

City Council
Rich Tran, Mayor
Marsha Grilli, Vice Mayor
Garry Barbadillo, Councilmember
Bob Nuñez, Councilmember
Anthony Phan, Councilmember



**SPECIAL JOINT MEETING OF THE MILPITAS CITY COUNCIL
AND THE MILPITAS HOUSING AUTHORITY**

AGENDA

THURSDAY, MAY 10, 2018
5:30 PM
Milpitas City Hall
Council Chambers 2nd floor
455 E. Calaveras Boulevard, Milpitas, CA

- I. CALL TO ORDER JOINT MEETING / ROLL CALL / PLEDGE**
- II. PUBLIC FORUM** *Please limit comments to 3 minutes or less*
- III. PUBLIC HEARING TO CONSIDER FY 2018-19 CITY BUDGET & CIP**

Conduct a Public Hearing to Consider Approving the Fiscal Year 2018-19 Gann Appropriations Limit, Approving the Fiscal Year 2018-19 Operating Budget and 2018-2023 Capital Improvement Program for the City of Milpitas and the Milpitas Housing Authority, Amending the City's Fiscal Policies as they Relate to Reserves and Amending the Classification Plan for Fiscal Year 2018-19 (Staff Contact: Will Fuentes, 408-586-3111)

- IV. ADJOURNMENT**

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review.

Materials related to an item on this agenda submitted to the City Council after distribution of the agenda would be available for public inspection at the City Clerk's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas during normal business hours.

For more information on your rights under the Open Government Ordinance or to report a violation of the ordinance, contact the City Attorney at Milpitas City Hall, 455 E. Calaveras Blvd, Milpitas, CA
E-mail: cdiaz@ci.milpitas.ca.gov Phone: 408-586-3040

The Open Government Ordinance is codified in Milpitas Municipal Code as Title I Chapter 310 and is available at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

For assistance in the following languages, you may call:

Đối với Việt Nam, gọi 408-586-3122

对中国人来说, 请用 408-586-3263

Para sa Tagalog, tumawag sa 408-586-3051

Para español, llame 408-586-3232

Conduct a Public Hearing to Consider Approving the Fiscal Year 2018-19 Gann Appropriations Limit, Approving the Fiscal Year 2018-19 Operating Budget and 2018-2023 Capital Improvement Program for the City of Milpitas and the Milpitas Housing Authority, Amending the City's Fiscal Policies as they Relate to Reserves and Amending the Classification Plan for Fiscal Year 2018-19 (Staff Contact: Will Fuentes, 408-586-3131)

Background: On March 7, 2018, the City Council participated in a study session for the 2018-23 Capital Improvement Program (CIP). On April 10, 2018, the City Council participated in a study session for the Fiscal Year 2018-19 Operating Budget. During the April study session, Council provided staff with direction on both the Operating Budget and CIP and requested several changes. Confirmation of that direction was given by Council to staff at the May 1, 2018 regular City Council meeting. Staff has incorporated Council requested changes into both the Operating Budget and CIP documents being considered.

A public hearing is necessary to consider comments from the public prior to budget adoption, but a public hearing is not required to adopt the Operating Budget or the CIP. A Notice of Public Hearing was published, as required, in the local newspaper twice in May in advance of the hearing. City Council is requested to open the public hearing on May 10 to consider public comments regarding the final and complete drafts of the Proposed Operating Budget and CIP and may choose to close the public hearing the same night. To comply with Government Code Section 7910, which requires that the Gann Appropriations Limit be posted for 15 days, and Government Code Section 37200, which states that the budget document shall include the appropriations limit, Council will be asked to adopt five resolutions for the following purposes at its regular June 5 City Council meeting:

- 1) Approve the Fiscal Year 2018-19 Gann Appropriations Limit.
- 2) Approve the Fiscal Year 2018-19 Operating Budget and the 2018-2023 Capital Improvement Program for the City of Milpitas and the Milpitas Housing Authority.
- 3) Amend the Classification Plan to Establish New Classifications and Make Title Changes.
- 4) Amend the Classification Plan to Reflect Reclassifications and Adjust the Number of Positions from the Authorized Position List.
- 5) Amend Fiscal Policies as they relate to reserves.

As is standard City policy and practice, the Council will also be asked to consider approving requests for staff and elected officials (if appropriate) to travel out of state in FY 2018-19.

For reference, the Gann Appropriations Limit imposed by Proposition 4 (1979) and later amended by Proposition 111 (1990) creates a restriction on the amount of government revenue which may be appropriated in any fiscal year. The Appropriations Limit is based on actual appropriations during the base year (FY 1986-87) and increases each year using price and population growth factors provided by the California Department of Finance (DOF). The Appropriations Limit applies only to those revenues defined as "proceeds of taxes." Staff has calculated the FY 2018-19 Appropriations Limit to be \$101,169,019 based on annual price growth of 3.67% statewide and annual population growth of 0.99% in Santa Clara County. FY 2018-19 appropriations subject to the limit equal \$79,424,337 and are under the new Gann threshold by \$21,744,682. Thus, the City's FY 2018-19 Operating Budget will be in full compliance with the new Gann Appropriations Limit when both are adopted. The FY 2017-18 Appropriations Limit was \$96,630,910.

Please note that the FY 2018-19 Gann Appropriations Limit calculation and all supporting documentation have been posted to the City's website since May 1, 2018; the earliest date possible given release of needed price factor and population information by the California Department of Finance on May 1. The Gann Limit is posted on the City's website here:

<http://www.ci.milpitas.ca.gov/milpitas/departments/finance/budget-and-financial-plans/>

Fiscal Impact: None. The total FY 2018-19 Operating Budget for City of Milpitas and the Milpitas Housing Authority, upon adoption, for all funds including debt service, will be \$191,055,583. The total Five-Year 2018-2023 Capital Improvement Program (CIP) will be \$315,007,017; with \$43,867,480 being requested in year one (FY 2018-19).

Recommendations:

- 1) Open the public hearing and move to close the hearing following any speakers.
- 2) Provide staff with final direction before considering adoption of resolutions on June 5, 2018 to:
 - a. Approve the Fiscal Year 2018-19 Gann Appropriations Limit,
 - b. Approve the Fiscal Year 2018-19 Operating Budget and the 2018-2023 Capital, Improvement Program for the City of Milpitas and the Milpitas Housing Authority,
 - c. Amend the Classification Plan to Establish New Classifications and Make Title Changes,
 - d. Amend the Classification Plan to Reflect Reclassifications and Adjust the Number of Positions from the Authorized Position List, and
 - e. Amend Fiscal Policies as they relate to reserves.
- 3) Provide staff with final direction before considering approving requests for staff and elected officials (if appropriate) to travel out of state in FY 2018-19, per city policy.

Attachments:

- [a\) Proposed FY 2018-19 Budget and Financial Plan](#)
- [b\) Proposed FY 2018-23 Capital Improvement Program](#)
- [c\) City of Milpitas Resolutions \(for adoption June 5\)](#)
- [d\) Amended Fiscal Policies - redlined version](#)
- [e\) Proposed List of Out of State Travel in FY 2018-19](#)