Discussion/Action: Resolution No. 66381, entitled: "A Resolution of the Council of the City of San José (a) Authorizing a Community Housing Development Organization Operating Grant for Emergency Housing Consortium for Calendar Year 1996, in the amount of \$28,000, for support of HOME-Eligible Affordable Housing Activities, and (b) Authorizing the Director of Housing to Negotiate and Execute the Grant Agreement on Behalf of the City", was adopted. Vote: 11-0-0-0.

6e(8) Adoption of a resolution:

(a) **Authorizing a grant award from the Housing and Homeless Fund to the Homeless Care Force.**

(b) **Authorizing the City Manager to execute a grant agreement with the Homeless Care Force in an amount not to exceed \$44,250.**

(Housing)

Documents filed: Memorandum from Director of Housing, Alex Sanchez, dated December 20, 1995, recommending adoption of said resolution.

Discussion/Action: Resolution No. 66382, entitled: "A Resolution of the Council of the City of San José (a) Authorizing a Grant Award from the Housing and Homeless Fund to the Homeless Care Force and (b) Authorizing the City Manager to Execute the Grant Agreement in an Amount Not to Exceed \$44,250.00", was adopted. Vote: 11-0-0-0.

6e(9) Approval of the substitution of a subcontractor, Don Jacob Associates Construction, Inc., (Don Jacob), with Esquivel Grading and Paving, Inc., for the Installation of Traffic Signal Unit 94C Project. CEQA: Exempt. (Public Works)

Documents filed: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated December 20, 1995, recommending approval of said subcontractor substitution.

Discussion/Action: The substitution of said subcontractor with Esquivel Grading and Paving, Inc., was approved and its execution authorized. Vote: 11-0-0-0.

6e(10) Adoption of a resolution authorizing the City Manager to negotiate and execute a first amendment to the sub-grant agreement with Pathways Society, Inc., to provide an additional amount not to exceed \$10,000, to provide services for at-risk youth in the Weed and Seed Area for the period June 15, 1995 to February 29, 1996. (Parks, Recreation and Neighborhood Services)

Documents filed: Memorandum from Director of Parks, Recreation and Neighborhood Services, Ellis E. Mitchell, dated December 20, 1995, recommending adoption of said resolution.

Discussion/Action: Resolution No. 66383, entitled: "A Resolution of the Council of the City of San José Authorizing the City Manager to Negotiate and Execute an Amendment to the Weed and Seed Program Sub-Grant Agreement with Pathway Society, Inc.," was adopted. Vote: 11-0-0-0.

6e(11) Adoption of a resolution authorizing the City Manager to negotiate and execute a first amendment to the grant agreement with J.E.W.L. Services to provide an additional \$10,000, for tutoring services at the George Shirakawa Community Center. (Parks, Recreation and Neighborhood Services)

Documents filed: Memorandum from Director of Parks, Recreation and Neighborhood Services, Ellis E. Mitchell, dated December 20, 1995, recommending adoption of said resolution.

Discussion/Action: Resolution No. 66384, entitled: "A Resolution of the Council of the City of San José Authorizing the City Manager to Negotiate and Execute an Amendment to the Grant Agreement with J.E.W.L.", was adopted. Vote: 11-0-0-0.

Routine Legislation

- 6f(1) Adoption of a resolution initiating proceedings and setting January 30, 1996 at 1:30 p.m. as the date for Council consideration for the reorganization of territory designated as McKee No. 115, which involves the annexation to the City of San José of 8.33 acres of land, located northwest corner of North Capitol Avenue and Mabury Road and the detachment of the same from the Central Fire District. CEQA: ND. (Planning, Building and Code Enforcement)
[Deferred from 12/12/95 - Item 6f(2)]**

Documents filed: Memoranda from Director of Planning, Gary J. Schoennauer, dated November 21, 1995, and January 5, 1996, recommending adoption of said resolution.

Discussion/Action: Reporting on the grove of trees which the City requested the developer to save on this property, Council Member Fernandes advised the developer has redesigned the project to reserve the grove as a playground for children. Resolution No. 66385, entitled: "Resolution of the Council of the City of San José Initiating Reorganization Proceedings for Annexation and Detachment of Certain Uninhabited Territory Designated As McKee No. 115 and Described Herein, and Setting the Date and Place for Consideration of such Reorganization", was adopted. Vote: 11-0-0-0.

- 6f(2) Adoption of appropriation ordinance and revenue resolution amendments in various Redevelopment Capital Funds. (City Manager's Office)**

Documents filed: Memorandum from Budget Director Larry D. Lisenbee, dated December 20, 1995, recommending adoption of said appropriation ordinance and related revenue resolution amendments.

Discussion/Action: Council Member Fiscalini asked how the project was being bid and how much would be needed to complete the entire project of replacing the Convention Center carpet. Director Oppenheim stated that the recommendation was to carpet the ballroom and concourse first, using the funds available in the Redevelopment Agency Budget as of last Spring, at which time the entire project had been estimated at \$750,000, and to do as much of the balance of the meeting rooms as possible. She advised the project would go to bid in a month and by March 1, 1995, the costs for the entire project would be available. Council Member Fiscalini expressed concerns about going to bid on such an important major project and being unable to complete it, and recommended the Council try to do the entire project at one time. Mayor Hammer agreed and asked what cost savings would accrue from doing the entire project and suggested Council review the potential for completing the project when it returns to the

Council after the bids come in. Director Oppenheim stated she did not have figures on savings at this time, but in terms of convenience to users of the Center, stated it would be very beneficial to complete the project. Council Member Fiscalini commented the timing would be right for consideration at the mid-year budget reconciliation. Council Member Woody advised that this issue was raised before the Agency Finance Committee, and recommended that should the Council follow through with full funding, the project be coordinated with the Agency Finance Committee to be sure that the funding comes out of that budget. Replying to Council Member Diquisto's question about what would happen to the retrieved carpet, Director Oppenheim advised it will be reused in appropriate places in City buildings. By unanimous consent, the Council referred the unfunded portion of the Convention Center Carpet Replacement project to the budget process, to be coordinated with the Redevelopment Agency Finance Committee. Ordinance No. 25027, entitled: "An Ordinance of the Council of the City of San Jose Amending Ordinance No. 24945 which Appropriates Moneys in Various Redevelopment Capital Funds to Establish or Increase Appropriations in the Total Amount of \$1,786,163, to Provide City Services to the Redevelopment Agency for Several Capital Projects; and Providing That This Ordinance Shall Become Effective Immediately Upon Adoption"; and Resolution No. 66386, entitled: "A Resolution of the Council of the City of San Jose Amending Revenue Resolution No. 66026 for the Fiscal Year 1995-96 to Adjust Revenues in Various Redevelopment Capital Funds", were adopted. Vote: 11-0-0-0.

6f(3) Adoption of appropriation ordinance and revenue resolution amendments to increase the Library grants appropriation in the General Fund, to accept \$37,870 in Grant funds for the Library's Partners in Reading Literacy Project. (City Manager's Office)

Documents filed: Memorandum from Budget Director Larry D. Lisenbee, dated December 20, 1995, recommending adoption of said appropriation ordinance and related revenue resolution amendments.

Discussion/Action: Ordinance No. 25028, entitled: "An Ordinance of the Council of the City of San Jose Amending Ordinance No. 24945 which Appropriates Moneys in the General Fund in the Amount of \$37,870, for Acceptance of Grant Funds for the Library's Partners in Reading Literacy Project; and Providing That This Ordinance Shall Become Effective Immediately Upon Adoption", and Resolution No. 66387, entitled: "A Resolution of the Council of the City of San Jose Amending Revenue Resolution No. 66026 for the Fiscal Year 1995-96 to Adjust Revenues in the General Fund", were adopted. Vote: 11-0-0-0.

6f(4) Adoption of appropriation ordinance and revenue resolution amendments in the Gift Trust Fund in the amount of \$788,000 to reflect actual cash balances. (City Manager's Office)

Documents filed: Memorandum from Budget Director Larry Lisenbee, dated January 5, 1996, recommending adoption of said appropriation ordinance and related revenue resolution amendments.

Discussion/Action: Ordinance No. 25029, entitled: "An Ordinance of the Council of the City of San Jose Amending Ordinance No. 24945 which Appropriates Moneys in the Gift Trust Fund in the Amount of \$788,000, to Reflect Actual Cash Balances; and Providing That This Ordinance Shall Become Effective Immediately Upon Adoption", and Resolution No. 66388, entitled: "A Resolution of the Council of the City of San Jose Amending Revenue Resolution No. 66026 for the Fiscal Year 1995-96 to Adjust Revenues in the Gift Trust Fund", were adopted. Vote: 11-0-0-0.

- 6f(5)**
- (a) Approval of the appointment to the San José Beautiful Steering Committee of Ernest Ngwiri for a two (2) year term ending January, 1998 and the reappointment of Cindy Delgado to a two (2) year term ending 1998.**
 - (b) Acknowledgment of the conscientious efforts of the outgoing Steering Committee members: Haresh Panchel and Gilbert Valverde.**
- (City Manager's Office)**

Documents filed: Memorandum from Darrell Dearborn, dated December 20, 1995, recommending said appointment of Ernest Ngwiri to the San José Beautiful Steering Committee and reappointment of Cindy Delgado and acknowledgment of outgoing Steering Committee members.

Discussion/Action: The appointment to the San José Beautiful Steering Committee of Ernest Ngwiri for a two (2) year term ending January, 1998 and the reappointment of Cindy Delgado to a two (2) year term ending 1998, were approved; and the conscientious efforts of the outgoing Steering Committee members: Haresh Panchel and Gilbert Valverde, were acknowledged.

- 6f(6)**
- Approval for the City Manager, Regina V.K. Williams to travel to:**
- (a) Tucson, Arizona, on January 11-14, 1996, to attend the ICMA Large Cities Executive Forum; and**
 - (b) Austin, Texas, on January 18-21, 1996, to attend the National Forum for Black Public Administrators.**
- (City Manager's Office)**

Documents filed: Memorandum from City Manager Regina V.K. Williams, dated January 3, 1996, recommending approval of said travel for City Manager Williams.

Discussion/Action: The travel for City Manager Regina V.K. Williams was approved. Vote: 11-0-0-0.

- 6f(7) Adoption of a resolution authorizing the City Manager to submit an application to update the Director of General Services' authority to participate in the State of California Federal Surplus Personal Property Program and to execute the necessary documents. (General Services)**

Documents filed: Memorandum from Director of General Services, Ellis M. Jones, Jr., dated December 20, 1995, recommending adoption of said resolution.

Discussion/Action: Resolution No. 66389, entitled: "A Resolution of the Council of the City of San José Authorizing the Acquisition of Federal Surplus Property from the California State Agency for Surplus Property", was adopted. Vote: 11-0-0-0.

- 6f(8) Adoption of a resolution to amend Resolution No. 51872:**
- (a) Exhibit 21, to create the class of Disability Access Coordinator (1420) at a salary range of 61C.**
 - (b) Exhibit 99, to create the classes of Deputy Director for Code Enforcement (4135) at a salary range of 69C; and Executive Assistant to the City Auditor (U) (8021) at a salary range of 54I.**
 - (c) Exhibit 99, to retitle the classes of Director of Neighborhood Services (U) (3996) to Director of Parks, Recreation and Neighborhood Services (U) (3996) at the same salary range of 71G; and Director of Convention and Cultural Affairs (U) (6344) to Director of Conventions, Arts and Entertainment (U) (6344) at the same salary range of 71G.**
 - (d) Exhibit 99, to abolish the classes of Director of Recreation, Parks and Community Services (U) (6135); and Director of Neighborhood Preservation (U) (3995)**
- (Human Resources)**

Documents filed: Memorandum from Director of Human Resources, Nona Tobin, dated December 20, 1995, recommending adoption of said resolution.

Discussion/Action: Resolution No. 66390, entitled: "A Resolution of the Council of the City of San José Amending Resolution No. 51872 to Amend Exhibit 21 to Create the Class of Disability Access Coordinator (1420), and Amend Exhibit 99 to (1) Create the Class of Deputy Director for Code Enforcement (4135), (2) Create the Class of Executive Assistant to the City Auditor (U) (8021), (3) Retitle the Class of Director of Neighborhood Services (U) (3996) to Director of Parks, Recreation, & Neighborhood Services, (4) Retitle the Class of Director of Convention & Cultural Affairs (U) (6344) to Director of Conventions, Arts & Entertainment, (5) Abolish the Class of Director of Recreation, Parks & Community Services (U) (6135) and (6) Abolish the Class of Director of Neighborhood Preservation (U) (3995), Effective January 14, 1996", was adopted. Vote: 11-0-0-0.

END OF CONSENT CALENDAR

COMMISSION, COMMITTEE, AND STANDING REPORTS

7a Report of the Committee of the Whole - November 28, 1995

Documents filed: Committee of the Whole report of November 28, 1995.

- (1) Greenline Initiative. Attachments: (1) Memorandum from Director of Planning, Gary J. Schoennauer, dated November 8, 1995, recommending that, should the City Council decide to initiate a Greenline Initiative, the Planning Staff recommends that Council: (a) Approve the conceptual process for the creation of a formal long term Urban Growth Boundary (UGB) and an implementation plan for it; (b) Confirm the general alignment of the Urban Growth Boundary as discussed therein; (c) Provide direction regarding the "Level of Effort" that should be required to create and to amend the UGB; and if the Council selects a level of effort which includes County participation, it should also (i) Direct the Administration to prepare a letter, for the Mayor's signature, to the Santa Clara County Board of Supervisors notifying it that San José is launching the UGB process and inviting the County to participate in the process, (ii) Direct Staff to initiate discussions with County staff regarding the process and procedures for establishing and implementing the UGB; and (d) Direct the Administration to provide status reports to the City Council at important junctures in the UGB process. (2) Memorandum from Sean Morley, Policy Assistant to the Mayor dated November 30, 1995, submitting approximately 85 individuals expressing sentiments concerning a Greenline Policy in San José.

The Committee directed the Administration to hold preliminary discussions with the County regarding an Urban Growth Boundary in the City of San José; provide more information on the Staff's Level of Effort Recommendation Nos. 3 and 4; respond to comments by the public and the Council Members, and report back to the Council in late January 1996.

Discussion/Action: Upon motion by Vice Mayor Johnson, seconded by Council Member Fiscalini, and unanimously carried, the Committee of the Whole report and actions of November 28, 1995, were approved. Vote: 11-0-0-0.

7c Report of the Housing and Community Services Committee - December 4, 1995

Documents filed: Housing and Community Services report of December 4, 1995.

- (1) Review of taxicab rates

The Committee continued this item to the January 8, 1996, Committee meeting.

- (4) Accept Convention Center Performance Report. Attachment: (1) Memorandum from Director of Conventions, Arts and Entertainment, Ellen Oppenheim, and Marion Holt, President of the San José Convention and Visitors Bureau, dated September 22, 1995, transmitting the San José McEnery Convention Center Six-Year Performance Report. (2) Hard copies of the video presentation made by Director Oppenheim.

The Committee referred the matter to Staff for further analysis in preparation for a full evaluation report to the Committee in six months.

The City Council heard a video presentation by Conventions, Arts and Entertainment Director Ellen Oppenheim, who reported that the analysis which the Committee referred to the Staff for report out in six months will provide the Council with information relative to the need for expansion of the Convention Center.

7c Report of the Housing and Community Services Committee - December 4, 1995 (Cont'd.)

- (2) Consider Central Tow Yard Evaluation Process. Attachments: (1) Memorandum from Police Chief Cobarruviaz, General Services Director Jones, and Planning, Building and Code Enforcement Director Schoennauer, dated September 26, 1995, recommending that Council authorize the Administration to evaluate three options for City-generated towing using the criteria outlined therein, meet with all interested parties, develop more detailed cost revenue information on a City-operated vehicle storage facility (Option III), review and recommend revisions to the various components of the fee structure and revenue; as outlined therein. (2) Memorandum from Director of General Services, Ellis M. Jones, Jr., dated November 1, 1995, recommending the Committee recommend that the Council (a) Solicit proposals from tow operators under the current zone tow system for the period April 1, 1996, through October 31, 1997, with the RFP process to include review and revision of customer service improvements and current revenue divisions; and (b) Plan for a competitive RFP process to be completed by October 31, 1997, that would solicit proposals under all three options and review and revise as appropriate the zone boundaries, fee structure, revenue division, and customer service improvements; as outlined therein.

The Committee recommended maintaining Option 1, which is a continuation of the current arrangement and dropping Options II and III; directing Staff to solicit proposals from tow operators under the current zone tow system for the period April 1, 1996 through April 1, 1998, with a one-year option to renew; and directing the City Auditor to review the contractor performance.

Ken Carvalho, City Tow; Stan Alongi, Motor Body Company, Inc.; and Joe Bass addressed the City Council on this issue. Council Member Fiscalini

expressed concern that the proposed 2 year contract with a one year option was too short a time frame to permit companies to recover equipment costs and by creating more risk, would be less competitive. Council Member Diaz expressed support for a longer term, also. Mayor Hammer thought that five years is too long, but suggested a term of 2 years and two one year options. Vice Mayor Johnson expressed support for a longer term and asked Staff to evaluate boundaries of the zones to ensure that each zone is roughly equal in terms of service distribution. Council Member Pandori recommended deferring the issue to give the Council more time to study the issue, and requesting a Staff report on the rationale for the recommended length of contract, especially since the Committee recommendation is different from that of the Staff in that the Committee recommended stopping any further evaluation of the Central Tow Yard. He stated he disagreed with that one point for the reason of competition and stated he was interested in the Central Tow Yard since it would enable more tow companies to compete for the work. He stated that companies now have to have storage facilities in addition to equipment and a Central Tow Yard would allow smaller contractors to compete for the work. He stated the current contract was a 5-year contract and that for most of the zones there was only one proposal. Council Member Dando stated that the current policy is working well and questioned whether an audit was necessary, stating she supported a longer-term contract. Council Member Shirakawa, Jr., pointed out that the main focus of the Committee discussion was the audit to determine if more revenue can be generated and the shorter term was to allow for future decisions to be based on information forthcoming from the audit. Director Jones stated he was unaware of any audit ever being done on these contracts, although reports are submitted, and stated that most of the City's service contracts are two-year, with three one-year options and that straight five-year contracts are not currently being issued. He advised that Staff's recommendation was to develop other options at the end of that period, but the Committee's sense was that they wanted to stay with the zone tow. Council Member Fiscalini stated that he was not anxious to change the system and the Central Tow Yard did not appeal to him for a variety of reasons, one of which is that it may decrease competition and would have an effect on how the citizens are served. Deputy Director of General Services, Fran McVey, clarified that proposed changes in the fee schedules requiring Council action and scheduled to come to Council on January 23, 1996, will have to be incorporated into the RFP, and since the contracts do not expire until the end of March 1996, a deferral would not create a delay. Mayor Hammer stated she would like this issue delayed to allow more time to review the issue. Council Member Woody stated she preferred a three year contract with two one-year options. Council Member Fernandes stated she preferred a deferral. Council Member Diaz stated he favored a three year contract with two one-year options. Council Member Diquisto expressed preference for either a three- or five-year term with one year option. Council Member Powers stated that the reason the Committee rejected Options II and III was because there was no description as to how the Central Tow would work and because of concern about taking business from private industry, and the Committee went with more than one

company to avoid creating a monopoly, and stated that if deferred, she wanted the item to come back with a prescribed length of time and preferred either four years with a one year option or three years with two years of options. City Manager Williams suggested that Staff prepare a supplemental report to address the issue of contract terms. Upon motion by Council Member Pandori, seconded by Council Member Shirakawa, Jr., and unanimously carried, the issue was deferred to January 23, 1996, with the Staff directed to provide supplemental information on contract terms and evaluate zone boundaries to ensure equal service distribution. Vote: 11-0-0-0.

- (3) Renaissance Pleasure Faire Report. Attachment: (1) Memorandum from Director of Conventions, Arts and Entertainment, Ellen Oppenheim, dated November 20, 1995, informing the Committee about the status of the City's work with Renaissance Pleasures Faires, Inc., in assessing the viability of producing a Renaissance Pleasure Faire in Kelley Park. (2) Memorandum from Director of Conventions, Arts and Entertainment, Ellen Oppenheim, dated November 30, 1995, providing supplemental background information prepared by Renaissance Pleasure Faires, Inc.

The Committee accepted the report and continued discussion of the matter to January 8, 1996, for a verbal update status report.

- (5) 1996-97 Parade, Festival & Celebration Grant Guidelines

This item was heard by Council on December 12, 1995.

- (6) Maintenance Allocation - District Parks Budget. Attachment: Memorandum from Assistant City Manager, Debra J. Figone, dated December 1, 1995, recommending that Council increase the percentage of Parks Construction and Conveyance Tax funds available for maintenance activities to 20% for the total program and allowing 5% of the Construction and Conveyance Tax allocations for each Council District to be expended for maintenance and direct the City Attorney to draft an ordinance that would accomplish these recommendations.

The Committee recommended approval of the Staff recommendations.

- (7) Accept status report of Happy Hollow Master Plan Implementation

The Committee deferred this item to the January 8, 1996, Committee meeting.

7c Report of the Housing and Community Services Committee - December 4, 1995 (Cont'd.)

- (8) Adoption of Workplan for January - June 1996. Attachments: Housing and Community Services Workplan.

The Committee recommended approval of the Workplan, with the additions discussed in the meeting.

- (9) Oral petitions

None.

Discussion/Action: Upon motion by Council Member Fiscalini, seconded by Council Member Shirakawa, Jr., and unanimously carried, the Housing and Community Services Committee report and actions of December 4, 1995, were accepted, as amended to defer 7c(2) to January 23, 1996, with the accompanying direction to Staff. Vote: 11-0-0-0.

7d Report of the Finance Committee - December 13, 1995

Documents filed: Finance Committee report of December 13, 1995.

- (1) Oral petitions

None.

- (2) Monthly Investment Report for October 1995. Attachment: Investment Report for October 1995.
(3) Monthly Financial Report for October 1995. Attachment: Financial Report for October 1995.
(4) Monthly Auditor's Report for October 1995. Attachment: Auditor's Report for October 1995.

The Committee accepted the reports.

- (5) Administration's Response to Auditor's Report on Project Milestones. Attachment: (1) Memorandum from City Manager Regina V.K. Williams, dated October 31, 1995, responding to the Finance Committee's direction in reference to the City Auditor's Office presentation on Audit Milestones. (2) Copies of handouts from the Finance Committee meeting.

The Committee accepted the report.

7d Report of the Finance Committee - December 13, 1995

- (6) Report on RFI and Survey Results for Payroll/Human Resources Project. Attachment: Memorandum from Director of Finance, John V. Guthrie, Director of General Services, Ellis M. Jones, Jr., Director of Human Resources, Nona Tobin, dated December 8, 1995, recommending direction to the Administration

to (1) Prepare a Mid-Year Budget for \$96,000 for consultant services to start an RFP Process to be completed by July 1996, (2) Develop a plan to fund the three-year acquisition and development cost for a new Payroll/Human Resource System at an estimated cost of \$6.8 million, and (3) Prepare a FY 1996-97 budget request for first year implementation costs based upon the funding plan.

The Committee recommended acceptance of the recommendations in the report with the stipulation that this item be reported out as a separate item at the Council meeting, and Staff come back to the Committee on February 14, 1996 with a report on the development plan and RFP process.

See Item 9g for Council action taken.

- (7) Status Report on M/WBE Disparity Study - Phase II Program Implementation. Attachment: Memorandum from Director of Affirmative Action/Contract Compliance, Steven T. Wing, dated December 6, 1995, providing the Status Report on the MBE/WBE Program for Purchasing and Professional Service Contracts.

The Committee accepted the report.

- (8) Finance Committee Workplan for January - June 1996. Attachment: January-June 1996 Finance Committee Proposed Workplan.

The Committee recommended approval of the Workplan for January-June 1996, with the Redevelopment Funding Review Audit moved to the Redevelopment Agency Finance Committee meeting agenda and Council Member Powers to be included in the meeting.

- (9) Committee schedule

No discussion.

Discussion/Action: Upon motion by Council Member Woody, seconded by Council Member Fiscalini and unanimously carried, the Finance Committee report and actions of December 13, 1995, were accepted, with 7d(6) heard under Item 9g. Vote: 11-0-0-0.

7e Report of the Transportation, Development, and Environment Committee - December 14, 1995

Documents filed: Transportation, Development, and Environment Committee report of December 14, 1995.

- (1) Consent Calendar
 - (a) Bus Shelter Advertising Contract Status Report. Attachment: Informa-

tional memorandum from City Attorney Joan R. Gallo, dated November 29, 1995, reporting on the number of cities and advertising bus shelters in the contract.

- (b) Parking Advisory Commission Status Report. Attachment: Memoranda from the Parking Advisory Commission, dated November 14 and 20, 1995, transmitting said report and reporting on the Block 8 Parking Lot Management Contract.
- (c) Status Report on State Funding for Route 87 Freeway Project. Attachment: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated November 30, 1995, transmitting said report.
- (d) Report on City Projects Approved for Clean Air Grant Funding. Attachment: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated November 30, 1995, transmitting said report.
- (e) Report on the Amendment to the City of San José's Trip Reduction Ordinance No. 24607. Attachment: Report on the Impact of Senate Bill 437 Prohibiting Implementation of Trip Reduction Programs.
- (f) Pullman Way Status Report. Attachment: Pullman Way Maintenance Facility Status Report for November 1995.

The Committee recommended approval of the Consent Calendar.

- (2) Report, Presentation, and Approval of Agreement for Consulting Services with Global Action Plan.

This item was deferred until the Community Relations Workplan is heard before the Committee in February.

7e Report of the Transportation, Development, and Environment Committee - December 14, 1995 (Cont'd.)

- (3) Report Regarding Revision of Hotel Implementation Policy for North First Street. Attachment: Memorandum from Planning Director Gary J. Schoennauer, dated November 29, 1995, recommending revision of the policy to allow up to 100 room expansions of limited service hotels in the North First Street/101 area, and increase of the overall cap for new rooms from 500 to 750 to accommodate expansions of existing limited service hotels in addition to new facilities.

The Committee recommended approval of the Staff recommendations to include comments at the Committee meeting.

The City Council deferred this item to January 23, 1996.

- (4) Adoption of a Resolution Approving Proposed Projects for FY 1996-97 Transportation and Development Act, Article 3 (TDA-3) Pedestrian and Bicycle Facilities Grant Program. Attachment: Memorandum from Director of Streets and Traffic, Wayne K. Tanda, dated November 28, 1995, recommending

Council adoption of a resolution approving the list of pedestrian and bicycle project list to be submitted for FY 1996-97 TDA grant funding.

The Committee recommended approval of the Staff recommendations.

- (5) Infrastructure Management System (IMS) 1995 Status Report. Attachment: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated December 8, 1995, transmitting said report.

The Committee accepted the report.

- (6) Report and Recommendation on the Automatic Public Toilets. Attachment: (1) Memoranda from Director of Public Works, Ralph A. Qualls, Jr., dated December 8 and 12, 1995, transmitting an original report and a supplemental report on Automatic Public Toilets. (2) Correspondence from the Post Street Merchants' Association, dated December 14, 1995, in support of public toilets.

The Committee recommended approval of Staff recommendations to include comments in the Committee discussion.

See Item 9m for Council action taken.

7e Report of the Transportation, Development, and Environment Committee - December 14, 1995 (Cont'd.)

- (7) Draft Transportation, Development and Environment Committee Workplan. Attachment: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated December 4, 1995, transmitting the Draft Committee Workplan.

The Committee accepted the report, to include Committee comments.

- (8) Oral petitions

None.

Discussion/Action: Upon motion by Council Member Fernandes, seconded by Vice Mayor Johnson, and unanimously carried, the Transportation, Development, and Environment Committee report and actions of December 14, 1995 accepted, with 7e(6) heard under Item 9m, Item 7e(2) deferred to the February, 1996 Committee meeting, and Item 7e(3) deferred to January 23, 1996. Vote: 11-0-0-0.

GENERAL GOVERNMENT

9a Review of Federal Aviation Regulation Part 161.205 Report concerning potential

**additional noise measures at San José International Airport and referral of the report to the Airport Master Plan Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) Study. (Airport)
(Deferred from 12/12/95 - Item 9a)**

Documents filed: (1) Memorandum from Airport Director Ralph G. Tonseth, dated November 30, 1995, recommending that following review of the Federal Aviation Regulation Part 161.205 Report, the City Council refer the report to the Airport Master Plan Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) Study. (2) Four-Volume report on the Federal Aviation Regulation (FAR) Part 161.205 Study, dated November, 1995, prepared by Harris Miller Miller & Hanson, Inc. for the San José International Airport.

Discussion/Action: Assistant Airport Director Kris Bart made a presentation on the Staff recommendation. Wanda Buck, Citizens Against Airport Pollution (CAAP), read into the record a letter from CAAP Chairperson, Lenora Porcella, supporting a rapid phase out of Stage 2 aircraft and expansion of the Community Noise Equivalent Level (CNEL) limit. Mayor Hammer asked Staff to respond to the question of the study being limited to 65 dB CNEL. Assistant Director Bart advised that the Federal Aviation Administration only recognizes residents within the 65 CNEL as being noise-impacted. Mayor Hammer asked if the Council should delay or do a Phase 2 study, what impact that would have on the timing of the Master Plan. Since the CEQA process has to be done first, City Attorney Gallo recommended referral to the Master Plan process. Council Member Pandori stated that this is a mitigation that can be considered in the Master Plan EIR, review of which is scheduled for the fall of 1996. He pointed out that the ANCA enacted in 1990 mandates a phase-out of all Stage 2 aircraft by the end of 1999 and the Council had gone on record in 1991 in support of phasing out Stage 2 aircraft by 1995. He questioned the rationale for excluding noise benefits to people living outside the 65dB CNEL area, since the City is acquiring or in some way mitigating all houses within the 65 dB CNEL area. He stated that although not satisfied with the study, he thought referral to the Airport Master Plan was appropriate for consideration as an environmental mitigation measure, and stated this issue should be given serious consideration at the Airport Master Plan process. Upon motion by Council Member Powers, seconded by Vice Mayor Johnson, and unanimously carried, the Staff recommendation was approved, and the FAR Part 161.205 Report was referred to the Airport Master Plan Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) Study. Vote: 11-0-0-0.

**9b Approval of an ordinance granting a Commercial Solid Waste Collection Franchise to South Bay Disposal and approval of the franchise agreement.
(Council referral 12/5/95 - Item 9c)
(Deferred from 12/12/95 - Item 9r)**

Documents filed: None.

Discussion/Action: This item was deferred to January 23, 1996.

9c Approval of the selection of Frank Cetani, Jr., or William Bascom as the public member representative on the Federated Employees Retirement System Board of Administration. (Board of Administration Federated Retirement System)

Documents filed: Memorandum from Board of Administration, Federated Retirement Systems, dated December 20, 1995, recommending selection of Frank Cetani, Jr., or William Bascom as the public member representative on the Federated Employees Retirement System Board of Administration.

Discussion/Action: Council Member Fiscalini advised that Retirement Administrator, Edward F. Overton, had explained that William Bascom had removed his name from consideration. He stated that the ordinance amendment changing the definition of a banker should make more people available to serve, and moved to refer the item to the City Clerk to readvertise the position. Council Member Powers seconded the motion. Council Member Diquisto expressed concerns about delaying filling the position, stated that finding other candidates for this position might be difficult, and supported appointing Frank Cetani, Jr. Council Member Shirakawa, Jr., agreed with appointing Mr. Cetani. On a call for the question, the motion by Council Member Fiscalini carried and the Council referred this appointment to the City Clerk to be readvertised. Noes: Diquisto, Shirakawa. Council Member Diquisto suggested the item be back to the Council in four weeks. Council Member Fiscalini expressed doubt that readvertising the position and referring it to the Retirement Board could be accomplished in four weeks. Mayor Hammer suggested closing advertisements in four weeks and expediting the reporting back to the Council.

9d Adoption of a resolution setting forth the Administrative Citation Schedule of Fines for certain violations of the San José Municipal Code, effective January 23, 1996. (City Attorney's Office)

Documents filed: None.

Discussion/Action: This item was deferred to January 23, 1996.

Vice Mayor Johnson left the Chambers at this point in the meeting.

9e Approval of implementation procedures for lifting the City-wide hiring freeze. (City Manager's Office)

Documents filed: Memorandum from City Manager Regina V.K. Williams, dated January 5, 1995, recommending Council approval of the Administration's implementation procedure for lifting the City-wide hiring freeze and the managed staffing

plan process described in the report.

Discussion/Action: Council Member Fiscalini requested information relative to the cost of maintaining a hiring freeze while maintaining basic City services in order to gauge the effectiveness of using a hiring freeze as a method of controlling costs. City Manager Regina V.K. Williams agreed that a hiring freeze should not be a strategy to balance the budget and asked Budget Director Lisenbee to explain the cost of current vacancies. Budget Director Lisenbee stated that the achievement of net savings are still projected to the end of the year in the salary sense, stating that the City is not spending more to back fill the positions. In further response, he stated the City is saving on a net basis that leaves about \$2.5 million for the year, and stated that if all 389 vacant positions were not being back filled, the savings would be larger, but that positions are being back filled through overtime, pool positions or outside contractual to some extent. Council Member Fiscalini suggested the Administration report back on implementation of the lifting of the freeze. Director Lisenbee stated that the Administration was directed in Mayor Hammer's Budget Message to report back at mid-year. Council Member Woody stressed the need for close monitoring of hiring controls in conjunction with prioritizing programs and coordinated with basic services. Council Member Pandori stated the recommendation, which he supported, would in effect lift one hiring freeze and implement a different and smarter hiring freeze. Council Member Dando requested a report back to identify the positions the Administration thinks are the critical to fill. Upon motion by Council Member Powers, seconded by Council Member Fernandes, and unanimously carried, the Staff recommendation was approved, and Administration directed to report back on the cost savings from the freeze and on critical unfilled positions. Vote: 10-0-1-0. Absent: Johnson.

9f Report on bids and recommendation for award of contract for the construction project entitled "San José/Santa Clara Water Pollution Control Plant, South Bay Water Recycling, Effluent Diversion Facilities" to the low bidder, Stacy and Witbeck, Inc., in the amount of \$6,405,000. CEQA: Resolution No. 64667. (Environmental Services)

Documents filed: (1) Memorandum from Environmental Services Director Louis Garcia, dated December 20, 1995, recommending award of said contract to low bidder Stacy and Witbeck, Inc. (2) Letter from the Treatment Plant Advisory Committee, dated December 15, 1995, recommending said award to Stacy and Witbeck, Inc.

Discussion/Action: Upon motion by Council Member Fiscalini, seconded by Council Member Fernandes, and unanimously carried, the award of contract to the low bidder, Stacy and Witbeck, Inc., was approved and its execution authorized. Vote: 10-0-1-0. Absent: Johnson.

9g Report and recommendations on Request for Information and Survey results for

Payroll/Human Resources Project and direction to the Administration to:

- (1) Prepare a Mid-Year budget for \$96,000 for consultant services to start a Request for Proposal (RFP) process to be completed by July 1996.**
- (2) Develop a plan to fund the three-year acquisition and development cost for a new Payroll/Human Resource System at an estimated cost of \$6.8 million.**
- (3) Prepare a FY 1996-97 budget request for the first year implementation costs based upon the funding plan.**

[Finance Committee referral 12/13/95 - Item 7d(6)]

Documents filed: (1) See Item 7d(6) for the Staff report. (2) Hard copies of the video presentation made by Finance Director John Guthrie to the City Council.

Discussion/Action: Finance Director John Guthrie made a video presentation of the Staff recommendation. Director Guthrie stated, by way of background that in February, 1994 the Finance Committee approved a plan to replace City-wide Finance systems, that the first year's costs were not approved in the 1994-95 budget and in August, 1995 a scaled-down version for Payroll/Human Resources was referred to the Finance Committee, at which time the Committee directed Staff to review both purchased software and outsourcing options. He advised that the year 2000 is problematic for older systems and since three years is needed to develop a system, the project must start by January, 1996 in order to have a system in place by December 31, 1998, the date required since payroll systems project ahead one year. He reported that extensive surveys of the potential for outsourcing indicated that larger organizations virtually never outsource Human Resources and rarely outsource Payroll and that outsourcing is optional for standard operations, not complex operations, especially in larger organizations. He stated the consensus was reached that outsourcing is not viable for organizations as large as the City of San José and concluded that the immediate start of a defined project is critical. Council Member Fiscalini agreed with the need for moving expeditiously toward a new system and stated he was satisfied with Staff's research and conclusion on the question of outsourcing, stressing his conviction that outsourcing personnel functions data would be a mistake. Council Member Woody moved approval of the Staff recommendations, with the RFP process information to come back to the Finance Committee on February 14, 1996, and thanked Director Guthrie and his Staff for the excellent work in putting together the recommendation. Council Member Powers seconded the motion. Council Member Dando stated she was more interested in the outsourcing possibility for payroll rather than Human Resources, and in light of previous system disappointments, asked how the Administration plans to avoid a recurrence. Director Guthrie explained that the ten proposals received were narrowed down to four, based on criteria of having an installed base of larger clients, criteria the FMS system would not have met. Responding to comments by Council Member Dando, Mayor Hammer noted that since it is important to keep payroll and Human Resource functions together, only check cutting would be appropriate for outsourcing. Director Guthrie agreed and advised that only one outsourcer could do both, primarily because outsourcing has been used mostly for check cutting for small organizations. Council Member Dando stated that since out of all the cities contacted, only two had seriously considered outsourcing and both were now outsourcing, she was concerned

the Administration was not considering some kind of hybrid to outsource a portion of the work. Additionally, she asked if additional staff would be required and if efficiencies in a new system would translate into savings. Council Member Pandori expressed concern about start up time and unexpected complications and stressed the need for a six-month cushion. Director Guthrie stated that as a back-up strategy, the payroll portion of the system could be implemented in advance of the full conversion. Council Member Pandori requested the Finance Committee spend more time on the time line. Council Member Woody advised that the Finance Committee had discussed a shorter time line and would review that issue again in February, 1996. Director Guthrie thanked his Staff, General Services Director Jones and Human Resources Director Tobin and their Staff for their joint efforts. On a call for the question, the Staff recommendation was approved, with the Administration to report back to the Finance Committee on February 14, 1996, on the RFP process. Vote: 10-0-1-0. Absent: Johnson.

Mayor Hammer left at this point in the meeting and Council Member Margie Fernandes assumed the Chair as Mayor Pro Tempore.

9h Adoption of a resolution amending the City's Fee Resolution to add a new fee for Library FAX services. (Library)

Documents filed: Memorandum from Assistant City Librarian, Thompson R. Cummins, dated December 20, 1995, recommending adoption of said resolution.

Discussion/Action: Upon motion by Council Member Fiscalini, seconded by Council Member Powers, and unanimously carried, Resolution No. 66391, entitled: "Resolution of the Council of the City of San Jose Amending Revenue Resolution No. 66027, the 1995-96 Schedule of Fees and Charges, to Add a Fee for the Library Department FAX Reference Service, Effective January 9, 1996" was adopted. Vote: 9-0-2-0. Absent: Johnson, Hammer.

9i Adoption of a resolution authorizing the City Manager to negotiate and execute grant agreements to provide services related to Homework Centers in an amount not to exceed \$685,801. (Parks, Recreation and Neighborhood Services)

Documents filed: Memorandum from Director of Parks, Recreation and Neighborhood Services, Ellis E. Mitchell, dated December 20, 1995, recommending adoption of said resolution.

Discussion/Action: Upon motion by Council Member Fiscalini, seconded by Council Member Powers, and unanimously carried, Resolution No. 66392, entitled: "A Resolution of the Council of the City of San José Authorizing the City Manager to

Negotiate and Execute Grant Agreements for Homework Centers”, was adopted. Vote: 9-0-2-0. Absent: Johnson, Hammer.

Mayor Hammer returned during Item 9j and reassumed the Chair.

9j PUBLIC HEARING and approval of an ordinance amending Title 20 to the San José Municipal Code by (1) adding Section 20.04.459 to Chapter 20.04 to define personal service shops and amending Section 20.28.020 of Chapter 20.28 to allow personal service shops as a permitted use in the C-Commercial District; (2) to amend Sections 20.32.1030 and 20.32.1230 to allow social clubs as conditional uses in the M-1 and M-4 Manufacturing Districts; (3) to amend Section 20.08.104(2) to allow outdoor Christmas tree sales between November 6 and December 30 inclusive; and other minor revisions. (Planning, Building and Code Enforcement)

Documents filed: (1) Memorandum from the Planning Commission, dated December 20, 1995, stating that the Commission on a 5-0-2 vote, with Commissioners Garcia and Madrid absent, recommended that the City Council adopt the Personal Service Shop, Private Club and Christmas Tree Sales Ordinance. (2) Proof of publication of Title of Ordinance No. 66392 submitted by the City Clerk.

Discussion/Action: The public hearing was opened. Nancy Knight, Story Road Business Association, and Lupe Salgado, Hair and Nail Dimensions, addressed the Council in support of the proposed ordinance changes. Upon motion by Council Member Diaz, seconded by Council Member Fernandes, the public hearing was closed, and Ordinance No. 25030, entitled: “An Ordinance of the City of San José Amending Title 20 of the San José Municipal Code by (1) Amending Section 20.08.104B.2. of Chapter 20.08 to Allow Christmas Tree Sales Between November 6th and December 30th Inclusive; (2) Amending Section 20.28.020 of Chapter 20.28 to Allow Personal Service Shops as Permitted Uses in the C-Commercial District; (3) Amending Sections 20.32.1030 and 20.32.1230 to Allow Private Clubs or Lodges as Conditional Uses in the M-1 and M-4 Manufacturing Districts; and Other Minor Revisions”, was passed for publication. Vote: 10-0-1-0. Absent: Johnson.

9k Approval of a cooperative agreement with the Santa Clara Valley Water District for construction activities associated with the reconstruction of the Hedding Street Bridge and the construction of an extension bridge over the Guadalupe River, with an estimated cost to the City of \$1,440,000. (Public Works)

Documents filed: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated December 20, 1995, recommending approval of said agreement.

Discussion/Action: In response to questions by Mayor Hammer, Public Works Director Qualls stated that a traffic detour plan will be implemented with methods involving

advertisements and signage to notify motorists. Upon motion by Council Member Fiscalini, seconded by Council Member Fernandes, and unanimously carried, the cooperative agreement with the Santa Clara Valley Water District was approved and its execution authorized. Vote: 10-0-1-0. Absent: Johnson.

9l Report on bids and award of contract for the San José International Airport - Taxiway Bravo Reconstruction Project to the low bidder, O.C. Jones and Sons, in the amount of \$1,941,562. CEQA: ND. (Public Works)

Documents filed: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated December 20, 1995, recommending approval of said award of contract to the low bidder, O.C. Jones and Sons.

Discussion/Action: Upon motion by Council Member Fiscalini, seconded by Council Member Powers, and unanimously carried, the award of contract to the low bidder, O.C. Jones and Sons, was approved and its execution authorized. Vote: 10-0-1-0. Absent: Johnson.

9m Report and recommendations on a Request for Proposals (RFP) for Automatic Public Toilets consistent with information gathered from the Request for Information (RFI). [Transportation, Development and Environment Committee referral--Item 7e(6)]

Documents filed: See Item 7e(6) for documents filed.

Discussion/Action: Upon motion by Council Member Fiscalini, seconded by Council Member Powers, and unanimously carried, the Staff report and recommendations on said Request for Proposals (RFP) for Automatic Public Toilets, were approved. Vote: 10-0-1-0. Absent: Johnson.

9n Appointment of Diane Syverson and David Benjamin for a six month interim period to fill two vacancies on the Housing Advisory Commission. (Diaz) (Orders of the Day 4a)

Documents filed: Memorandum from Council Member Diaz, dated January 9, 1996, recommending the appointments of Diane Syverson and David Benjamin be extended for six months or until new Commissioners are appointed.

Discussion/Action: Upon motion by Council Member Diaz, seconded by Council Member Fiscalini, and unanimously carried, the appointments of Diane Syverson and David Benjamin to the Housing Advisory Commission were extended for six-month interim periods. Vote: 10-0-1-0. Absent: Johnson.

CLOSED SESSION REPORT

City Attorney Gallo disclosed the following Closed Session actions of January 9, 1996:

A. Authority to Initiate Litigation:

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

Council Vote: Ayes: Dando, Diaz, Diquisto, Fiscalini, Johnson, Pandori, Powers, Shirakawa, Woody; Hammer.

Noes: None.

Absent: Fernandes.

Abstain: None.

ORAL COMMUNICATIONS

Regina Mayor addressed the Council on the issues of employee evaluation and advance planning.

ADJOURNMENT

The Council of the City of San José adjourned at 4:12 p.m. in memory of Ken Miller, City of San José Street Maintenance Worker; and in memory of Maryce Freelan, former Mountain View Councilwoman.

SUSAN HAMMER, MAYOR

ATTEST:

**NANCY ALFORD
ASSISTANT CITY CLERK**