



SPECIAL MEETING OF THE MILPITAS CITY COUNCIL

AGENDA

TUESDAY, JANUARY 25, 2022

MILPITAS, CA

5:30 PM

For assistance in the following languages, you may call:

Đối với Việt Nam, gọi 408-586-3122

Para sa Tagalog, tumawag sa 408-586-3051

Para español, llame 408-586-3232

CITY OF MILPITAS - NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that a Special Meeting of the Milpitas City Council will be held at 5:30 p.m. on January 25, 2022, via teleconference /Zoom webinar only (no physical meeting space).

You may watch the Council meeting without providing public comment by accessing it via links here.

Meeting shall be livestreamed - Go to:

Facebook: <https://www.facebook.com/CityofMilpitas/>

YouTube: <https://www.ci.milpitas.ca.gov/youtube>

Web Streaming: <https://www.ci.milpitas.ca.gov/webstreaming>

PUBLIC COMMENT INSTRUCTIONS

Oral public comments may be provided live during the City Council meeting by first registering for the zoom meeting in advance by providing email address (not disclosed) and a name. To minimize technical difficulties, please make sure that you have the latest version of Zoom Meetings. Here is the link to register for this meeting only:

https://ci-milpitas-ca-gov.zoom.us/webinar/register/WN_qDXgly64Ru6NgBnhHKU0HA

A link will be sent to you to join the City Council meeting in order to give your comments. All registered meeting attendees who wish to speak must click on the "raise hand" icon when the Mayor calls for public comments. If participating by calling in on your phone, dial *9 to use the "raise hand" feature, and when you are called upon, hit *6 to unmute your phone. Your phone number will be displayed in the live meeting. The Mayor or staff will call the speakers to begin.

All comments provided shall be limited to three minutes or less as determined by the Mayor. All members of the public will be limited to one comment per agenda item, and one comment for non-agenda items. online written comment form previously used is no longer available for public comment.

MILPITAS CITY COUNCIL CODE OF CONDUCT

- Be respectful and courteous (words, tone, and body language).
- Model civility.
- Avoid surprises.
- Praise publicly and criticize privately.
- Focus on the issue, not the person.
- Refrain from using electronic devices while on the Council dais.
- Disclose conflicts of interest and affiliations related to agenda items.
- Separate governing from campaigning.
- The Council speaks with one voice after making policy on issues.
- Respect the line between policy and administration.
- Council will hold one another accountable to comply with this Code of Conduct.

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC FORUM

Those interested are invited to address the City Council on the agenda item listed below only, by using the “raise hand” in the zoom webinar online (see instructions on page one (1)). Speakers may state their name and city of residence for the record, and limit spoken remarks to three minutes, or less, at the discretion of the Mayor.

ANNOUNCEMENTS

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

READING OF THE CITY COUNCIL CODE OF CONDUCT

APPROVAL OF AGENDA

AGENDA ITEMS

- 1. Receive a Staff Presentation on the Preliminary FY 2023-32 Ten-Year General Fund Financial Forecast and Provide Feedback on Desired Service Levels to Inform the FY 2022-23 Budget Development (Staff Contacts: Ashwini Kantak, Assistant City Manager, 408-586-3053 and Lauren Lai, Director of Finance, 408-586-3111)**

Recommendations: Receive a staff presentation on the Preliminary FY 2023-32 Ten-Year General Fund Financial Forecast and provide feedback on desired service levels to inform the FY 2022-23 Budget development.

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 and other City agencies exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and 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
e-mail: cdiaz@ci.milpitas.ca.gov / Phone: 408-586-3040

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

APPLY TO SERVE ON A CITY 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 408-586-3001 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, please call the City Clerk at 408-586-3001 or send an e-mail to CityClerk@ci.milpitas.ca.gov prior to the meeting. You may request a larger font agenda.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive a staff presentation on the Preliminary FY 2023-32 Ten-Year General Fund Financial Forecast and provide feedback on desired service levels to inform the FY 2022-23 Budget development
Category:	Leadership and Support Services
Meeting Date:	1/25/2022
Staff Contact:	Ashwini Kantak, Assistant City Manager, 408-586-3053 Lauren Lai, Director of Finance, 408-586-3111
Recommendations:	Receive a staff presentation on the Preliminary FY 2023-32 Ten-Year General Fund Financial Forecast and provide feedback on desired service levels to inform the FY 2022-23 Budget development.

Background:

In January, the Council kicks-off the annual budget process with the preliminary budget study session. At the study session, staff presents the preliminary ten-year General Fund Financial Forecast, the budget community engagement plan, reports on accomplishments and workplans, and requests feedback on prioritization of Council referrals.

Analysis:

Consistent with past years, staff will set the stage of the Preliminary FY 2022-23 Budget Study Session with the Preliminary FY 2023-32 Ten-Year General Fund Financial Forecast (see attached). Based on new revenue information, labor contracts, and various funding and expenditure strategies, Staff does not foresee a reduction in the current service level. Staff projects a balanced budget for FY 2022-23 and thereafter until the anticipated Measure F sunset. After the presentation of the Forecast, staff will summarize budget strategies taken so far and currently contemplated to provide funding options to restore and/or enhance services.

Staff will also present Council with topline results from the 2022 community survey conducted by Fairbank, Maslin, Maullin, Metz and Associates (FM3) and seek feedback from the Council on desired service levels. This will inform the development of a proposed balanced budget for FY2022-23. The Study Session is not intended to discuss specific budget proposals or position reductions but is in fact a key first step in the budget process to allow staff to better understand priorities from the Council and community and to develop a balanced budget that is responsive to these needs.

Council requests, which require funding and/or resources and were prioritized during the August 5, 2021, and January 11, 2022, Council prioritization meetings, will also be presented for any additional Council input. Staff will consider information from the community surveys and meetings, feedback from the Council on priorities, and resource and funding needs from departments to develop the Proposed FY 2022-23 Budget and will provide an update as part of the Proposed FY 2022-23 Budget Study Session in May.

Fiscal Impact:

This is a discussion of the preliminary FY2023-32 Ten-Year General Fund Financial Forecast to inform the FY2022-23 budget development. No fiscal impacts.

California Environmental Quality Act:

This item is not a Project under CEQA in accordance with CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption) as it can be seen with certainty that a general discussion of funding priorities by the City Council will not have a significant effect on the environment. Further, the item is also not a Project pursuant to CEQA Guidelines Section 15378(b)(2) as an administrative activity which is defined in the CEQA Guidelines to include the purchase of supplies and personnel related actions. It is further exempt under CEQA Guideline 15378(b)(4) as it is a government fiscal activity that does not involve a commitment to any specific project which may result in a potentially significant physical impact on the environment. Although the use of funding will be discussed for various potential projects, future environmental analysis will be conducted for the various potential projects prior to the City making any commitment or approval of any project, or it is covered by the CEQA Guideline 15061(b)(3) and/or 15378(b)(2).

Recommendations:

1. Receive a staff presentation on the Preliminary FY 2023-32 Ten-Year General Fund Financial Forecast and provide feedback on desired service levels to inform the FY 2022-23 Budget development

Attachments:

1. Preliminary FY 2023-32 Ten-Year General Fund Financial Forecast
2. Community Survey Top Line Summary

Preliminary 10-Year FY 2023 to 2032 General Fund Financial Forecast

	Amended Budget (1/20/22)	Base Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	FY21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
Licenses, Permits & Fines	\$ 10,276,817	\$ 11,484,759	\$ 12,980,250	\$ 14,116,929	\$ 14,604,640	\$ 15,152,397	\$ 15,720,897	\$ 16,280,011	\$ 16,859,184	\$ 17,459,139	\$ 18,080,623
Charges for Services	\$ 4,225,969	\$ 5,219,452	\$ 5,953,826	\$ 6,137,667	\$ 6,312,143	\$ 6,502,088	\$ 6,697,820	\$ 6,896,569	\$ 7,102,328	\$ 7,312,463	\$ 7,527,745
Franchise Fees	\$ 5,751,133	\$ 5,448,428	\$ 5,612,805	\$ 5,783,565	\$ 5,960,940	\$ 6,145,171	\$ 6,336,510	\$ 6,535,218	\$ 6,741,565	\$ 6,955,837	\$ 7,178,325
Use of Money and Property	\$ 500,000	\$ 414,000	\$ 422,280	\$ 430,726	\$ 439,340	\$ 452,520	\$ 466,096	\$ 480,079	\$ 494,481	\$ 509,316	\$ 524,595
Other Taxes	\$ 1,023,421	\$ 1,067,453	\$ 1,088,587	\$ 1,110,312	\$ 1,132,646	\$ 1,155,605	\$ 1,179,207	\$ 1,203,470	\$ 1,228,412	\$ 1,254,053	\$ 1,280,411
Intergovernmental	\$ 1,674,752	\$ 661,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000
Other Revenues	\$ 383,000	\$ 349,657	\$ 365,847	\$ 376,091	\$ 386,622	\$ 397,447	\$ 408,576	\$ 420,016	\$ 431,776	\$ 443,866	\$ 456,294
Operating Transfers In	\$ 6,552,931	\$ 7,268,984	\$ 7,734,379	\$ 8,626,645	\$ 9,232,195	\$ 9,897,088	\$ 10,184,197	\$ 10,472,952	\$ 10,773,068	\$ 10,536,140	\$ 10,743,226
Use of Reserves	\$ -										
Total Sources	\$ 111,312,829	\$ 116,783,468	\$ 123,182,686	\$ 129,114,106	\$ 133,406,531	\$ 137,899,474	\$ 142,325,415	\$ 145,013,465	\$ 143,980,045	\$ 148,088,922	\$ 152,788,668
EXPENDITURES											
Salaries	\$ 54,095,348	\$ 57,356,040	\$ 59,744,124	\$ 61,684,038	\$ 63,558,079	\$ 65,487,715	\$ 67,474,597	\$ 69,520,432	\$ 71,626,974	\$ 73,796,032	\$ 76,029,468
Benefits	\$ 34,299,944	\$ 35,532,161	\$ 36,856,493	\$ 37,861,800	\$ 38,492,496	\$ 39,713,265	\$ 40,622,704	\$ 42,921,334	\$ 45,231,580	\$ 47,695,579	\$ 49,053,485
Services & Supplies	\$ 21,029,263	\$ 21,846,287	\$ 22,670,399	\$ 23,880,928	\$ 24,924,570	\$ 26,380,935	\$ 27,696,124	\$ 29,516,346	\$ 31,213,071	\$ 33,452,469	\$ 35,657,790
Debt Services	\$ 1,012,800	\$ 1,196,800	\$ 1,196,800	\$ 1,228,000	\$ 1,257,200	\$ 1,289,400	\$ 1,374,400	\$ 1,440,000	\$ 1,446,800	\$ 1,442,000	\$ 1,441,000
Capital Outlay	\$ -	\$ 211,590	\$ 288,913	\$ 297,002	\$ 305,319	\$ 313,867	\$ 322,656	\$ 331,690	\$ 340,977	\$ 350,525	\$ 360,339
Operating Transfers Out	\$ 342,293	\$ 340,590	\$ 840,590	\$ 844,657	\$ 844,657	\$ 844,657	\$ 844,657	\$ 844,657	\$ 844,657	\$ 844,657	\$ 844,657
Total Uses	\$ 110,779,648	\$ 116,483,468	\$ 121,597,319	\$ 125,796,425	\$ 129,382,321	\$ 134,029,839	\$ 138,335,138	\$ 144,574,459	\$ 150,704,059	\$ 157,581,262	\$ 163,386,739
Annual Surplus/(Deficit)	\$533,181	\$300,000	\$1,585,367	\$3,317,681	\$4,024,209	\$3,869,635	\$3,990,277	\$439,006	(\$6,724,014)	(\$9,492,340)	(\$10,598,071)

*FY2021-22 Amended Budget reflects council approved amendments through 1/20/22 and the \$533,181 surplus will offset by approximately \$500,000 of encumbrance / appropriation expenditure carry forward.

Survey Specifications

Sample Universe	Adult Residents in the City of Milpitas		
Total Interviews	693		
Dates	January 3-17, 2022		
Contact Method	 Telephone Calls	 Email Invitations	 Postcards
Data Collection Mode	 Telephone Calls	 Online Survey	
Language	English, Spanish, Vietnamese and Chinese		
Margin of Sampling Error	+/-4.0% at the 95% confidence level		

Preliminary Community Survey Results

- ✓ **83%** are satisfied with the overall quality of life in Milpitas
- ✓ **91%** describe Milpitas as “accepting”
- ✓ **86%** believe Milpitas is safe
- ✓ **84%** feel that different cultures are celebrated in Milpitas
- ✓ **86%** are proud to live in Milpitas
- ✓ **68%** trust the City to plan for Milpitas’ future

Key Takeaways

- ✓ Perceptions of life in Milpitas are very positive, and consistent with 2021.
- ✓ Large majorities continue to be proud to live in Milpitas, and see it as accepting and safe.
- ✓ However, opinions are more mixed as to whether the City is “affordable.”
- ✓ Just two in five now believe the City is growing too fast (41%), while 45% think it is growing at the right pace.
- ✓ Police, 911 response, and infrastructure continue to rate as top priorities.

Given a hypothetical \$100 budget, residents would prioritize public safety with the largest share of their funds.

Next, I am going to ask you to imagine you are in charge of Milpitas' City budget. Every year, the City needs to prioritize funding various services. For this exercise, assume you have \$100 to spend on six priority areas. After I read you all of the priority areas, please tell me how many dollars out of 100 you would spend on each one, keeping in mind that the total must add up to \$100.



\$22.50

Public safety



\$17.20

Neighborhoods
and housing



\$16.60

Economic
development



\$15.00

Environment



\$14.70

Community
wellness
and open
space



\$14.00

Transportation
and transit