

MEETING MINUTES CITY OF MILPITAS

Minutes of: Special Meeting of Milpitas City Council
Date: Saturday, November 4, 2017
Time: 12:00 PM
Location: Barbara Lee Senior Center, Room 140-141
140 N. Milpitas Blvd., Milpitas, CA

CALL TO ORDER

Vice Mayor Grilli called the meeting to order at 12:18 PM. City Clerk Mary Lavelle called the roll.

PRESENT: Vice Mayor Grilli, Councilmembers Nuñez and Phan

ABSENT: Mayor Tran and Councilmember Barbadillo

All members of the Senior Management Team (department heads excepting the City Attorney) were present along with consultants.

STUDY SESSION

Acting City Manager Steve Pangelinan introduced Mr. Greg Larson from the Management Partners firm, who would lead the budget session at this meeting. Mr. Larson then introduced Steve Toler and Jim Steele from his firm. Others who would work on the Milpitas project were: Larry Lisenbee, Heain Lee and Nina Bucar. He started out by sharing eight best practices for local government budgeting in California cities. Then the consultant planned to hear from Councilmembers about priorities for Milpitas in order to provide project support to the City.

Councilmember Nuñez asked questions about the impact of the existing adopted Strategic Plan. Mr. Larson responded that the existing document was only one input of many for the budget planning on this date. Some Council members wanted to know if the new Council would work on adopting a new Strategic Plan for the City. Mr. Larson responded what could be done while the work on this date was not about whether or not to update it, to use the existing one or to begin a process for a new Strategic Plan. More focus would occur on engagement with the public on the budget process in Milpitas, with realistic timelines. The proposed project approach, in five steps, was explained along with the timeline.

Vice Mayor Grilli asked how input would be gained from all city employees, if there was a way beyond interviews with labor groups. Mr. Toler expressed that would happen during Community Engagement, via survey and meetings. Three ways for community engagement were defined: group interviews with stakeholders, online surveys, and community workshops. Mrs. Grilli wanted to have some employee focus groups. Mr. Nuñez commented on a list of groups to participate and his view of whom to include, such as San Francisco Public Utilities Commission and Santa Clara Valley Water District (water wholesalers) but not the neighboring City of Fremont.

Councilmember Nuñez would like to see a stronger partnership with using schools to reach communities (e.g. those that did not have Homeowners Associations), and not necessarily NextDoor online.

Councilmember Phan emphasized with outreach to the community to be sure to incorporate clear communication with those who speak minority languages. He requested to have a person to receive the survey feedback who spoke other languages.

Next, Finance Director Will Fuentes explained there would be a demonstration of Peak Democracy software, (a company recently acquired by OpenGov) as a tool for online community engagement. There was a demonstration by Mike Cohen via conference call showing an example - City of Salinas, CA – where the product was in use. It was more versatile than the Survey Monkey program. The Peak representative said the cost would be approximately \$10,800 per year.

Vice Mayor Grilli said the Council would take a break at 2:06 PM and later reconvened at 2:27 PM.

After the break, the Finance Director described various resources available to the City Council, including the City's adopted budget, Capital Improvement Program, and the GFOA's "An Elected Officials Guide to Government Finance" booklet which he distributed.

Next, Assistant Finance Director Jane Corpus reviewed a valuable handout with the summary of all of the City's budget funding sources (fund accounting). She explained all funds, what was restricted and by what regulation, and answered questions from the Council.

Councilmember Nuñez commented on the explanation by Ms. Corpus of the two lines (p. 2 of spreadsheet distributed) on the Water Maintenance and Operation fund and the Water CIP fund. He felt those should be combined to best allow customers to understand why they paid the \$6.53 service fee on their bill.

Councilmember Nuñez said he may need to talk to the Chief about the requirement for the fee charged for public art and perhaps to re-visit that ordinance.

Councilmember Phan said he'd like to request on a City Council agenda for four hours or more of staff time to research and find out about Enhanced Infrastructure Financing Districts (EIFDs) and consider those for Milpitas.

Next, Ms. Corpus went over with the City Council "how to read" the adopted final budget book for FY 2017-18.

Councilmember Nuñez asked how often the staff came back to City Council to report on how it was going with the budget. Ms. Corpus said it was quarterly on the General Fund, later on water and sewer funds. At the mid-year, typically, staff came to City Council with any needed adjustments to the adopted budget.

Next, Acting City Engineer Steve Erickson reviewed with the City Council “how to read” the adopted Capital Improvement Program book for FY 2017-22. He detailed how staff and Council arrived at the final CIP each year, and detailed the funding sources and expenditures for the many projects. For FY 2016-17, the amount budgeted for CIPs was \$59,633,540 in total.

Councilmember Nuñez recommended to seek and get community input into the CIP well ahead of the budget workshop and public hearing, in response to Mr. Erickson’s explanation of the currently implemented CIP. He suggested it was unnecessary to go to Finance Subcommittee, if that was not mandatory.

Next, Mr. Fuentes discussed achieving long-term fiscal sustainability of the City. He described PERS pension costs and obligations of the city to fund those. \$165.18 million was the current figure of unfunded pension liability for the City as of July 30, 2017 for both public safety and miscellaneous employees. Also noted were Other Post-Employment Benefits (OPEB), currently at \$39.1 million as unfunded liability.

The Finance Director described the coming “GovInvest” web tool for PERS pension and OPEB liabilities presentation online for cities to clearly understand these major obligations. Mr. Fuentes anticipated bringing this to the Milpitas City Council in the spring of 2018.

ADJOURNMENT

Vice Mayor Grilli adjourned the special City Council meeting at 5:07 PM.

The foregoing minutes were approved by Milpitas City Council on November 21, 2017.

Mary Lavelle
Milpitas City Clerk