

MEETING MINUTES CITY OF MILPITAS

Minutes of: Joint Meeting of Milpitas City Council and Housing Authority Commission and Special Council Meeting
Date: Tuesday, May 17, 2016
Time: 6:00 PM Closed Session / 7:00 PM Open
Location: Council Chambers, Milpitas City Hall, 455 East Calaveras Blvd., Milpitas

CALL TO ORDER

Mayor Esteves called the meeting to order at 6:00 PM. City Clerk noted the roll.

PRESENT: Mayor Esteves, Vice Mayor Montano, Councilmembers Barbadillo, Giordano and Grilli

ABSENT: None

CLOSED SESSION

City Council convened in Closed Session to discuss labor negotiations and one litigation matter.

City Council then convened in Open Session at 7:01 PM.

ANNOUNCEMENT

No announcement out of closed session.

PLEDGE

Boy Scouts Troop No. 92 led the pledge of allegiance.

INVOCATION

Mayor Esteves invited Pastor Joe Sun of the Ark Baptist Church, who provided the invocation prayer.

MEETING MINUTES

Motion: to approve the minutes of April 25 and May 3, 2016 City Council meetings, as amended

City Clerk Mary Lavelle noted one correction needed to the April 25 meeting minutes: on page 3, third paragraph from the top, where the vote was recorded, the vote in favor included Council member Giordano (not Councilmember Grilli, as written).

Motion/Second: Vice Mayor Montano/Councilmember Giordano

Motion carried by a vote of: AYES: 5
NOES: 0

SCHEDULE OF MEETINGS

Motion: to approve Council Calendars/Schedule of Meetings for May and June 2016

The City Clerk announced one Special City Council meeting on Monday, May 23, 2016 at 6:00 PM for a Study Session on Solid Waste Collection service.

Motion/Second: Councilmember Giordano/Vice Mayor Montano

Motion carried by a vote of: AYES: 5
NOES: 0

PRESENTATIONS

Mayor Esteves proclaimed the following:

- *Public Works Week* for the week of May 15– 21, 2016. Accepted by Public Works Director Nina Hawk and five department employees.
- *Water Awareness Month* in May. Accepted by City Engineer Steven Machida and Public Works Manager Glen Campi.

- *Foster Care/Resource Parent Awareness Month* for May. Accepted by Quyen Vu, from the Santa Clara County Family and Permanency Bureau. Residents were encouraged to call 408-299-5437, if interested in serving as foster care families.

PUBLIC FORUM

Martin Skelson, Milpitas resident, quoted that “our success is our people.” He referred to a canopy over the community garden. On the southeast corner of Yosemite and Park Victoria, there was a detour sign with straps on it, attached to a “no parking” sign that needed attention.

George Lund, Milpitas resident, said in the past he’d called someone an obscene name and that Mr. Williams and other officials at the City of Milpitas were corrupt. He went to court over his issues already. He fed many feral cats, at all times of day and found comfort in that.

Robert Marini, Milpitas resident, provided a handout to Councilmembers showing his view that money was lost each year due to leaky pipes throughout the City. Fees for water service too high.

Rob Means, 1421 Yellowstone resident, talked about climate change and displayed a graphic with changing global temperature change 1850-2016.

Voltaire Montemayor, Milpitas resident, said the landfill was affecting Milpitas. He understood wanting to save money. City of San Jose had a problem in Almaden Valley about approval for Waste Management.

Jezell Marez, Milpitas resident, said some things were done right here in the City of Milpitas. She referred to past articles in the Milpitas Post and stressed that innovative ideas were needed.

ANNOUNCEMENTS

Mayor Esteves congratulated re-classified school students who were now fluent in English (bilingual students), following an event he’d attended with teachers and students.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

City Attorney Diaz asked Councilmembers if they had any personal conflicts of interest or reportable campaign contributions. None were reported.

APPROVAL OF AGENDA

Motion: to approve the meeting agenda, as amended

City Manager Williams reported that the minimum wage topic was not on the agenda because the regional study would not be available until June 10 and the Economic Development Manager was currently surveying local businesses. Staff will report next month to City Council with the data.

Mayor Esteves asked if the Council would want to discuss item no. 2, campaign finance reform. Councilmember Giordano suggested removing the agenda item and hearing it after the election later this year. She suggested having new City Council hear these recommendations later on.

Vice Mayor Montano felt there was no conflict of interest and it would be good to hear the report from the Committee Chair.

Councilmember Grilli asked staff, if the Council heard the report, could the City Council do anything about it? City Attorney Diaz said with no ordinance in place, the matter could be continued and Council could work on it long term.

Councilmember Giordano agreed with him, and the new Council would need to hear the report. She felt she could not give much direction at this point.

Vice Mayor Montano disagreed and wanted to hear from the Committee.

Mayor Esteves expressed gratitude to the Committee members for their hard work. There were a lot of legal issues that required more attention related to the group’s recommendations. He would agree to defer this subject to later.

Motion/Second: Councilmember Giordano/Councilmember Grilli

Her motion included removing agenda item no. 2 in order to move that topic for the new City Council next year.

Motion carried by a vote of: AYES: 5
NOES: 0

CONSENT CALENDAR

Motion: to approve the Consent Calendar (items noted with *asterisk)

Motion/Second: Councilmember Giordano/Vice Mayor Montano

Motion carried by a vote of: AYES: 5
NOES: 0

Mayor Esteves thanked the Campaign Finance Reform Committee and Chair Althea Polanski along with all members of the committee for their excellent work.

- * 4. CAC Definition of Official City Tree Adopted the recommendation of the Community Advisory Commission for definition of the Official City Tree.
- * 5. Financial Status Report Received the financial status report for the nine months ended March 31, 2016.
- * 6. Approve Out of Town Travel Approved out of state travel for (1) Police Dispatchers Robert Gaudinez and Laura Sonora to go to Washington, D.C. in June; and (2) Economic Development Manager to go to Las Vegas, NV in May.
- * 8. Adopt Ordinance No. 290 Waived the second reading and adopted Ordinance No. 290 Amending Title I of the Milpitas Municipal Code by adding Section 21, Amending Title V and Title XI relating to administrative citations.
- * 9. Adopt Resolution Adopted Resolution No. 8545 approving the Cooperative Agreement between the City of Milpitas and the County of Santa Clara to allow issuance of the Mortgage Credit Certificates (MCCs) within the boundaries of the City of Milpitas. Authorized the City Manager to execute the Cooperative Agreement to authorize the County to administer the MCC Program on the behalf of the City.
- *10. Adopt Resolution Adopted Resolution No. 8546 approving the standardization of the Motorola APX Class Radios as the standard radio for the City of Milpitas Fire Department.
- *11. Adopt Resolution Adopted Resolution No. 8547 authorizing submittal of application for CalRecycle Payment Programs and related authorizations.
- *12. Adopt Resolution Adopted Resolution No. 8548 granting initial acceptance of public improvements for Sinclair Renaissance (Belcourt) subdivision at 350 Sinclair Frontage Road, Project No. 3211, Tract 10029, and approved reduction of the faithful performance bond to \$60,000, subject to a one-year warranty period.
- *13. Amendment No. 5 to Agreement with RMC Approved Amendment No. 5 to the Consultant Services Agreement with RMC Water and Environment, Inc for Utility Engineering support for \$150,000 and extended the term from June 30, 2016 to June 30, 2017.
- *14. Approve License Agreement SVRIA Approved Silicon Valley Regional Communications System (SVRCS) License Agreement and authorize City Manager to execute SVRCS License.

PUBLIC HEARING

1. FY 2016-17 Budget and CIP City Manager Tom Williams introduced the City's Finance Director Russell Morreale who presented an overview of the Proposed Operating Budget and Capital Improvement Program (CIP) for FY 2016-17. He reviewed the Community Vision and Organizational Mission, which the budget was intended to support and further. Mr. Morreale presented budget highlights, including its focus and known revenue increases. He identified an increase of eleven full time employees recommended, funded by various sources. Noted were \$43.8 million in capital improvements which would be a significant infrastructure investment for the next year.

Mr. Morreale emphasized the need to strengthen the City's PERS reserve, which was the rate stabilization fund. By adding one time funds the reserve total could be brought up to \$8.2 million. The General Fund would have \$38.8 million in reserves for next year, with \$23.9 million for water fund reserves and \$39.3 million for sewer fund reserves.

Next, each City Department Director then presented a summary of each budget, with accomplishments during the current year, along with goals for the next fiscal year.

When City Manager Tom Williams addressed the Council, Vice Mayor Montano inquired about the contract for Singer & Associates and its renewal. Mayor Esteves asked for a copy of customer satisfaction surveys done by various departments.

Economic Development Manager Edesa Bitbadal presented her section's budget. Vice Mayor Montano asked if the 180,000 sq. ft. commercial space she identified was in the Transit Area Specific Plan, and Ms. Bitbadal said yes. Councilmember Barbadillo wanted to know about measuring accomplishments. Mr. Williams responded, furthering the success in working to fill empty business space and investments in the City.

City Clerk Mary Lavelle presented her unit's budget. The Mayor and Vice Mayor remarked on the length of time for passport application appointments and a need to alleviate the long wait time. The program was a success, and she looked forward to continuing to help those customers along with planning for the municipal election on November 8, 2016.

City Attorney Chris Diaz presented that office's budget. Councilmember Giordano personally thanked the City Attorney for his and the firm of BBK for excellent work.

Chief Building Official Keyvan Irannejad gave the overview of the very busy Building department. He identified the ongoing need and challenges to fill the jobs for Building Inspectors at this time of expanding growth in Milpitas.

Information Services Director Mike Luu identified the need for one new Information Systems Administrator and how that was funded. Councilmember Grilli asked about replacing the current budgeting software application, and Mr. Luu responded with possibilities for that product in the future. Mayor Esteves complimented this department's staff with so much accomplished in-house, saving a lot of money.

Human Resources Director Tina Murphy reviewed the H.R. budget, with an emphasis on more training for employees next year. Councilmember Giordano asked about the philosophy to promote from within and how that was done. Councilmember Grilli asked about training and any feedback received from employees.

Recreation Services Manager Renee Lorentzen highlighted many successful programs, special events and overall increased revenue for this division. Mayor Esteves responded to her, from the community and himself a desire to hold a "Family" event in Milpitas.

Public Works Director Nina Hawk gave a briefing of the public works budget. The Mayor and Vice Mayor asked her about trees, trimming and roots, repairs needed and possible trees being cut down improperly. The Mayor emphasized the need for the Treatment Plant work, its upgrade and Milpitas' share of costs.

Director of Engineering Steven Machida provided the budget summary for Engineering Department. Councilmember Giordano wanted to know how staff prioritized street lights for replacement. Mayor Esteves highlighted the Pavement Condition Index was maintained at a level of 70, so that was a great accomplishment.

Senior Planner Sarah Fleming presented the Planning and Neighborhood Services budget briefly, identifying current Planning accomplishments and Long Range Planning items, especially working on the City's updated General Plan, a multi-year project. Council member Giordano felt that on code enforcement, preserving the integrity of neighborhoods should be incorporated as a major goal for this department.

Police Chief Steve Pangelinan reviewed police staffing, programs, and rates of success in terms of overall crime reduction. Vice Mayor Montano was pleased to see the PACES program (citizen academy) coming back. Councilmember Barbadillo asked the Chief about Pitchess motions and if they were common.

Fire Chief Robert Mihovich presented the budget for the Fire Department. Councilmember Giordano thanked him for 35 years of service to City. The biggest current challenge for the Fire Department was securing the award of the SAFER grant funds in September, toward successful staffing levels and needs.

Finance Director Russell Morreale detailed the Finance Department budget and staffing needs. Mayor Esteves asked about grants the city could apply for and whether there was a need for a full time grant writer. Mr. Morreale replied that the City could hire a consulting service for that task.

Mayor Esteves reviewed some of the topics discussed to come back to the Council with, a little later including review of the neighborhood beautification ordinance, improving the timeframe for the Passport program appointments, and to host a Family Day event.

Councilmember Giordano supported reinstated medical benefits for City Council. She asked if this would be a continuation of what the previous benefit had been. Staff replied it was restoring benefits that the Council had before they voted to cut those during the economic downturn, and would not be retroactive.

Vice Mayor Montano asked what benefits and Mr. Morreale said primarily medical coverage. Staff presented the Council's request to include stipends paid for attendance at Commission meetings. Councilmember Giordano thought that the approval was for attendance at outside meetings beyond City Commissions (including outside committees and boards as assigned) while the Mayor had proposed this for City Commissions only.

Vice Mayor Montano had voted against a Commission attendance stipend for Councilmembers. She thought the Mayor's proposal was for City Commissions only.

Mr. Morreale next reviewed a list of written responses (in a memo) to City Council to questions previously raised at the April 25, 2016 Council study session.

Next, Keyvan Irannejad reviewed proposed increases in Building & Safety Department fees to be effective July 1, 2016. Council thanked him for the information on fees.

Next, Steve Machida listed eight changes to the Capital Improvement Program for projects, as requested at the study session in April. He reviewed details of those.

Mayor Esteves had questions about process, funding and which years for the City gateways. He wanted funding moved forward sooner to get the Alviso Adobe construction started. He wanted more than just a study for the Shuttle program and the Performing Arts Center. He wanted a written timeline on these projects and when they'd be done with construction.

Mayor Esteves wanted to hear more on Midtown Street Light Project and how it would be funded beyond the \$100,000 noted on the chart presented. The City Manager mentioned that staff could bring Rule 20A funds in order to start sooner in FY 2017-18 than with the construction work.

Vice Mayor Montano asked about undergrounding of utilities on Main St. Mr. Williams responded that was precisely what staff had in mind with pursuit of a Business Improvement District (BID) proposal and funding that.

Mayor Esteves asked when the cricket fields would be built as part of Traverse Park, a \$14 million developer funded future park. City Manager replied 3-7 years.

Councilmember Garry Barbadillo made lengthy comments about calculations, and information displayed on a pie chart, and how to find a place to cut costs on the water rate (administrative costs). Mr. Williams explained how tiered water rates were subsidized (higher tiers were basically subsidizing lower rate payers/homeowners). He offered to have staff return to City Council with line by line costs for the water service, detailing costs to buy water and the administrative costs specifically.

Mayor Esteves opened the public hearing for comments at 11:51 PM.

Robert Marini, Milpitas resident, spoke on water costs, tiered rates, not overcharging for rates. Capital surcharge fee was not displayed on rate comparison chart when water rates were discussed. Leaky water system needed to be repaired.

Tom Valore, Milpitas resident, thanked the Fire Department for paramedic service provided recently - on scene rapidly and professionally. "Reserves" could be construed to be seen as a slush fund, while they were actually established due to a study that had been done. On the personnel issue, lots of governments have gotten into trouble with unfunded liabilities for those costs. Adequate funding for personnel was required.

Jezell Marez, Milpitas resident, said this was a discussion with great information, a work in progress. Shuttle study was a good idea. The pension fund required savings for retirement and stop increasing those. She wished to know the response time in other cities for Fire Department service.

Voltaire Montemayor, Milpitas resident, remarked on the budget and departments, and mentioned rusting pipes that need repair.

Steve Bunnell, Milpitas resident, urged a return of the firecracker race on July 4th. On the elected officials' medical benefits, he thanked Councilmember Grilli for responding to him. He disagreed with medical benefits for Council being reinstated.

Bob Grunton, Milpitas resident, said with regard to a CIP project with \$20,000 for a Performing Arts Center: do a quick analysis of nearby cities, including Fremont, consider Santa Clarita/Valencia where one was developed, in coordination with other governments including schools and started a foundation.

Michael Tsai, Milpitas resident, commended staff for long hours to prepare this budget. He was glad that recruiting and staffing was not an issue for Milpitas Police. Traffic and transportation should be one major focus for this City.

Motion: to close the public hearing, following seven speakers

Motion/Second: Vice Mayor Montano/Councilmember Grilli

Motion carried by a vote of: AYES: 5
NOES: 0

City Manager Mr. Williams responded to some public comments, including the total of reserve funds, explaining what those funds are truly held in reserve for.

Mr. Morreale reminded the City Council regarding unfunded liabilities, that there were substantial ones related to pension costs for the PERS retirement plan.

Mayor Esteves commented on the unfunded CIP projects he was concerned with and requested a summary of those along with current status.

Vice Mayor Montano felt the need for a traffic circulation study for the City Council to review. Mr. Williams replied that would occur during the preparation of the City's new General Plan, as one of the major elements of that plan.

Mr. Morreale summarized the changes and requests stated by the City Council regarding the new budget and CIP for the coming year:

1. For the City gateways project, allocate funds in FY 2016-17
2. In the Finance department, focus on grant writing and researching those
3. Review the Neighborhood Beautification ordinance
4. Augment the passport program to speed up appointment time
5. Consider hosting a Family Day event
6. Document timeline for key CIP projects and studies
7. Fund Midtown street lighting with funding in FY 2016-17
8. Consider a Business Improvement District
9. Study/review future water rates, and the structure of those

Vice Mayor Montano remarked that with regard to working in collaboration with the School District on a possible performing arts center, that the school's theatre formerly part of the old high school was quite small.

Mayor Esteves responded that while an indoor structure was desirable, he had seen an outdoor structure in another City and that could be done in the interim perhaps.

Finance Director Mr. Morreale acknowledged Ms. Sydney Chui, serving in her first year as the City's Budget Manager, who provided a great deal of work on the budget presented for this meeting, and Mr. Williams complimented her also.

Motion: to adopt four City of Milpitas Resolutions related to the FY 2016-17 budget:

- 1) Adopt Joint Resolution No. 8541/HA 19 of the City Council and the Housing Authority approving the final Operating & Capital Budget for the City of Milpitas and the Milpitas Housing Authority for Fiscal Year 2016-17 and approving the 2016-21 Capital Improvement Program.
- 2) Adopt Resolution No. 8542 approving the Appropriations Limit for FY 2016-17
- 3) Adopt Resolution No. 8543 amending the Classification Plan to reflect new or re-titled positions from the Authorized Positions List and Classification Plan.
- 4) Adopt Resolution No. 8544 amending the Classification Plan for Budgetary Reclassifications and Position Authorizations.

Motion/Second: Councilmember Giordano/Vice Mayor Montano

Motion carried by a vote of:

AYES: 5
NOES: 0

Mayor Esteves remarked on his total opposition to the skate board park.

Councilmember Grilli supported the motion to approve the overall City budget for next year while she also strongly reaffirmed her objection to the City Council benefits, for paid stipends for Commission meetings and the increase in Planning Commissioners stipend.

Vice Mayor Montano voted against the motion last time, that the janitors did not get an increase, and she also opposed the stipend for Commission meetings.

UNFINISHED BUSINESS

2. Campaign Finance Reform Committee report

This item was removed from the agenda.

3. Arts Commission letter re: Performing Arts Center

Councilmember Giordano requested this agenda item due to a letter that the City Council had received from the Arts Commission. She noted that \$50,000 was put into the budget for a study on a future performing arts center, but needed to look at a long term plan. She recommended hiring a consultant to get this process started and to look at a new facility.

Vice Mayor Montano supported getting this process started, on its concept.

Mayor Esteves invited speakers from audience.

Voltaire Montemayor, Milpitas resident, supported this idea. This was not a big city, and it eventually needed an Arts Center, for all to gather and have fun.

Jezell Marez, Milpitas resident, appreciated that a speaker mentioned centers in other cities, and she suggested looking at Temecula. Reaching out to the community was really necessary, as this would be of value to all in the community.

No vote was taken since this topic had been included in the adopted budget earlier.

NEW BUSINESS

7. Referendum Petition Results

City Clerk Mary Lavelle reported the sufficient number of signatures on the referendum petition for a ballot measure submitted to her office in April, for a referendum on Resolution No. 8532 adopted by City Council awarding a contract to Waste Management Inc. for solid waste disposal services. 2,422 valid signatures were required while 2,541 were found valid by the County Registrar of Votes.

Ms. Lavelle answered questions on costs and the timing for a potential ballot measure. She agreed to return at the next meeting with options for the Council to adopt a resolution to place this question on the November ballot, or to rescind Council action on Resolution No. 8532.

Motion: to receive a report from the City Clerk and move to accept the Clerk's certification of the referendum petition

Motion/Second: Councilmember Giordano/Councilmember Barbadillo

Motion carried by a vote of: AYES: 5
NOES: 0

ADJOURNMENT

Mayor Esteves adjourned the joint regular City Council/Housing Authority meeting at 12:41 AM on Wednesday, May 18.

SPECIAL MEETING

Mayor/Chair Esteves called the special meeting of the City Council to order at 12:42 AM with all members present.

AGENDA APPROVAL

Motion: to approve the agenda for the special meeting

Motion/Second: Councilmember Giordano/Vice Mayor Montano

Motion carried by a vote of: AYES: 5
NOES: 0

CONSENT CALENDAR

Motion: to approve the consent calendar items

Motion/Second: Councilmember Giordano/Vice Mayor Montano

Motion carried by a vote of: AYES: 5
NOES: 0

* II A) Convey 6 Easements
and 2 Temp Easements

Conveyed six permanent easements and two temporary easements to the Santa Clara Valley Water District for flood protection facilities and authorized the City Manager to execute associated easement deeds.

* II B) Convey Pole Line
Easement to PG&E

Conveyed a pole line easement to PG&E and authorized the City Manager to execute the easement deed.

ADJOURNMENT

Mayor Esteves adjourned the special City Council meeting at 12:43 AM on Wednesday, May 19, 2016.

The foregoing minutes were approved by the Milpitas City Council on June 7, 2016.

Mary Lavelle
Milpitas City Clerk