MEETING MINUTES
CITY OF MILPITAS

Minutes of:	**Special Joint Meeting of Milpitas City Council and Housing Authority – Budget Public Hearing**
Date:	**Thursday, May 10, 2018**
Time:	**5:30 PM**
Location:	**City Council Chambers, City Hall 2nd floor 455 E. Calaveras Blvd., Milpitas**

CALL TO ORDER
Mayor Tran called the joint meeting to order at 5:50 PM. City Clerk Mary Lavelle called the roll.

PRESENT: Mayor Tran, Vice Mayor Grilli, Councilmembers Barbadillo, Nuñez and Phan

ABSENT: None

City Manager Julie Edmonds-Mares, all City Department Heads, and attorney Heather Lee from BB&K serving as City Attorney for this meeting were all present.

PUBLIC FORUM None

BUDGET DISCUSSION
Finance Director Will Fuentes introduced the discussion of the proposed FY 2018-19 Operating Budget for the City of Milpitas and the 2018-23 Capital Improvements Program (CIP). He listed past steps and efforts made to date by the City Council and community on the new proposed budget.

Recreation Director Renee Lorentzen detailed some of the changes to the budget directed by the City Council at its last study session. Included in the new budget was a new position with funding for a Community Services Engagement and Inclusion Administrator, as requested. The position would report to the Director of Recreation and Community Services, especially to conduct outreach to residents for whom English was a second language.

Mayor Tran commented on the position, complimenting Ms. Lorentzen on the many exciting diverse celebrations and events held over the past one year. He thanked her office and staff.

Councilmember Nuñez wanted to see the job specifications when those were prepared. He asked if this position would be inward looking in addition to outreach to community. He wanted to know if the person would help make City facilities more inviting to people who did not speak English.

Councilmember Barbadillo asked if there was a position currently doing the tasks described for the new position as listed, and staff replied no.

Councilmember Nuñez stated that on the job spec, he would like to have a discussion on the position and the salary that was proposed. He wanted to know the minimum qualifications to learn if the salary was appropriate.

Councilmember Phan asked if staff had outsourced past activity when needed. Ms. Lorentzen replied that was done only for the translation service. He thanked staff for coordinating the details for this new position. He suggested that the City get someone who was experienced, especially with making presentations to groups and communicating.

Vice Mayor Grilli clarified that this job was Council driven and requested. Staff confirmed that.

Next, Mr. Fuentes stated the annual state-required Gann Appropriations Limit: it would be $101,169,019 for FY 2018-19. The budgeted amount subject to the Gann Limit as prepared would be $79,424,337 so it was $21.7 million under the allowed limit. This would be presented for adoption by Council resolution on the June 5, 2018 City Council agenda.

The Finance Director summarized the Operating Budget total of $191,055,583 in expenditures including General Fund expenditures of $101,178,007. The five-year Capital Improvement Plan would be a total of $315,007,017 with the first year funding of $43,867,480.

Councilmember Phan asked in terms of financing, if staff had any update on "EIFDs" or Enhanced Infrastructure Financing Districts. Mr. Fuentes said he was researching that and could return to Council with that topic. Mr. Phan asked if there were any restraints on timeline if deciding to move forward on that and the Finance Director said he could get back to him on that. Councilmember Nuñez commented that the City Attorney was talking to someone at his law firm (BBK) to get an answer to that question. An example of EIFD was found in West Sacramento.

Councilmember Barbadillo spoke on funding for the future, some funds from the Santa Clara Valley Transportation Authority would help by various funds available to help cities. He did not see Milpitas on the list so he asked staff to make sure to learn about those sources and try for those funds if the City qualified. The City Manager commented and Mr. Barbadillo asked for a list of those projects that had some VTA funding in the Capital Improvement Program (CIP) for FY 2018-19.

The City's new budget would fund 389.50 full time equivalent employees for the City of Milpitas, which was an increase from 371.25 in FY 2017-18. Mr. Fuentes identified the resolutions that would need to be adopted on June 5 for staffing and salary changes recommended in the budget. Also, additional reserves were defined, to ensure the long term fiscal sustainability.

Councilmember Nuñez commented on the reserves information provided. He asked what was meant by "long term" and Mr. Fuentes said that term did not contain a time frame, but would take time. Mr. Nuñez responded about long term and need for ongoing reserves, based on one slide.

Next, the Finance Director explained why the Council had received the Out of State Travel by Employees list for the next fiscal year. It did come to the Council annually for approval at the time the budget was requested for adoption. Primarily, it listed conferences and training for staff and elected officials.

Councilmember Phan had recently learned of a start-up focused on private jets as a travel service, with an annual fee, to use that method for travelling anywhere in the U.S. If the group rate was cost effective, the City might consider that, he suggested.

Finally, Mr. Fuentes reviewed the explicit recommendations for the Council including holding the public hearing to receive comments from the audience.

Councilmember Nuñez had a question about the deleted staff item, for a dispatcher trainee. Staff explained that job titles not used in the coming year were recommended to be eliminated, via resolution

on June 5. Mr. Nuñez sought more information on dispatcher trainee and how that program worked, and Police Chief Corpuz described the process for hiring police dispatchers.

Mayor Tran next opened the public hearing and there were no speakers.

On a motion by Vice Mayor Grilli, seconded by Councilmember Barbadillo, City Council voted unanimously to close the hearing.

City Manager Edmonds-Mares thanked the Mayor and Council and City staff for all the effort made so far to get this budget completed. The City had conducted a very good outreach process for this budget.

Councilmember Phan asked about the Chief Building Official, and wondered if it made sense to combine Building and Fire Inspection, and then to make the position part of the Fire Department. The City Manager responded by stating that the new Deputy City Manager would conduct an overall organizational analysis and make future recommendations for the most efficient process for development activity overall. Process improvements may be recommended also along with evaluating the fees.

Councilmember Nuñez clarified the timeline of what the City Manager had described, and potentially coming back in the winter with all the recommendations.

Vice Mayor Grilli asked about budget-related resolutions (in the agenda packet) and the Finance Director replied those would be approved in June. She thanked the Finance Department staff and Department Heads for taking on the process and engaging the community successfully to prepare the budget. What was before the Council did reflect what the community wanted, she felt.

Councilmember Nuñez said this was his first time going through the complete process on the budget, and he learned a lot about differences between schools and cities. He found staff willing to take time and offer patience for him on the process.

Councilmember Barbadillo wanted staff to check in from time to time to allow the City Council to know the City was strong financially.

Vice Mayor Grilli asked to confirm that staff had the clear direction needed from Council. Mr. Fuentes confirmed that the resolutions and the travel list would come back to Council on June 5, the next regular Council meeting date.

Mayor Tran thanked the City Council for prioritizing concerns of the community and residents.

Those present sang “Happy Birthday” to the Mayor, and the joint meeting for the budget public hearing was adjourned at 7:11 PM.

The foregoing minutes were approved by Milpitas City Council on June 5, 2018.

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Mary Lavelle
Milpitas City Clerk