



17575 PEAK AVENUE MORGAN HILL CA 95037

15600 CONCORD CIRCLE MORGAN HILL CA 95037

<b>Meeting Location:</b>	Committee Member	Steve Tate
<b>City of Morgan Hill</b>	Committee Member	Larry Carr
<b>Grand Conference Room</b>	Committee Member	Rich Constantine (Alternate)
<b>17575 Peak Avenue</b>	Committee Member	Bob Benevento
<b>Morgan Hill, CA 95037</b>	Committee Member	Ron Woolf
	Committee Member	Donna Ruebusch (Alternate)
	Staff	Steve Rymer
	Staff	Steve Betando

**CITY /SCHOOL DISTRICT LIAISON COMMITTEE MEETING  
FRIDAY, DECEMBER 16, 2016  
MINUTES**

Mayor Tate called the meeting to order at 8:30 am

Present:

City Representatives: Mayor Steve Tate, Council Member Larry Carr, City Manager Steve Rymer, Police Captain Shane Palsgrove, Deputy City Clerk Michelle Wilson (minutes)

District Representatives: Trustee Donna Ruebusch, Trustee Ron Woolf, Superintendent Steve Betando, Assistant Superintendent Ramon Savala, Assistant Superintendent Kirsten Perez, Director of Facilities Anessa Espinosa, Director of Construction and Modernization Casino Fajardo, Glen Webb Director of Curriculum, Instruction, and Assessment

**PUBLIC COMMENTS**

*There was no public comment*

**DECLARATION OF POSTING OF AGENDA**

Per Government Code 54954.2

**1. Information Items**

**a. City of Morgan Hill**

**1. High Speed Rail Update**

Steve Rymer shared that on November 16<sup>th</sup>, the City held a community meeting for the residents to share their thoughts and concerns regarding the High Speed Rail (HSR). From the information that was received at that meeting, the City put together a letter to HSR, which laid out several requests for the how HSR move forward with the project. The letter also included a statement that the City strongly believes the least impactful option would be to use the full Highway 101 right of way which would avoid

residences, schools and existing retail centers. The City also requested that HSR study all five alternatives in the EIR. The City also sent some guiding principles for HSR to consider.

He continued and shared that the City received a letter from HSR that was sent prior to the City drafting our letter, but was received after we sent our letter. The HSR letter tried to answer some questions and it alluded to two alignment options; the Monterey alignment and the west side of Hwy 101 which concerns us

Steve Tate stated that the letter from HSR answering questions, referred to the two options but that information was buried in the letter. One of the options includes tunneling which is totally infeasible. It may be that they included the Monterey alignment which includes the tunneling to say it is not feasible and that they need to go with the west of hwy 101 alignment since they have to have two options for the EIR. However, they have not told us that and we do not know what they are thinking. We hope they will revisit the 101 alignment but we have no leverage.

Larry Carr commented that the City has asked HSR about tunneling or trenching. He has been watching VTA as they work on the BART project through downtown San Jose is going to be a tunnel. Somehow VTA has figured out how to do that and yet HSR keeps telling us that tunneling is not feasible. He does not understand why one transportation agency can make it work while another says it is not possible. He understands that they are very different technologies but it seems like those two things should come into concert before the decisions are made. The Mayor is right that the letter we received seemed like a preemptive strike. It feels like their narrowing the options to two, feels like the selection of one without doing the analysis that our community has asked for. We just have to stay on them about that.

Steve Betando shared that MHUSD received a request for access from HSR to obtain soil samples and other testing from the four school sites; Adult Education/Central, Charter, Britton, San Martin Gwinn, and Barrett. That was the first correspondence that the MHUSD had received from HSR. Every single option that HSR is considering will impact one or more school sites. He asked that whatever the City crafts to send to HSR, MHUSD would like to be included to help craft the message. He shared that all options go right by the Charter site and one would require that Monterey Hwy be moved into the parking lot at Charter School. One of the options would go right through Sobrato High School but HSR has not requested access to that site. The immediate concerns of MHUSD are safety of the students, noise, etc.

Kirsten Perez shared that the HSR document stated that they would use eminent domain to acquire the school sites and if MHUSD didn't feel the price was fair, they could go to a jury trial to argue the appraised value.

Larry Carr shared that HSR would like to have their route nailed down sometime early spring next year so that they can start their review process. They have been very vague about the timeline. We used to talk about it in terms of a formal environmental impact report (EIR) but now we are hearing that they actually have an EIR and that they may not need to do one. In regards to the Coyote corridor, there are areas that they cannot touch. That is why through Coyote Valley there are very interested in the existing track and Monterey corridor because that's an existing industrial corridor that they can use. Between Monterey and Hwy101 there is a lot of protected habitat that they can't touch.

Larry Carr suggested that it might be really important for the District to layout to HSR and to everyone else, their current struggles of the past several years finding school sites. If HSR comes in and uses eminent domain acquire a school site now, MHUSD would have a difficult time finding a replacement site even if they pay fair market value. How would the District replace an existing school when they can't find sites for new schools? That story needs to be laid out so that HSR has to answering to the community. HSR may have the power to use eminent domain, but are they willing to use it to go into the Southeast Quadrant and buy up agricultural land that LAFCO is protecting to build a new school. That's an even harder question to answer than what they are going to pay for an existing site. Like Steve said, their equation is already difficult, but I don't think they have factored in all the variables that make it even harder than what they are considering.

Brian Sullivan shared that there are Federal regulations that limit HSR from doing certain things with historic sites. The Historical Society site, the Morgan Hill house, will be affected if the come down the existing rail route. That is something that you may want to include in any letters to HSR. In regards to the Ensenal/Charter site, HSR seemed indifferent to the potential impacts to the school. If they do take a school site, it takes a very long time to build a new site, so that time of that is critical.

Steve Rymer shared that the City did address the timing of the project and suggested that the District also include timing in their letter if they choose to draft one. The City included language that they cannot close down the City's network of roads that they would have to find a way to work around that.

Kirsten Perez talked about the District's concerns with the bus routes and how to transport students when some of the main intersections may be closed. Having to change the routes would add time and costs to running those routes. That is something that would have to be quantified and I don't think they have considered those impacts.

## **2. Police Activity Update**

Captain Shane Palsgrove shared that the Police Department just held their "Shop with a Cop" event with 4<sup>th</sup> graders from several schools at Target. It was a great success. 122 students were selected by school staff for their leadership and grades were recognized at the event. We just had an 11 year old run out into the road on Central Avenue next t the Britton Gym and was struck by a car; however, she walked away with no injuries. Our School Resource officer just finished the Parent Project and they are still working on the restorative justice program at Martin Murphy. They also just finished up some truancy hearings at Sobrato and got the students back on track to attend school.

### **2) School District**

#### **1. Maintenance, Operations, and Transportation Yard**

Steve Betando expressed the Districts interest in possibly looking at a different site than the current corp. yard site, either independently or jointly with the City.

Kirsten thanked the City for improving the restrooms at the corp. yard. The District is exploring two options for their transportation yard; either a joint corp. yard or the District having its own transportation yard. One of the challenges that they have found in looking at how to finance a transportation yard is that the District would have to use capital facilities funds with primarily bond proceeds and they could not build a facility that included the City and lease it to the City because that would violate some of the restrictions related to the bonds. That is one the issues that they have run into and is probably part of the reason why a joint financing was done to begin with and why the Corp Yard Commission was created. If a joint yard was something the both parties wanted to move forward with, we would have to look at a joint financing structure that would be separate. There is a threshold on the amount that the District can collect in rent if we sell bonds. Even though the City is a public entity it is still considered private use because the District would be gaining revenue from the lease monies.

Steve Rymer asked if the District still wanted to do a space study regardless of whether we continue to use the existing site or move forward with another site, it would be good to know what the needs are.

Steve Betando believes that the need is flexed based on what the use is. The District does not have a need for a warehouse anymore because they do a lot of “just in time” work. The maintenance yard would include space for vehicle maintenance and bus storage. The District is looking for a 3 acre site for their own transportation yard, preferably near a main artery. The other consideration for the District is a bus shed on the north end of town with rest of the transportation on the south end. The problem is the timing of the school day is totally dependent on buses.

Steve Rymer stated the City’s plan is to start a space study to evaluate the City’s needs. It sounds like each agency will conduct their own study and come back to discuss the results.

Larry Carr shared that he is frustrated with this; he feels that the two agencies should absolutely work together. It seems like the conversation has almost taken steps backwards. He feels that the City and District should go do the space study together and move forward.

Steve Betando shared that they have concerns about the lease agreement and the amount of money that the District pays the City each year. Many other public agency to public agency arrangements, there is no money exchanged. That has been a frustration. Part of the concern is, would a future relationship be similar. Basically the District is a renter and using the space but they are unclear what the money is going towards. The District has a lot of questions with the current relationship. They feel in concept, it is a great idea, but they are in a situation that is of concern about the agreement and the cost of the agreement to the District.

Steve Rymer commented that the City’s standpoint is and what we have said all along is let’s move forward together and we are not moving forward and that’s been the issue. That is why the City suggested doing the space study and then moving forward with what the needs are for each agency. The key point is that we have not been able to answer whether the two agencies are going to continue a

partnership or not.

Kirsten Perez feels that the harder question is the feasibility of how it would be financed and that it seems premature to start a space study when they are not sure where the funding would come from. The needs have changed over the last five years. When measure G was passed the District's plan was to buy the current corp. yard property but that changed when the City's park study came back and the City stated that it needed the property. That language was written into the Measure G ballot.

Steve Rymer commented that the City was not a part of that. The City did not have a conversation saying to write that in and then buy the property.

Kirsten shared that that was the District's understanding and that they would buy that property.

Larry Carr asked if the space study and looking at the current issues need to be addressed before we move forward together or can we say yes, we want to move forward together and then see 1) if it is feasible to move forward together, 2) how a financing plan would work, and 3) look at options on ownership etc. He feels that we haven't been able to answer any of those questions because we haven't given any direction to yes, we want to continue to work together and to bring the information back to us to make a decision on what it would be to continue the partnership. We keep instead, playing at the margins rather than making the first decision. He would be prepared today to give direction to at least start exploring it that is what the City/School Liaison committee is here for. He suggested that this body make a recommendation as to whether we want to stay together and start exploring what that means or whether we finally make the decision that we need to go our separate ways.

Ron Woolf suggested that this item be placed on the agenda for the next meeting or the meeting after that so that we have time to think and talk about this and then come back and really try to cement something.

Steve Betando shared that the District needs to work with their new board and catch them up to speed on the situation. With the experiences of the past board, it will be important for the new board to come together on a decision.

The committee agreed to have this item on the agenda for the February 9<sup>th</sup> meeting.

## **2. After-school programs**

Steve Betando commented that this is an exciting topic, that we felt that this group should see and at some point bring it to the City Council so that they can see the extent of things that are happening. One of our obligations is to keep the kids busy in a ways that will make their life experiences much better. Just in the past three or four years our afterschool programs have expanded hugely.

Ramon Savala spoke to the variety of services that are provided to the students. All students have access to chrome books. The District is developing their College Point Program and they now have a director for Career Pathways. They have academies and stem programs at several of the schools. They are

lots of great programs going on.

Ivonne Glenn, Director of State and Federal Programs and Glen Webb, Director of Curriculum, Instruction, and Assessment provided a presentation on the many programs and goals that they are developing for the students. An important goal is number 23, in which they provide extended learning opportunities to the students. This is consistent with their stakeholder input. The District now has the ability with local control, to make decisions and implement programs that really meet the needs of the community.

## **2. Discussion Items**

### **1. Specific Plan for unincorporated area north of Diana Ave., east of the Freeway**

Steve Tate commented that this has grown out of the City's adoption of the General Plan. This is an area that is called out to create a specific plan for the future.

Steve Rymer shared that the City needs to get through the joint process with the Open Space Authority and the County regarding regional agricultural preservation. It would be beneficial to understand where we land with that because it will impact some of the land use planning. The concept to keep this item on the agenda was to keep everyone aware of what was going on and to ultimately work together to assess the community needs.

### **2. Corp Yard JPA Oversight**

This item will remain open until next meeting.

### **3. Revenue Enhancement Options**

Steve Betando asked, what's the maximum sales tax allowable and how close are we to that?

Steve Rymer shared that there is capacity for .25%. The math is 7.5% State and 2% local cap. The State sales tax will be lowered by a .25% on January 1<sup>st</sup>, but our cap stays the same so there is a .25% left without going to the State and asking them for an increase. 9.5% is the maximum and we will be at 9.25% on January 1<sup>st</sup>.

Steve Betando talked about a potential measure that could benefit the District long term including potential toward compensation and the ability to maintain class size reduction and those types of things. MHUSD, out of the five comparable districts Milpitas, Gilroy, San Jose, and Santa Clara receives the least amount of money. They are looking at a way to at least become more competitive when it comes to salaries.

Steve Rymer shared that the City recently looked into a revenue measure as the City is in the same boat as the District in that out of all of the cities in the County, Morgan Hill receives the least amount of money per capita.

Steve Betando commented that in recent history the community has been very supportive of schools as far as revenue bonds. They are having trouble filling certain positions. When you have math and science as bedroom community in the silicon valley and some people make three times as much doing the a job in the same field somewhere else, then they are going to do that and you can't blame them for that. Gilroy is third in funding out of the five cities which is a direct result of the population. Gilroy receives \$8,300 per student and Morgan Hill is at about \$8,000 per student. That extra money is not going towards salaries. Morgan Hill actually has a higher salary schedule. Santa Clara used all of their RDA funds for their school district. There was a lawsuit against the city and they are now at \$10,300 because they got the RDA funds back.

Steve Rymer asked where does the 45% of Morgan Hill RDA funds that pass through go.

Kirsten Perez stated that the State takes that and offsets the Districts revenue based on the RDA money that is received per their formula. There is a portion that is outside of that which is roughly \$900,000. That portion remains in the District's general fund. Santa Clara gets significantly more.

Larry Carr asked is Santa Clara's school district able to keep a share of the property tax in addition to what the State funds them.

Kirsten Perez stated yes, because they are basic aid and they have the RDA money.

Steve Rymer suggested that perhaps he and Christina Turner could get together with the District staff to better understand the financial situation and what opportunities exist.

#### **4. Nordstrom Traffic Study**

Casino Fajardo shared that the traffic study with Fehr and peers has been completed. They have met with Karl Bjarke and Chris Ghione several times to talk about the project. The next discussion will be in January and then we will figure out the next steps. The intent is to find a long term solution to fix the traffic problems on Dunne Avenue in front of the school.

Steve Betando shared that they are looking at a new masterplan for Nordstrom School and they cannot complete that until they know what the plan is for the traffic and parking.

#### **5. Morgan Hill 2035 General Plan and Schools**

Item postponed to the next meeting.

#### **6. Joint City Council/Morgan Hill Unified School District Board Meeting Date and Topics**

The group discussed potential dates but could not come to a consensus. Staff will continue to look for potential dates.

3. [Approve minutes of City/School Liaison meeting of August 26, 2016.](#)  
Motion-Woolf/Carr unanimous
  
4. [Approve Minutes of City/School Liaison meeting of October 21, 2016.](#)  
Motion-Woolf/Carr unanimous
  
5. **Topics for next meeting**
  - Review traffic plan for Nordstrom School with presentation (top of the agenda)
  - Morgan Hill 2035 General Plan and Schools
  - Corp Yard/JPA Oversight
  - Specific Plan for unincorporated area north of Diana Ave., east of the Freeway (future meeting)

#### **ADJOURNMENT**

**Future Meetings:** (all meetings start at 8:30 a.m.)

Thursday, February 9, 2017 – District

Friday, April 21, 2017 - City

Thursday, June 15, 2017 - District