



MILPITAS CITY COUNCIL MEETING AGENDA

TUESDAY, APRIL 19, 2016

455 EAST CALAVERAS BOULEVARD, MILPITAS, CA
6:00 P.M. CLOSED SESSION • 7:00 P.M. PUBLIC BUSINESS

NOTE: Councilmember Grilli will participate in the Closed Session only by telephone conference from Boston Logan Airport Hotel, One Hotel Drive, Boston, MA 02128

SUMMARY OF CONTENTS

I. CALL TO ORDER/ROLL CALL by the Mayor (6:00 p.m.)

II. ADJOURN TO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION

Pursuant to California Government Code Section 54956.9(d)(2) - City as Defendant

CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION

Pursuant to California Government Code section 54956.9(d)(1)

Milpitas Mobile Home Estates, et al. v. The City of Milpitas, et al., Santa Clara County Superior Court Case No. 112CV227468, Ninth Circuit Court of Appeals Case No. 14-16808

III. CLOSED SESSION ANNOUNCEMENT: Report on action taken in Closed Session, if required pursuant to Government Code Section 54957.1, including the vote or abstention of each member present

IV. PLEDGE OF ALLEGIANCE (7:00 p.m.)

V. INVOCATION (Councilmember Grilli)

VI. APPROVAL OF COUNCIL MEETING MINUTES – April 5, 2016

VII. SCHEDULE OF MEETINGS – COUNCIL CALENDAR - April and May 2016

VIII. PUBLIC FORUM

Members of the audience are invited to address the Council on any subject not on tonight's agenda. Speakers must come to the podium, state their name and city of residence for the Clerk's record, and limit their remarks to three minutes. As an item not listed on the agenda, no response is required from City staff or the Council and no action can be taken. However, the Council may instruct the City Manager to place the item on a future meeting agenda.

IX. ANNOUNCEMENTS

X. ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

XI. APPROVAL OF AGENDA

XII. CONSENT CALENDAR (Items with asterisks*)

Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a member of the City Council, member of the audience, or staff requests the Council to remove an item from or be added to the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar. If removed, this item will be discussed in the order in which it appears on the agenda.

XIII. PUBLIC HEARING

- 1. Hold a Public Hearing and Approve the Community Development Block Grant Funding Allocations for FY 2016-17 and Adopt the One-Year Action Plan (Staff Contact: Hang Huynh, 408-586-3275)**

XIV. UNFINISHED BUSINESS

- 2. Receive Update on the Silicon Valley Rapid Transit Extension Project for the Bay Area Rapid Transit in Milpitas and Berryessa (Contact: Mayor Esteves, 408-586-3029)**
- * 3. Receive Report and Update on the Santa Clara Countywide Study on Minimum Wage Increase (Staff Contacts: Tom Williams, 408-586-3050 and Edesa Bitbadal, 408-586-3052)**

XV. REPORT OF MAYOR

- * 4. Consider Mayor's Recommendations for Appointments to City of Milpitas Commissions (Contact: Mayor Esteves, 408-586-3029)**

XVI. NEW BUSINESS

- * 5. Receive 2015 Annual Housing Element Progress Report and 2015 Housing Successor Annual Report (Staff Contact: Tim Wong, 408-586-3286)**
- 6. Receive a Report from Milpitas Unified School District on Enrollment Projections (Staff Contact: Tom Williams, 408-586-3050)**

XVII. RESOLUTION

- * 7. Adopt a Resolution Granting Initial Acceptance of and Reducing the Performance Bond for the Santa Clara Valley Transportation Authority (VTA) Silicon Valley Berryessa Extension Project, Milpitas Station Surface Parking and Roadway, VTA Project No. C740 (Staff Contact: Steven Machida, 408-586-3355)**

XVIII. AGREEMENTS

- * 8. Authorize the City Manager Execute Amendment No. 4 to the Master Services Agreement with York Insurance Group, Inc. through June 30, 2018 (Staff Contact: Tina Murphy, 408-586-3086)**
- * 9. Approve Amendment No. 2 to the Contract with JP Graphics for Citywide Printing Services by Increasing the Contract by \$45,000 for a Year One FY 2015-16 Contract Total Amount Not to Exceed \$180,000 (Staff Contact: Chris Schroeder, 408-586-3161)**

XIX. ADJOURNMENT

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, MAY 3, 2016**

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 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. For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035

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

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on the City website. Phone 408-586-3040

All City Council agendas and related materials can be viewed online here:
www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Current Vacancies on
Parks, Recreation and Cultural Resources Commission
Telecommunications Commission
Veterans Commission

Commission application forms are available online at www.ci.milpitas.ca.gov or at Milpitas City Hall. Contact the City Clerk's office at 408-586-3003 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, call the City Clerk at 408-586-3001 or send an e-mail to mlavelle@ci.milpitas.ca.gov prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the City Council Chambers for all meetings in that facility.

AGENDA REPORTS

XIII. PUBLIC HEARING

- 1. Hold a Public Hearing and Approve the Community Development Block Grant Funding Allocations for FY 2016-17 and Adopt the One-Year Action Plan (Staff Contact: Hang Huynh, 408-586-3275)**

Background: The U.S. Department of Housing and Urban Development (HUD) provides annual grants through the Community Development Block Grant (CDBG) Program to local governments to assist in providing decent housing, a suitable living environment and expand economic opportunities for low to moderate-income persons. The purpose of this public hearing is to set funding allocations for the CDBG funds provided to the City for FY 2016-17 and the adoption of the One-Year Action Plan. The City will receive an allocation of \$420,364 for FY 2016-17.

Pursuant to CDBG federal requirements, the total CDBG funding can set aside up to 15% for public service, 65% for non-public services and the 20% towards program administration. Therefore, the overall maximum CDBG Grant allocation for FY 2016-17 will be:

Public Services	\$63,054.60
Non-Public Services	\$273,236.60
Program Administration	<u>\$84,072.80</u>
Total:	\$420,364.00

During the month of January 2016, the City advertised in the Milpitas Post, City's Website and sent notices to current service providers and surrounding local service providers notifying the public about the 30-day time period by which to submit CDBG funding applications. The Community Advisory Commission (CAC) held a public hearing on March 2, 2016, to review the 20 applications received and provide funding recommendations to the City Council. CAC funding recommendations are based on a confirmed allocation of \$420,364. Because the non-public service recommendations were approximately \$26,000 less than the allocated amount, staff sent out additional notices to solicit additional non-public service applications. CAC made the final allocation recommendations on April 6, 2016 at the regular meeting.

Project Sentinel is being funded outside of the Public Service allocation. Project Sentinel is an extension of staff as the City's fair housing and tenant/landlord consultant. The City will fund Project Sentinel \$10,000 from CDBG FY 2016-17's program administration with additional \$15,000 from the Housing Authority fund. This is the same arrangement from previous years.

2016-17 Action Plan

The draft Action Plan describes anticipated CDBG activities and expenditures to be undertaken for fiscal year 2016-17 and how these activities relate to meeting the objectives identified in the Five-Year Consolidated Plan. The draft Action Plan was advertised for public review and comments for 30 days (from March 18 to April 19, 2016) and sent to CDBG Service Providers. The draft Action Plan was made available at Milpitas Public Library and City Hall. Any significant public comments received will be incorporated in the final Action Plan prior to the submittal to HUD by May 13, 2016. HUD reviews and approves the Action Plan prior to releasing CDBG funds.

Also as part of the Action Plan, staff recommends that the Council allocate the use of \$200,000 for the City's Rehabilitation Revolving Loan Fund. The Rehabilitation Revolving Loan fund is accumulated from the repayment of CDBG Rehabilitation Loans from property owners and is in a fund independent from the CDBG allocation. The funds can only be used for rehabilitation activities. Because of this funding request, there is no need to request rehabilitation funds from the CDBG FY 2016-17 grant allocation.

Attachments:

- a) March 2, 2016 Meeting Minutes of the Community Advisory Commission
- b) Funding recommendations by the Community Advisory Commission
- c) Draft Action Plan
- d) Applications from all non-profit CDBG applicants (in binder or separate e-file)

Fiscal Impact: None.

Recommendations:

- 1. Open the public hearing and move to close the hearing, following testimony.
- 2. Approve additional CDBG funding in the amount of \$200,000 for the Rehabilitation Revolving Loan Fund Fiscal Year 2016-17.
- 3. Approve Community Development Block Grant Funding of \$420,364 for Fiscal Year 2016-17 and the draft Action Plan.
- 4. Authorize the City Manager to execute agreements for CDBG funds with the 16 service providers.

XIV. UNFINISHED BUSINESS

2. Receive Update on the Silicon Valley Rapid Transit Extension Project for the Bay Area Rapid Transit in Milpitas and Berryessa (Contact: Mayor Esteves, 408-586-3029)

Recommendation: Receive an oral report at the City Council meeting from Carolyn Gonot, staff from Santa Clara Valley Transportation Authority's BART extension project, including an overview and introduction of Phase 2 of the project.

*** 3. Receive Report and Update on the Santa Clara Countywide Study on Minimum Wage Increase (Staff Contacts: Tom Williams, 408-586-3050 and Edesa Bitbadal, 408-586-3052)**

Background: The City of San Jose is leading the effort to analyze and study a Countywide minimum wage. Several cities in Santa Clara County, including City of Milpitas, agreed to assist and participate in the study effort. As City officials understand it, the study is nearly complete but not yet available at the time of this report. It is anticipated that the preliminary report findings would be released on Friday, April 15, 2016. Upon receipt of the report, staff planned to forward it to the Mayor and City Council for review and discussion.

On January 1, 2016, state law required the minimum wage to increase to \$10.00 per hour. All City positions and contracted agencies and organizations are compliant with this minimum wage increase.

On April 4, 2016, Governor Brown signed into law Senate Bill (SB) 3. SB 3 (Leno) requires a new statewide minimum wage schedule with annual increases commencing January 1, 2017 through January 1, 2023. SB 3 requires the minimum wage for any employer who employs 26 or more employees to adhere to the following minimum wage schedule:

- (1) For any employer who employs 26 or more employees, the minimum wage shall be as follows:
 - (A) From January 1, 2017, to December 31, 2017, inclusive,—ten dollars and fifty cents (\$10.50) per hour.
 - (B) From January 1, 2018, to December 31, 2018, inclusive,—eleven dollars (\$11) per hour.
 - (C) From January 1, 2019, to December 31, 2019, inclusive,—twelve dollars (\$12) per hour.
 - (D) From January 1, 2020, to December 31, 2020, inclusive,—thirteen dollars (\$13) per hour.
 - (E) From January 1, 2021, to December 31, 2021, inclusive,—fourteen dollars (\$14) per hour.
 - (F) From January 1, 2022, and until adjusted by subdivision (c)—fifteen dollars (\$15) per hour.

SB 3 also requires the minimum wage for any employer who employs 25 or fewer employees to adhere to the following minimum wage schedule:

- (2) For any employer who employs 25 or fewer employees, the minimum wage shall be as follows:
- (A) From January 1, 2018, to December 31, 2018, inclusive,—ten dollars and fifty cents (\$10.50) per hour.
 - (B) From January 1, 2019, to December 31, 2019, inclusive,—eleven dollars (\$11) per hour.
 - (C) From January 1, 2020, to December 31, 2020, inclusive,—twelve dollars (\$12) per hour.
 - (D) From January 1, 2021, to December 31, 2021, inclusive,—thirteen dollars (\$13) per hour.
 - (E) From January 1, 2022, to December 31, 2022, inclusive,—fourteen dollars (\$14) per hour.
 - (F) From January 1, 2023, and until adjusted by subdivision (c)—fifteen dollars (\$15) per hour.

The City Council has also considered raising the current contract janitorial minimum wage to \$13.00 per hour but had deferred any action until the Countywide minimum wage study was completed. The table (included in the agenda packet) reflects the current contract provisions and the escalation of wages for the city's contract janitorial services. Escalation per terms of the agreement provides for an increase to \$10.75 effective January 1, 2017 (.25/hour more than required by SB 3) and an increase to \$13.69 effective January 1, 2018 (\$2.69/hour more than required by SB 3).

The City Council has a budget study session scheduled on Monday, April 25, 2016. There are several key decision points to prioritize and discuss, including internal budget requests from all departments as well as the possible escalation of the private janitorial wage increase ahead of the contractual wage increase (reflected in the table included in the agenda packet). To comply with public contracting provisions, any wage increase will require invoking the 30-day cancellation clause with the City's current janitorial contract vendor and re-issuance of a new Request for Proposal (RFP) with the wage terms as may be directed by City Council.

Fiscal Impact: None.

Recommendation: to receive a report from staff and continue discussion to the budget study session on April 25, 2016.

XV. REPORT OF MAYOR

- * 4. Consider Mayor's Recommendations for Appointments to City of Milpitas Commissions (Contact: Mayor Esteves, 408-586-3029)**

Background: Mayor Esteves recommends the following:

Arts Commission: appoint Daniel Bobay as the Milpitas Unified School District Board member representative to a term that will expire in October 2016.

Community Advisory Commission: re-appoint George Chen as Alternate No. 3 to a term that expires in January of 2018.

Recommendation: Receive Mayor's recommendations and approve one appointment and one re-appointment to City of Milpitas Commissions.

XVI. NEW BUSINESS

- * 5. Receive 2015 Annual Housing Element Progress Report and 2015 Housing Successor Annual Report (Staff Contact: Tim Wong, 408-586-3286)**

Background: California Government Code Section 65400(a)(2) requires local agencies to provide an Annual Report to the City Council, the California Office of Planning and Research

(OPR), and the California Department of Housing and Community Development (HCD) on the status of the City's General Plan housing activity. More specifically, the state requests a report describing the community's progress in meeting its fair share of the Regional Housing Needs Allocation (RHNA) efforts to maintain, improve and develop housing. The reporting timeframe covers the RHNA period of 2015-2023. This annual report will be the first for the 2015-2023 timeframe. In March 2015, a new state reporting requirement mandates that jurisdictions also submit Successor Housing Agency Annual Reports with the Progress Report. Both reports are attached for reference.

- Table A is the City new residential building permit activity for calendar year 2015.
- Table A2 is the number of units rehabilitated in the City done through the City's Rehabilitation program and through the CDBG program.
- Table A3 is the City's cumulative new residential building permit activity.
- Table B is the City's progress towards the City's 2015-2023 RHNA requirements.
- Table C is the City's narrative of the City's Program Implementation Status of the Housing Element.

The Housing Successor Agency Annual Report is a state requirement for Housing Successors of the former redevelopment agencies report on deposits, expenditures and activities of the Low and Moderate Income Assets of the Milpitas Housing Authority, the Housing Successor of the Milpitas development agency.

After the City Council receipt of the Housing Report, the report will be sent to the State of California agencies, namely OPR and HCD.

Fiscal Impact: None.

Recommendation: Receive the 2015 Annual Housing Element Progress Report and 2015 Housing Successor Annual Report.

6. Receive a Report from Milpitas Unified School District on Enrollment Projections (Staff Contact: Tom Williams, 408-586-3050)

Background: At the City Council meeting of April 5, 2016, Councilmember Indihar Giordano requested a report on the latest enrollment projections analyzed by the Milpitas Unified School District. City staff contacted the District regarding this request. Superintendent Matsuoka agreed and will be present at the City Council meeting to share and discuss the District's most recent enrollment projections.

Recommendation: Receive report from Milpitas Unified School District Superintendent Cary Matsuoka.

XVII. RESOLUTION

*** 7. Adopt a Resolution Granting Initial Acceptance of and Reducing the Performance Bond for the Santa Clara Valley Transportation Authority (VTA) Silicon Valley Berryessa Extension Project, Milpitas Station Surface Parking and Roadway, VTA Project No. C740 (Staff Contact: Steven Machida, 408-586-3355)**

Background: On September 10, 2010, the City Council entered into a Master Agreement with the Santa Clara Valley Transportation Authority (VTA) that included provisions for VTA's construction of certain City public improvements in conjunction with VTA's Silicon Valley Rapid Transit Program-Berryessa Extension Project (BART extension). In accordance with the agreement, City engineering staff reviewed the plans and specifications for VTA's construction of a portion of the new South Milpitas Boulevard (SMB) extension and associated utilities. On April 30, 2015, staff issued a joint encroachment permit to VTA and its contractor, Ghilotti

Construction Company, Inc. to complete the construction in accordance with the approved plans and specifications.

City staff inspected the contractor's work and finds it to be complete and in accordance with the provisions of the Master Agreement, the VTA plans and specifications, and City standards. The majority of the improvements to be owned and maintained by the City are ready for the City's initial acceptance. A few elements (such as final testing and activation of traffic signal system) have been deferred to a subsequent VTA contract (C640). As such, VTA agrees to maintain the newly constructed segment(s) of SMB and provide a warranty for one year after the City issues initial acceptance of the entire roadway extension (C740, C700 and C640), and assumes operation and maintenance responsibility. This arrangement is explained further in the letter from VTA (copy in agenda packet) and will be formalized through a future amendment to the VTA/City of Milpitas Master Agreement.

Staff recommends that Council adopt a resolution granting initial acceptance of the project, subject to a one year warranty period and authorize the reduction of the contractor's faithful performance bond to \$171,300, which is 10% of the contract value of the improvements to be owned and maintained by the City.

Fiscal Impact: None.

Recommendation: Adopt a resolution granting initial acceptance of VTA Project No. C740, subject to a one year warranty period and reduction of the faithful performance bond to \$171,300.

XVIII. AGREEMENTS

- * 8. Authorize the City Manager Execute Amendment No. 4 to the Master Services Agreement with York Insurance Group, Inc. through June 30, 2018 (Staff Contact: Tina Murphy, 408-586-3086)**

Background: The City entered into an agreement on November 1, 2005 with Southern California Risk Management Association (SCRMA), now known as York Insurance Services Group, Inc., to provide services and perform work as the City's Workers' Compensation Third Party Administrator in accordance with any applicable requirements of federal, state or local laws or rules and/or regulations. The current term of the agreement will expire on June 30, 2016.

At this time, staff requests to renew the agreement with York to provide services for a two-year term beginning July 1, 2016 and concluding on June 30, 2018. Terms of the agreement will include administrative fees in the amount of \$129,000 for the first year (same as last year, 0% increase), and \$130,000 for the second year (approximately 0.8% increase from year 1).

Fiscal Impact: None. There are sufficient funds allocated for the first year in the Human Resources departmental FY 2016-17 budget. For the additional year, Human Resources will allocate funding in the next budget.

Recommendation: Authorize the City Manager to execute Amendment No. 4 to the current agreement with York Insurance Services Group, Inc. (formerly Southern California Risk Management Association) to extend the agreement effective July 1, 2016 through June 30, 2018 in accordance with the terms and conditions stated in the attached amendment.

- * 9. Approve Amendment No. 2 to the Contract with JP Graphics for Citywide Printing Services by Increasing the Contract by \$45,000 for a Year One FY 2015-16 Contract Total Amount Not to Exceed \$180,000 (Staff Contact: Chris Schroeder, 408-586-3161)**

Background: On February 1, 2015 the City of Milpitas awarded, after a thorough and extensive bid, a Citywide Printing Services contract to JP Graphics, which was determined to be the best value to the City after a formal Request for Proposal (RFP) competition. This contract was awarded at \$70,000 per year based on historical use. The previous contract for printing services (which had also been awarded to JP Graphics) averaged just under \$70,000 per year.

The initial term of the new contract was one year from February 1, 2015 to January 31, 2016, with four one-year renewal options. The Option to Extend for renewal years includes a compensation adjustment clause stating that price increases shall not exceed the Consumer Price Index or 3%, whichever is less, and would be exercised by the Purchasing Agent, subject to appropriation of funds and without further Council approval.

On July 22, 2015 Amendment No. 1 to the contract was approved due to an increase in demand for citywide printing services projected at \$65,000 annually, which resulted in an increase from \$70,000 to \$135,000 annually. In FY 2015-16, use of the printing services has experienced extraordinary growth with both standard and several one-time projects from multiple departments taking place. A review of current patterns indicates that contract costs in contract-year one (February 1, 2015 through January 31, 2016) are approximately \$45,010 over the \$135,000 year one projected ceiling. As such, an increase in contract authority is being requested for FY 2015-16 only. With that said, no budget appropriation is required as sufficient operating dollars remain within each department budget.

Based on expenditures for the period February 1, 2015 through January 31, 2016 an increase of \$45,010 is needed to meet the City's printing service needs. This represents a FY 2015-16 year-one contract total amount not-to-exceed \$180,010. Future option years, if exercised will remain at \$135,000 per year.

Fiscal Impact: None. This is a programmed expense in the FY 2015-16 operating budgets for the various departments.

Recommendation: Approve Amendment No. 2 to the contract with JP Graphics, a California corporation, for citywide printing services increasing by \$45,010 for a FY 2015-16 contract total amount not-to-exceed \$180,010.

XIX. ADJOURNMENT

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, MAY 3, 2016**