



REGULAR MEETING OF THE MILPITAS CITY COUNCIL

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

AGENDA

TUESDAY, DECEMBER 17, 2019
CITY COUNCIL CHAMBERS, 455 E CALAVERAS BLVD, MILPITAS, CA
6:00 PM (CLOSED SESSION)
7:00 PM (PUBLIC BUSINESS)

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

ADJOURN TO CLOSED SESSION

- a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Pursuant to California Government Code Section 54956.9(d)(2) – 2 cases
- b) CONFERENCE WITH LABOR NEGOTIATORS**
Pursuant to California Government Code Section 54957.6
Agency designated representatives: Christopher Diaz, City Attorney
Unrepresented Employee: City Manager

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

PLEDGE OF ALLEGIANCE

INVOCATION

PRESENTATION

- Presentation to Santa Clara Valley Science and Engineering Fair Association (SCVSEFA) Milpitas student STEM winners

PUBLIC FORUM

Those in the audience are invited to address City 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 spoken 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. Council may instruct the City Manager to place the item on a future meeting agenda.

ANNOUNCEMENTS

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

APPROVAL OF AGENDA

CONSENT CALENDAR

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 City Councilmember, 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.

C1. Receive City Council Calendars of Meetings for December 2019 and January 2020 (Staff Contact: Mary Lavelle, 408-586-3001)

C2. Approve City Council Meeting Minutes of December 3, 2019 (Staff Contact: Mary Lavelle, 408-586-3001)

Recommendation: Approve draft City Council meeting minutes of the December 3, 2019 regular Council meeting.

C3. Adopt a Resolution to Nominate one new Priority Development Area (PDA) and Amend the Boundaries of an existing PDA, and Adopt a separate Resolution to Nominate three new Priority Production Areas (PPAs) for consideration by the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG) for inclusion in Plan Bay Area 2050 (Staff Contact: Avery Stark, 408-586-3288)

Recommendation: Adopt a Resolution (1) to amend the boundaries of an existing PDA and nominate one new PDA, and adopt a separate Resolution (2) to nominate three new PPAs, for consideration by the MTC and ABAG for inclusion in Plan Bay Area 2050.

C4. Adopt a Resolution Amending the City of Milpitas Classification Plan and Adjusting the Salary Schedule for All Represented Classifications of the Milpitas Police Officers Association (Staff Contact: Liz Brown, 408-586-3086)

Recommendation: Adopt a Resolution to amend the City of Milpitas Classification Plan and to adjust the salary schedule for all represented classifications in Milpitas Police Officers Association by 4.5% effective January 5, 2020.

C5. Authorize the City Manager to Execute Amendment No. 3 to the Retired Annuitant Employment Agreement between the City of Milpitas and Joseph Minton for one additional year annually not to exceed \$63,484.80 and a total not to exceed \$204,580.80 (Staff Contact: Henry Kwong, 408-586-2419)

Recommendation: Authorize the City Manager to execute Amendment No. 3 to the Retired Annuitant Employment Agreement between the City of Milpitas and Joseph Minton for one additional year annually not to exceed \$63,484.80 and a total not to exceed \$204,580.80.

C6. Approve Final Tract Map No. 10476; and Approve and Authorize the Interim City Manager to Execute the Subdivision Improvement Agreement for a Mixed-Use Development at 1320 and 1425 McCandless Drive (Staff Contact: Steve Erickson, City Engineer, 408-586-3301)

Recommendations:

- 1) Approve Final Tract Map No. 10476, accept all offers of dedications as stated and depicted on the final map upon completion and acceptance of improvements; and
- 2) Approve and authorize the Interim City Manager to execute the Subdivision Improvement Agreement between the City of Milpitas and Milpitas – District 4 Owner, LLC, subject to minor legal changes deemed necessary by the City Attorney.

C7. Approve and Authorize the Interim City Manager to execute Agreement with Milpitas Unified School District for Construction of Phase 2 Mabel Mattos Elementary School Project and Completion of McCandless Drive Street Widening Improvements (Staff Contact: Steve Erickson, 408-586-3301)

Recommendation: Approve and authorize the Interim City Manager to execute an Agreement with Milpitas Unified School District for construction of the Phase 2 Mabel Mattos Elementary School Project and completion of McCandless Drive Street Widening Improvements.

C8. Receive the Milpitas Police Department Unmanned Aircraft System (UAS) Policy (Staff Contact: Jared Hernandez, 408-586-2406)

Recommendation: Receive the Milpitas Police Department and Unmanned Aircraft System (UAS) Policy.

C9. Report on Bids and Award of Construction Contract to American Asphalt Repair and Resurfacing Company, Inc. in the amount of \$123,930 for Repaving of the Public Works and Police Departments' Parking Lots (Staff Contact: Tony Ndah, 408-586-2602)

Recommendations:

- 1) Receive a report on bids and award of construction contract to the lowest responsible bidder submitting a responsive bid, American Asphalt Repair and Resurfacing Company, Inc., in the amount of \$123,930 for the Repaving of the Public Works and Police Departments' Parking Lots Project.
- 2) Authorize the Director of Public Works to negotiate and execute contract change orders in an aggregate amount not to exceed \$10,000 for this project.

C10. Approve the Memorandum of Understanding Agreement between the City of Milpitas and the Santa Clara County Library District (Staff Contact: Renee Lorentzen, 408-586-3409)

Recommendation: Approve the Memorandum of Understanding Agreement between the City of Milpitas and the Santa Clara County Library District.

C11. Approve the Milpitas Parks, Recreation and Cultural Resources Commission Work Plan for Fiscal Year 2019-20 (Staff Contact: Rosana Cacao, 408-586-3207)

Recommendation: Approve the proposed Parks, Recreation and Cultural Resources Commission Fiscal Year 2019-20 Work Plan.

C12. Approve the Milpitas Veterans Commission Work Plan for Fiscal Year 2019-20 and Bylaws Amendment (Staff Contact: Renee Lorentzen, 408-586-3409)

Recommendations: (1) Receive and approve proposed Veterans Commission Fiscal Year 2019-20 Work Plan;; and, (2) approve the amended Veterans Commission Bylaws to remove any term limits for Veterans Commissioners only.

- C13.** Approve the Milpitas Youth Advisory Commission Work Plan for Fiscal Year 2019-20 (Staff Contact: Anthony Teschera, 408-586-3231)

Recommendation: Approve the proposed Youth Advisory Commission Fiscal Year 2019-20 Work Plan.

PUBLIC HEARING

- 14.** Adopt a Resolution approving a Conditional Use Permit Amendment and Major Tentative Map to allow the Subdivision of a previously approved Residential Complex located at 91 Montague Expressway into 72 condominium units (Staff Contact: Michael Fossati, 408-586-3274)

Recommendations:

1. Conduct a public hearing, and move to close the hearing following comments.
2. Adopt a Resolution approving Conditional Use Permit Amendment (UA19-0018) and Major Tentative Map (MT19-0001) to allow the subdivision of a previously approved residential complex located at 91 Montague Expressway into 72 residential condominium units.

COMMUNITY DEVELOPMENT

- 15.** Receive Update and Presentation from Santa Clara Valley Transportation Authority (VTA) Staff on the Milpitas Transit Center and Bay Area Rapid Transit (BART) Station (Staff Contact: Ashwini Kantak, 408-586-3053)

Recommendation: Receive update and presentation from Santa Clara Valley Transportation Authority (VTA) staff on the Milpitas Transit Center and Bay Area Rapid Transit (BART) Station.

LEADERSHIP AND SUPPORT SERVICES

- 16.** Waive the Second Reading and Adopt Ordinance No. 120.49 Amending Title VIII, Chapter 1 of the Milpitas Municipal Code Relating to Discontinuance and Restoration of Water Service (Staff Contact: Walter Rossmann, 408-586-3111)

Recommendation: Waive the second reading and adopt Ordinance No. 120.49 amending Title VIII, Chapter 1 of the Milpitas Municipal Code relating to discontinuance and restoration of water service.

- 17.** Accept the City's Comprehensive Annual Financial Report and Other Related Annual Audited Reports for the Fiscal Year Ended June 30, 2019 (Staff Contact: Walter Rossmann, 408-586-3111)

Recommendation: Accept the City's Comprehensive Annual Financial Report and other Related Annual Audited Reports for the Fiscal Year ended June 30, 2019.

- 18.** Adopt a Resolution Amending the City of Milpitas Classification Plan to Establish the Community Services Specialist Position and to Reclassify One Program Coordinator Position to One Community Services Specialist Position (Staff Contact: Liz Brown, 408-586-3086)

Recommendation: Adopt a Resolution amending the Classification Plan to establish the Community Services Specialist position and to reclassify one Program Coordinator position to one Community Services Specialist position.

REPORTS OF MAYOR & COUNCILMEMBERS - from assigned Commissions, Committees and Agencies

19. Receive an Update on the Milpitas Sister Cities Program (Contact: Mayor Tran, 408-586-3029)

Recommendations:

- 1) Receive background information and preliminary analysis on Sister Cities programming.
- 2) Consider request for a Sister Cities Memorandum of Understanding with the City of Dagupan (Philippines).

20. Consider Mayor Tran's Recommendations for Appointments and Re-appointments to Ten City of Milpitas Commissions (Contact: Mayor Tran, 408-586-3029)

Recommendation: Receive Mayor Tran's recommendations and approve new appointments and re-appointments of current Commissioners and Alternate Members to 10 City of Milpitas Commissions: Arts; Community Advisory; Energy and Environmental Sustainability; Library and Education; Parks, Recreation and Cultural Resources; Public Safety & Emergency Preparedness; Senior Advisory; Science Technology & Innovation; Veterans; and Youth Advisory.

NEXT AGENDA PREVIEW

21. Receive Preview List of Agenda Items for the Next City Council meeting on January 7, 2020 (Staff Contact: Mary Lavelle, 408-586-3001)

ADJOURNMENT

NEXT CITY COUNCIL MEETING
JANUARY 7, 2020

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
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 the City website. 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

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, please 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.

December 2019						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Milpitas City Council Calendar

January 2020

February 2020						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 CITY HALL CLOSED NEW YEAR'S DAY 	2	3	4
5	6 7:00 PM -Parks, Recreation & Cultural Resources Commission (AP)	7 6:00 PM -Closed Session 7:00 PM -City Council	8 7:00 PM -Community Advisory Commission (BN) 7:00 PM -Planning Commission 7:00 PM -Silicon Valley Clean Energy Board of Directors (CM) (Cupertino)	9 4:00 PM -Santa Clara VTA Policy Advisory Committee (KD) 4:00 PM -Treatment Plant Advisory Committee (CM) 5:30 PM -Santa Clara VTA Board of Directors (RT) 5:30 PM -Milpitas Chamber of Commerce Board (CM) 7:00 PM -Cities Assoc of SCC (CM) 7:00 PM -Youth Advisory Commission (AP)	10 *2:00 PM -City Council Finance Subcommittee (RT/CM)	11
12	13 4:30 PM -Economic Development and Trade Commission (KD)	14 3:00 PM City Council Housing Subcommittee (BN/CM)	15 6:00 PM -Energy and Environmental Sustainability Commission (BN)	16 6:30 PM -Bay Area Water Supply & Conserv Agency (CM) (San Mateo) 7:00 PM -Public Safety and Emergency Preparedness Commission (KD)	17	18
19	20 MARTIN LUTHER KING JR. BIRTHDAY  CITY HALL CLOSED	21 ?:00 PM -Closed Session 7:00 PM -City Council	22 7:00 PM -Planning Commission	23 12:00 PM -Terrace Gardens Board of Directors (BN)	24	25
26	27 7:00 PM -Arts Commission (CM) 7:00 PM -Library and Education Commission @Library (CM) 7:00 PM -Science, Technology and Innovation Commission (BN)	28 5:30 PM -City Council Budget Study Session 7:00 PM -Energy and Environmental Sustainability Commission (BN)	29	30	31	

**Finance Subcommittee will meet only as needed*

November 2019						
S	M	T	W	T	F	S
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3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Milpitas City Council Calendar

December 2019

January 2020						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1  6:30 PM Holiday Tree Lighting - Civic Center Plaza	2 7:00 PM Parks, Recreation & Cultural Resources Commission (AP)	3 6:00 PM Closed Session 7:00 PM City Council	4 2:00 PM Santa Clara VTA - Northeast group (Sta Clara) (RT) 5:30 PM Veterans Commission (RT) 7:00 PM Community Advisory Commission (BN)	5 5:30 PM Milpitas Chamber of Commerce Board (CM) 5:00 PM Santa Clara VTA Board of Directors (RT)	6	7  10:00 AM Milk & Cookies w/Santa@ Community Center
8	9	10	11 7:00 PM Silicon Valley Clean Energy Board of Directors (CM) (Cupertino) 7:00 PM Planning Commission 6:00 PM Project Sentinel Drop-In Clinic 7:00 PM Project Sentinel Fair Housing Workshop	12 4:00 PM Treatment Plant Advisory Committee-San Jose (CM) 4:00 PM Santa Clara VTA Policy Advisory Committee (KD) 4:00 PM City Council/MUSD Collaborative Subcomm. (RT/CM) 7:00 PM Youth Advisory Commission (AP) 7:00 PM Cities Assoc of SCC (CM)	13	14 3:30 PM Congressman Khanna Town Hall (recognizing Police and Fire)-San Jose
15	16 7:00 PM Science, Technology and Innovation Commission (BN)	17 6:00 PM Closed Session 7:00 PM City Council	18 6:00 PM Energy and Environmental Sustainability Commission (BN)	19	20	21
22	23	24 25 CHRISTMAS EVE + CHRISTMAS DAY Holidays City Hall closed for Holiday 		26 27 City Hall Closed 		28
29	30	31				

*Finance Subcommittee will meet only as needed

Draft **MEETING MINUTES**
CITY OF MILPITAS

Minutes of:	Regular Meeting of the Milpitas City Council
Date:	Tuesday, December 3, 2019
Time:	6:00 PM Closed Session 7:00 PM Open Session
Location:	Council Chambers, Milpitas City Hall, 455 East Calaveras Blvd., Milpitas

CALL TO ORDER	Mayor Tran called the meeting to order at 6:05 PM. City Clerk Mary Lavelle called the roll. PRESENT: Mayor Tran, Vice Mayor Dominguez and Councilmember Montano ABSENT: Councilmembers Nuñez and Phan were absent at roll call. They both arrived in closed session.
CLOSED SESSION	City Council convened in Closed Session to discuss three topics listed on the agenda. City Council convened at the dais for the Open Session regular agenda at 7:30 PM.
ANNOUNCEMENT	City Attorney Chris Diaz stated there was no reportable action by the City Council out of Closed Session.
PLEDGE	Boy Scouts Troop No. 92 presented the flags and led the pledge of allegiance.
INVOCATION	Councilmember Nuñez invited Pastor Jeff Moore to provide the invocation prayer.
PUBLIC FORUM	A woman resident requested to move agenda item no. 19 to be heard up front, earlier in the meeting. Mayor Tran responded that it would be moved to be heard after the Public Hearings. Rob Means, resident, talked about emissions, global warming and climate change. Yolie Garcia, resident, addressed the Council regarding the rent assistance program. Voltaire Montemayor, resident, spoke about Thanksgiving and activity at St. John's. Veronica Salce, resident, thought more work needed to be done on rent and the assistance program to help families in need in Milpitas.
ANNOUNCEMENTS	Vice Mayor Dominguez asked the City Council to request consideration of a CEDAW ordinance introduction in January to recognize the Women's March anniversary. The ordinance was related to combatting all forms of discrimination against women. The Vice Mayor wanted Council to consider creating a gender equity task force, possibly to be led by Councilmember Montano. The City Attorney asked the Councilmembers if they wanted this item to come on an agenda in January and all replied yes. Mr. Diaz responded that staff could study and come back with findings and an analysis after the Vice Mayor provided him with information on the topic. Councilmember Nuñez commented that he'd received a communication from the School District about the Jack Emery food drive challenge. He wanted to know if the City was involved. . Mayor Tran said it was not too late to join, and that he would like to team up with his colleagues on this. The City Manager noted that his office could assist Councilmembers in coordinating this effort.

**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. By roll call, none were reported.

APPROVAL OF AGENDA

Motion: to approve the City Council agenda, as amended, moving agenda item no. 19 (regarding Vice Mayor) to be heard prior to the public hearings

Mayor Tran asked to move items no. 18 (Sister Cities) and no. 19 to be heard following the Public Hearings.

Vice Mayor Dominguez requested the City Attorney comment on whether the City was at risk of litigation if she asked to move item no. 19 to be heard before the Public Hearings. Mr. Diaz replied that the Council had discretion with their agenda.

Mayor Tran polled the Council about moving item no. 19 ahead of the public hearings and Councilmembers agreed to do that.

Motion/Second: Councilmember Nuñez/Councilmember Montano

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

CONSENT CALENDAR

Motion: to approve the consent calendar including agenda items no. 1, 2, 3, 5, 8, 9 and 12

Councilmember Nuñez requested to remove agenda items no. 4, 6, 7, 10, 11, and 13 from the consent calendar.

Regarding the calendar, Mr. Nuñez asked about the upcoming Valley Transportation Authority Board of Directors meeting with the police contract on that agenda, and if there was any action needed at this City Council meeting. Mayor Tran responded, stating that VTA was planning to extend the existing contract with the Sheriff for police services and Police Chief Armando Corpuz confirmed this and stated that no Council action was needed at this time.

Councilmember Nuñez inquired about the Silicon Valley Clean Energy Board meeting on December 11 had received phone calls from San Jose to sign on to the letter regarding PG&E restructuring. Mr. Nuñez asked if the matter was going to come back at the next meeting. Public Works Director Tony Ndah responded that staff would bring the matter back at a later date when more information was available.

Motion/Second: Councilmember Montano/Councilmember Nuñez

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

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|----------------------------------|---|
| C1. Council Calendar | Councilmember Nuñez made several inquiries about agency meetings, to which staff responded.

The City Council received the calendar of upcoming meetings for the month of December 2019. |
| C2. Meeting Minutes | Approved City Council meeting minutes of November 12 and 19, 2019. |
| C3. Ordinance No. 38.839 | Waived the second reading and adopted Ordinance No. 38.839 regarding updated regulations of massage establishments in Milpitas. |
| 4. Resolution – vehicle purchase | Councilmember Nuñez asked the Purchasing Agent to provide more information about what the City was doing to make its fleet green since only one vehicle in the recommended purchase was electric. Councilmember Nuñez also expressed concerns about using personnel vacancy savings for this purchase. Public Works Director Tony Ndah responded that the City’s lease program included several electric and hybrid vehicles. The purchase recommended with this item was for |

specialized vehicles for Public Works and Police which were not available with “green” technology. Mr. Ndah also said that although use of vacancy savings was recommended for this purchase, the action here was specifically for Council consideration so that it could either approve or reject staff’s recommendation.

Motion: to adopt Resolution No. 8924 authorizing the Purchasing Agent to purchase vehicles and equipment approved in the FY 2019-20 budget through two Cooperative Procurement Contracts with Sourcewell for (1) 6 Police Department vehicles and 6 Public Works vehicles from the National Auto Fleet Group for \$458,684.53; and (2) one Caterpillar 430F2 HRC Backhoe Loader with Caterpillar WT-BHL Work Tools for the Public Works Department from Peterson Cat for \$168,868.44

Motion/Second: Councilmember Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

C5. Resolution – accept project Adopted Resolution No. 8925 approving acceptance of the South Milpitas Blvd. Extension, Project No. 2004, and Water, Sewer, and Storm Drain Utility Improvements, Projects No. 3711, No. 6121 and No. 7125 completed by the Santa Clara Valley Transportation Authority as part of the Bay Area Rapid Transit (BART) Extension.

6. Resolution – Temp Fire Station No. 2 While this item was removed from consent, no discussion was held.

Motion: to adopt Resolution No. 8926 to approve project plans and specifications for the temporary Fire Station No. 2 tenant improvements Project No. 3447, to award a construction contract for the Base Bid and to authorize the Interim City Manager to execute the contract with the lowest responsible bidder submitting a responsive bid, Ron Paris Construction Co., Inc., in the amount of \$207,198; and, to authorize the City Engineer to negotiate and execute contract change orders in an aggregate amount not to exceed \$50,000 for the project

Motion/Second: Councilmember Nuñez/Vice Mayor Dominguez

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

7. Resolution – Housing Collaborative Councilmember Nuñez was concerned about diluting the City’s voice by participating in a larger group.

Building Safety & Housing Director Sharon Goei explained that the group was intended to be a collaborative effort to find regional solutions to housing challenges and determine how to distribute funding for technical support region-wide.

Mr. Nuñez asked Ms. Goei to bring back anything the collaborative worked on to the City Council.

Motion: to adopt Resolution No. 8927 authorizing the City to join members of the Cities Association of Santa Clara County to form a housing collaborative and to provide funding for consultant services related to the housing collaborative

Motion/Second: Councilmember Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

- C8. Resolution Adopted Resolution No. 8928 authorizing reimbursement of Fire Station No. 2 Capital Improvement Expenditures from proceeds of future tax-exempt obligations.
- C9. Resolution Adopted Resolution No. 8929 increasing the Massage Permit Fee and amending the FY 2019-20 Master Fee Schedule.
10. Sole Source Report While this item was removed from consent, no discussion was held.
- City Council received the FY 2018-19 Annual Sole Source Report for the year ending June 30, 2019. No vote was taken for this matter.
11. CAFR After this was removed from the consent calendar, Councilmember Nuñez asked for the Comprehensive Annual Financial Report (CAFR) to be brought back as a non-consent item at the next meeting on December 17 for discussion.
- C12. \$750,000 Grant Accepted the 2019 Car Break-In Prevention grant in the amount of \$750,000 and approved a budget appropriation into the Police Department's operating budget.
13. Public Safety & Councilmember Nuñez asked questions of Fire Department staff Toni Charlop, staff liaison to
Emergency Preparedness the Public Safety and Emergency Preparedness Commission, including the cost of the programs
Commission Work Plan listed on the proposed work plan. Staff explained all costs were built into the Fire Department's
 Office of Emergency Services budget, along with the \$1,000 allocated to each Commission. She
 responded to more questions from Mr. Nuñez about Commission programs
- Vice Mayor Dominguez told Ms. Charlop that she and the Commissioners had done a fantastic
 job and were very committed to its purpose.
- Motion: to approve the Public Safety and Emergency Preparedness Commission work plan for
 Fiscal Year 2019-20
- Motion/Second: Councilmember Nuñez/Vice Mayor Dominguez
- Motion carried by a vote of: AYES: 4
 NOES: 0
 ABSENT: 1 (Phan)

PUBLIC HEARINGS

14. Ordinance No. 113.25 Fire Marshal Albert Zamora summarized steps taken to date to bring the updated Fire Code to
 the Council for adoption, with local amendments. Ordinance No. 113.25 had been introduced on
 November 5 and was ready for adoption.
- Next, Mayor Tran opened the public hearing.
- Resident Eileen, representing one on-demand mobile fuel company, asked the Council to adopt
 the Fire Code.
- Voltaire Montemayor, resident, said it was good implementing the code.
- Motion: to close the public hearing, following two speakers
- Motion/Second: Councilmember Nuñez/Councilmember Montano
- Motion carried by a vote of: AYES: 5
 NOES: 0
- Vice Mayor Dominguez left the dais for a brief period, prior to the vote below.

Motion: to waive the second reading and adopt Ordinance No. 113.25 enacted as Chapter 300 Title V of Milpitas Municipal Code

Motion/Second: Councilmember Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Dominguez)

15. Ordinance No. 65.147

Building Official Bill Tott gave a short report on the updated Building Code and process for the tri-ennial code adoption. Ordinance No. 65.147 was introduced on November 5 and it was ready for adoption.

Mayor Tran opened the public hearing.

Voltaire Montemayor, resident, spoke favorably of the code update.

Motion: to close the public hearing, following one speaker

Motion/Second: Councilmember Nuñez/Vice Mayor Dominguez

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

Motion: to waive the second reading and adopt Ordinance No. 65.147 amending Chapters 1, 3, 3.5, 4, 5, 6, 7, 10, 13, 14, 150, and 170 of Title II of the Milpitas Municipal Code relating to Code Administration; adopting by reference the 2019 California Building Code, 2019 California Residential Code, 2018 International Property Maintenance Code, 2019 California Mechanical Code, 2019 California Electrical Code, 2019 California Plumbing Code, 2018 International Swimming Pool and Spa Code, 2019 California Existing Building Code, and 2019 California Historical Building Code, with amendments; and amending regulations pertaining to grading, excavation, paving, and erosion control, and gas shut-off devices

Motion/Second: Councilmember Nuñez/Vice Mayor Dominguez

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

16. Ordinance No. 65.148 and Ordinance No. 65.149

Mr. Tott presented a report on the process for community engagement and outreach conducted for the new California green energy (Reach) codes and the green building standards code, over the past six months.

Councilmember Phan departed the dais and the meeting at 10:11 PM.

Councilmember Montano was pleased with the balanced approach presented by staff, to assist residents. She mentioned solar panels and a need for more of these across the City, to help offset cost of electricity.

Mayor Tran opened the public hearing.

Steve Boll from housing developer Lyon Living supported the proposed Reach codes, and appreciated the extensive outreach done, including with local developers.

Councilmember Nuñez asked staff about a response to the Mayor's prior question about eliminating gas in new construction.

City Manager Steve McHarris said staff could provide an information memo to the City Council on this rapidly evolving topic.

Next, Mayor Tran called for speakers.

Rob Means, resident, commented on a climate emergency and referenced approaches in the cities of Berkeley and Morgan Hill.

Voltaire Montemayor, resident, mentioned windmills, other sources, smell from gas, carbon in the house and detectors, the forest as fresh green and no gas smell.

(1) Motion: to close the public hearing, following two speakers

Motion/Second: Vice Mayor Dominguez/Councilmember Nuñez

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

Mr. Tott read from information provided to staff from Silicon Valley Clean Energy, on electricity savings for Milpitas customers from June 2018 to present. Power was sourced from renewable wind and solar, with reduced emissions and reduced greenhouse gas.

Councilmember Nuñez asked about how the City could help low income residents, if the city was going to an all-electric requirement (in residential buildings), and if they would qualify for the Milpitas Assistance Program. Councilmember Montano inquired about existing programs for homeowners, for solar and other energy savings in their homes. Ms. Goei responded about the Residential Building Incentive Program since last summer, with reduced costs for solar panel permits. She also asked about the PACE program, which staff explained was a financing program available since 2017.

(2) Motion: to waive the second reading and adopt Ordinance No. 65.148 amending Chapter 11 of Title II of the Milpitas Municipal Code adopting by reference the 2019 California Energy Code with amendments

Motion/Second: Councilmember Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

(3) Motion: to waive the second reading and adopt Ordinance No. 65.149 amending Chapter 19 of Title II of the Milpitas Municipal Code adopting by reference the 2019 California Green Building Standards Code with amendments

Motion/Second: Councilmember Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

LEADERSHIP

17. Ordinance No. 120.49

Finance Director Walter Rossmann provided background on Senate Bill 998, the Water Shutoff Protection Act, along with recommended changes in the City's approach via a new ordinance and a policy to be adopted by resolution. This new state law would take effect on February 1, 2020. Mr. Rossmann displayed a slide overhead with utility billing statistics for the City's water utility and described current invoicing procedures. Various steps were necessary prior to the implementation date of the regulations next February.

Mr. Rossmann shared that the City was working with low income residents and those with health issues who were delinquent with their payments.

Mayor Tran invited any speakers from the audience.

Voltaire Montemayor, resident, felt this policy would be helping residents.

Councilmember Montano said she and Councilmember Nuñez were ahead of this state law with Council Housing Subcommittee actions. Recreation Director Renee Lorentzen explained the Milpitas Assistance Program to help Milpitas residents to pay water bills and register for city recreation programs.

Councilmember Nuñez asked who would do this work (re: SB998) and staff replied, the Finance utility billing staff. Mr. Nuñez wanted all efforts to be integrated, for example with Project Sentinel, to help customers who were low income. The City Manager responded this policy would be handled “with a human touch” as it was implemented.

Mayor Tran asked to add in Tagalog as one of the languages for outreach notices, following the stated list of minority languages that staff said were planned for the outreach efforts.

Next, City Attorney Chris Diaz read aloud the title of Ordinance No. 120. 49, “An Ordinance of the City Council of the City of Milpitas Amending Title VIII (Public Works), Chapter 1 (Water System) of the Milpitas Municipal Code relating to Discontinuance and Restoration of Water Service.”

Motion: to waive the first reading beyond the title and introduce Ordinance No. 120.49 amending Title VIII, Chapter 1 of the Milpitas Municipal Code relating to Discontinuance and Restoration of Water Service

Motion/Second: Councilmember Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

Motion: to adopt Resolution No. 8930 approving a policy on Discontinuance of Residential Water Service

Motion/Second: Councilmember Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

REPORTS

18. Sister Cities program

This item was not heard and would be rescheduled for the next Council meeting.

19. Vice Mayor position

This item was heard immediately following the consent calendar vote, ahead of the public hearings. Mayor Tran gave introductory remarks about his request to consider changing the term of a Vice Mayor to be for one year(not the traditional two years), which he viewed as an opportunity for shared leadership. He asked staff to display a video from a 2018 Council meeting when the current Vice Mayor was voted in by her colleagues.

Next, Mayor Tran invited comments from audience members, up to one minute each.

Yolie Garcia, Milpitas resident, spoke on keeping the current Vice Mayor and to allow the full term.

John Doll, Milpitas resident, saw no reason to cut short the term of Karina Dominguez, who was doing a fine job. Any such change should be made aware to the public, with more lead time.

Lisa Ledell, from city of Saratoga, emphasized the need to have someone in a term for length of an agreed upon term, here for two years as Vice Mayor.

Angela Tirado, the voice of San Jose, urged letting Karina complete her two-year term as the Vice Mayor.

Donna Casillo, a San Jose resident, commented on the Mayor's remark that this was not important city business. She felt there was conflicting information that the Mayor had provided.

Mimi Hernandez, from San Jose, sat on a small business council there. She said the Mayor was passing the ball to the person he wanted.

Chandra Brooks, from San Jose, supported Vice Mayor Dominguez, and said she should be able to continue her two year term.

Evangeline, a San Jose resident, was concerned about the proposed change

Rose Flores, a Santa Clara County resident, recommended allowing Karina to complete her two year term, as she was doing good service.

Rev. Jeff Moore felt this was an act of revenge on the Vice Mayor by the Mayor, and it was disrespecting women, he believed.

Myra Zamora, a resident of Santa Clara County, came to see who the Mayor was in person. She read everything about Milpitas, and had lived here for 18 years. She had worked in Sunnyhills and discussed women status in Milpitas.

A woman who was a trustee in a school district in Santa Clara County was surprised that the Mayor asked for this item to be on the agenda and said were no complaints about Karina, so she felt this was not transparent.

Olivia Hernandez, a San Jose resident and union member, said there were many local residents who were supportive of the Vice Mayor. She was doing her job so keep her in her term.

Lam Nguyen, a Milpitas and San Jose resident, felt that women were not given enough time to learn the jobs that men have traditionally done. It seemed fair to keep Karina in her job.

Ana Narajo, Milpitas resident, came to support Karina Dominguez who had given her family motivation and came to see where she lived. No need to change the Vice Mayor.

Veronica Salce, Milpitas resident, thanked the City Council for all their efforts. She particularly appreciated Karina Dominguez and her valuable impact on the community.

Steve Volan, Milpitas resident, felt this move was done by personal motive. It should be reviewed by the Rules Committee before going on the agenda. Karina was doing a great job.

A woman from a Latina Coalition was here for swearing in of Vice Mayor Dominguez and she should be allowed to continue in the two-year term as Vice Mayor.

Rob Means, 1421 Yellowstone resident, cared about the good functioning of City government. He did not see good teamwork with the current City Council. They should not take away the job of Karina. This was not a good management decision.

Barbara Doll, a Milpitas resident, supported Karina Dominguez as Vice Mayor.

Samantha Salce, a child Milpitas resident, supported Karina in her position. Her younger sister also spoke in support of the Vice Mayor.

Voltaire Montemayor, Milpitas resident, believed Karina would like to continue as Vice Mayor, and she was doing great.

David Flashner, Milpitas resident, commented back to the Mayor about his comment that roles were not going to change. He wanted to hear from Karina if she felt her role would change.

Next, Mayor Tran offered his colleagues to comment, after he explained his request for this item, as directed by the full City Council at the last meeting held on November 19.

Councilmember Nuñez asked the City Attorney what the laws or guidance were to allow the City Council to make a change or not. The City Attorney stated that there were no laws related to the topic of Vice Mayor.

City Manager McHarris added that based on staff research, there were no official rules on what the Mayor proposed or any requirements about the role of Vice Mayor.

Councilmember Montano noted that all five members put this item on the agenda and suggested they could postpone the topic to another meeting.

Councilmember Phan remarked this was an issue that provoked a lot of emotion. People were going to feel hurt no matter how they decided. He stated that he would like the Council to decide what to do at this meeting and then move on.

Vice Mayor Dominguez thanked audience members for being at City Hall. She was sad for the division this issue has caused. She thanked the Mayor for bringing this item forward and stated that she took the role of Vice Mayor very seriously.

Vice Mayor wanted to make a motion to open up a task force to address re-organization of government of the City with members of the community to build a vision of the City. She wanted to finish her two-year term and stated that there was a need to define the role of Vice Mayor. She wanted more communication regarding events and a defined Council process for commendations.

Ms. Dominguez asked the City Manager or City Attorney about the timeframe for an idea brought by City Council. The City Manager answered that would vary. For a task force, it would take several months to put together, meet and come to conclusions, so perhaps six months or more. She stated she wanted to move this item, and that she recommended a task force.

Mayor Tran asked all Councilmembers to share their thoughts.

Councilmember Nuñez took exception to a comment heard earlier about “my council.” All Councilmembers contributed equally. He did not want to have another task force, since nothing ever was accomplished following those reports that task forces have generated in the past. It would not take long to determine what the position of Vice Mayor did, so he urged staff to take the time needed and bring it back to City Council. The Council needed a more “deep dive” into the topic of shared governance, looking at roles of Mayor, Vice Mayor, City Manager and Commissioners.

Mr. Nuñez proposed asking the City Manager to come back in January with what the job really entailed and include a Council discussion about shared governance. This should happen no later than the first meeting in January on what to do with the Vice Mayor position.

Councilmember Phan thanked all the speakers for coming and supporting their friend. He reminded the Council that they were temporary occupants of these jobs.

Councilmember Montano agreed with Mr. Nuñez, to ask staff to come back to Council with parameters on the Vice Mayor role. She made a motion , as Mr. Nuñez had described.

Mayor Tran agreed with Ms. Montano, and said they could continue to explore.

City Manager Steve McHarris summarized what he had heard from the City Council:

- 1) staff would bring back in the next two meetings, probably in January, to see what the City has had in place historically
- 2) take a look at what the job entailed and define the Vice Mayor's role
- 3) define the Mayor's role
- 4) continue discussion on shared governance later
- 5) look at legacy pieces from past City Councils

Councilmember Montano asked to look at what other cities did, such as Hollister, where other cities take turns and the Mayor shifts each year.

Mayor Tran referenced the City Council Handbook.

Councilmember Nuñez confirmed this would come back at the January 7 Council meeting.

Vice Mayor Dominguez clarified that on January 7 staff would come back with information, and asked what the next step would be. The City Manager said it would be for Council discussion, with something approvable as well as information about rotation. City Attorney Chris Diaz commented that with a directly elected Mayor, the Government Code would apply and this question would have to go to the voters.

Ms. Dominguez noted the need to move forward and wanted to include the community on this topic through a poll. She asked that in order to allow enough time this topic should be brought back in the beginning of February.

Councilmember Nuñez stated that he had faith that the polling could be completed and information brought back by January. He stressed outreach would be to citizens of Milpitas (not San Jose). Shared governance would be the conversation topic he most looked forward to.

Mr. McHarris reported that the staff already planned to conduct a community survey in January, statistically valid, so staff could add this topic to the questions asked.

Councilmember Phan stated that he did not want the Vice Mayor position and wanted that made unequivocally clear to the public.

Mayor Tran thanked all the people who came to the meeting and was pleased to have had the discussion, even though no decision was made so far. This was discussed based on the last meeting's direction by the full City Council.

Vice Mayor Dominguez asked to include a question about whether there should be a primary for the Mayor's seat in the election, in the future.

Mayor Tran announced he was ready to move to a rotating Mayor system, at the next meeting. However, the City Attorney confirmed what Councilmember Nuñez stated, there was already a voter approved process for the Mayoral election and moving to a rotational system would require voter approval.

The City Manager listed the topics to be brought back with more information: other cities' definition of Mayor and Vice Mayor roles, information from the existing City Council Handbook and previously proposed updated version, item to come back with something actionable at the second meeting in January, including rotation of positions of Mayor and Vice Mayor, and legal analysis. Vice Mayor Dominguez wanted to include a poll about putting the Mayor in a primary election. The City Attorney would explore the legality of that and include information in the legal analysis.

Motion: to direct staff to return in January with an actionable report including information on: historically what the City of Milpitas had done concerning the position of Vice Mayor, define what the job really entailed including other cities' definitions of the role and from the Milpitas City Council Handbooks, define the Vice Mayor's role, define the Mayor's role, explore a process for rotating the Mayor's position, and to continue conversation on shared governance (later on); and, the Vice Mayor requested research on whether there could be a primary election for the Mayor's seat, and if legally acceptable, to then conduct a poll on having the Mayor's race in a primary election

Motion/Second: Councilmember Nuñez/Vice Mayor/Dominguez

Motion carried by a vote of: AYES: 4
NOES: 1 (Phan)

NEXT AGENDA

20. Preview next agenda Received a list of agenda items for the December 17, 2019 City Council meeting.

ADJOURNMENT

Mayor Tran adjourned the regular Council meeting at 11:17 PM.

*Meeting minutes respectfully drafted and submitted by
Mary Lavelle, City Clerk*



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution to nominate one new Priority Development Area (PDA) and amend the boundaries of an existing PDA, and adopt a separate Resolution to nominate three new Priority Production Areas (PPAs) for consideration by the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG) for inclusion in Plan Bay Area 2050
Category:	Consent Calendar-Community Development
Meeting Date:	12/17/2019
Staff Contact:	Avery Stark, 408-586-3288
<u>Recommendation:</u>	Adopt a Resolution to amend the boundaries of an existing PDA and nominate one new PDA, and adopt a separate Resolution to nominate three new PPAs, for consideration by the MTC and ABAG for inclusion in Plan Bay Area 2050.

Background:

In 2008, the state legislature passed Senate Bill 375 (SB 375), directing the California Air Resources Board (CARB) to set regional targets for reducing greenhouse gas (GHG) emissions. Among other provisions, SB 375 requires metropolitan planning organizations (MPOs) to work collaboratively with cities and counties to develop regional plans to achieve GHG reduction targets established by the State. SB 375 also recognized the strong linkage between land-use planning and transportation planning and connected the Regional Allocation of Housing Needs (RHNA) and regional transportation planning to meet the goals of reducing GHG emissions.

For the San Francisco Bay Area, the MPO is the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC). In response to the State requirements under SB 375, ABAG and MTC have established a Sustainable Communities Strategy (SCS) for the region to align transportation investments, housing goals, and land use planning with efforts to reduce GHG emissions. The formal name for the SCS prepared by the MTC and ABAG is Plan Bay Area, which is a “blueprint” that establishes a long-range vision with an implementation plan for the nine-county Bay Area. Plan Bay Area forecasts development patterns based on four key issues: economy, environment, housing, and transportation.

The first Plan Bay Area was adopted by the MTC and ABAG in 2013 and is required to be updated every four years. A second version, Plan Bay Area 2040, was adopted in 2017. A copy of Plan Bay Area 2040 is available at (<http://2040.planbayarea.org/>). The latest or third iteration, Plan Bay Area 2050, will update projected patterns for regional growth over the next three decades and evaluate and revise, as needed, strategies for future investments in transportation and infrastructure. The planning process for Plan Bay Area 2050 will be formally launched in 2020 with a planned adoption date in Summer 2021.

In preparing for Plan Bay Area, the MTC and ABAG prepares a regional growth framework. This growth framework integrates planning for land use, transportation and other infrastructure, resiliency, environment, and the economy. Among other strategies, the regional growth framework aims to focus on housing and jobs in Priority Development Areas (PDAs) while identifying other areas with a high concentration of industrial activities as Priority Production Areas (PPAs). PDAs and PPAs are nominated by cities and strongly shape and influence the regional growth framework for Plan Bay Area. While PDAs were defined in the initial 2013 Plan Bay Area, PPAs are a new concept for Plan Bay Area 2050. These designations are further described below.

Priority Development Areas (PDAs) are:

- Located within an existing community;
- Planned areas for future housing and job growth;
- Reduce greenhouse gas emissions by offering various transportation options;
- Promote greater opportunities for all regardless of race or income;
- Within a half-mile of frequent transit.

Priority Production Areas (PPAs) are:

- A new addition to the Plan Bay Area process piloted this cycle;
- Intended to support middle-wage job growth via selected industrial areas close to affordable housing;
- Intended to position these areas for future planning and investment;
- Areas zoned for industrial use or have a high concentration of industrial activities; and
- More than ½ mile away from the regional rail station and outside of a PDA.

In addition to PDAs and PPAs, Plan Bay Area includes a third type of designation, Priority Conservation Areas (PCAs), which are locations designated for the protection of natural habitats and the long-term preservation of open space. These areas include natural landscapes, agricultural lands, urban green, or regional recreation. At present, the City of Milpitas has not designated any PCAs within its boundaries, but based on a voter initiative, the City has established specific development regulations focused on preserving the City's hillside areas.

Purposes of PDAs and PPAs:

The purpose of designating PDAs, PPAs, and PCAs is to help guide growth and development while preserving diverse jobs (such as production jobs) and maintaining conservation areas. Each city represented may identify areas for future growth near transit to ensure local priorities are consistent with regional goals. The designation of PDAs, PPAs, and PCAs is voluntary, and local jurisdictions may change or remove the designation of these areas at any time. The designation of PDAs, PPAs, and PCAs do not require the Planning Commission or City Council to amend local land use regulations or General Plan or to abdicate local zoning control. For local jurisdictions that elect to designate PDAs, PPAs, or PCAs, funding is available through competitive grants to conduct planning or implementation activities within the boundaries of the areas.

In recent years, the MTC and ABAG has also used Plan Bay Area to inform short-term and long-term transportation investment priorities, and regional and State funding has been allocated to projects that demonstrate clear alignment with regional and/or State priorities. The MTC and ABAG's previous report of the Plan Bay Area 2040 Investment Strategy provided metrics to identify investment principles such as funding transit efficiency and expansion projects in PDAs. Over the past six years, the MTC has provided over \$630 million towards planning and infrastructure projects in PDAs. Under Plan Bay Area 2050, the MTC and ABAG suggest increasing funding towards these areas by five percent. Based on the success of the initial PPA program, the MTC and ABAG anticipate working to identify funding opportunities and/or technical assistance to support planning and infrastructure projects to support designated PPAs.

Analysis:

As part of the current update to Plan Bay Area, staff recommends that the City Council:

1. Extend the boundaries of the City's existing Priority Development Area to include the existing TASP area and adjacent parcels that may be incorporated into the TASP as part of the ongoing update; and
2. Nominate the existing Midtown Specific Plan area and all parcels within the proposed Gateway/Main Street Specific Plan area, as a new Priority Development Area;
3. Nominate three new Priority Productions Areas within the City Milpitas as further described below.

Staff will forward the City Council's nomination to the MTC and ABAG for further consideration. The proposed PDAs and PPAs as described below conform with the proposed opportunity areas in the 2020 General Plan Update.

Proposed Amended TASP PDA

Proposed changes to the existing TASP PDA are consistent with Council direction related to the General Plan Update and will expand its boundaries to approximately 437 acres including the Innovation District area. Being reimagined to host established technology businesses, start-ups, business incubators/accelerators, and research institutions around a compact, transit-oriented and accessible cluster adjacent to the multi-modal Milpitas Transit Center. Attachment B displays the proposed boundary of expansion for this PDA. Although MTC/ABAG does not require approval of a local resolution to amend an existing PDA, this change is included here for Council consideration.

Proposed Milpitas Midtown PDA (including the proposed Milpitas Gateway/Main Street PDA)

The proposed Milpitas Midtown PDA contains approximately 589-acres of prime commercial land with frontage on Interstate 880, State Route 237 (Calaveras Blvd.) and the City's historic Main Street corridor. This area is a key gateway into the City and includes several major transportation corridors. Attachment A shows the boundaries of the proposed Midtown PDA (existing Milpitas Midtown Specific Plan area) as well as the proposed boundaries for a new Gateway/Main Street Specific Plan area, which is a "transit-rich, high-opportunity area" under the current guidelines established by the MTC and ABAG. The Tasman East light rail line traverses the proposed PDA, and the larger area will be served by a future BART extension to San Jose. Recent development activity in the area includes over 2,000 new housing units and reinvestment in the Great Mall to expand entertainment options. The City will initiate the process to create the new Gateway/Main Street Specific Plan in early 2020, and adjustments to PDA boundary can result from this Plan.

Proposed new PPAs

Staff recommends that the City Council nominate three new PPAs, as shown in the map (attached with Resolution). All three PPAs are identified as Opportunity Areas under the Milpitas General Plan Update. The purpose of the PPAs is to designate industrial and employment areas only, with no new housing proposed or required in the PPAs.

The proposed new PPAs include:

1. Southwestern Employment Area – This approximately 488-acre area is bounded by State Route 237 to the north, Interstate 880 to the east, Montague Expressway to the south, and the City of San Jose to the west. This area is home to several of the City's largest employers, including Cisco Systems, KLA, and SanDisk, as well as many other companies. This area is generally comprised of light industrial, R&D, and office uses, with limited commercial uses located in the northern and southwest portions of the site. The General Plan Update will re-designate this area as Business Park R&D with FAR up to 2.5 to enhance the areas ability to attract technology companies within proximity transit. BPR&D will accommodate office, R&D, clean light industrial, supporting commercial, and similar uses.
2. McCarthy Ranch Industrial Area – This approximately 192-acre area is generally bounded by State Route 237 to the south, Interstate 880 to the east, and Coyote Creek to the west. This area is commonly referred to as the McCarthy Business Park and is comprised of R&D, distribution facilities, office, and commercial uses. The General Plan Update will retain the current land use designation of Industrial Park in this area and increase the maximum FAR from 0.5 to 1.0 to accommodate a greater variety and intensity of employment-generating industrial park uses.
3. Central Manufacturing North – This approximately 492-acre area is generally bounded by Los Coches Street to the north, Montague Expressway to the south, Interstate 680 to the east, and the Union Pacific Railroad to the west. At present, this area is comprised of Class A warehouse space and Class A and B research and development space. The General Plan Update will retain the current land use designation of Manufacturing and increase the maximum FAR from 0.4 to 1.0 to enable the area to accommodate a greater variety and intensity of employment-generating uses and to facilitate new and more modern manufacturing operations.

Next Steps

City staff initiated the process to designate one new PDA, amend the City's existing PDA, and add three new PPAs by sending a Letter of Interest to the MTC and ABAG regarding the City's potential interest in nominating

the areas identified above. If the City Council approves the proposed nominations, a Resolution and Letter of Confirmation of the nominations is due to the MTC and ABAG by January 16, 2020.

Policy Alternative:

Alternative: Do not amend an existing PDA, or nominate a new PDA or three new PPAs for consideration by the MTC and ABAG.

Pros: No additional staff time will be dedicated to this effort.

Cons: The City will not receive potential future benefits from the designation of a new PDA, an expanded PDA, or three new PPAs. The City will not be eligible for competitive grant funding tied directly to these designations to conduct planning or implementation activities. Other regional and State funding may be allocated to other cities with projects that demonstrate clear alignment with regional and/or State priorities through their designation as PDAs or PPAs.

Reason not recommended: The proposed PDAs and PPAs are consistent with the goals of the City's General Plan Update and aligned with regional and State priorities for new growth and development. Nominating the proposed PDAs and PPAs to the MTC and ABAG creates opportunities for future grant funding with no obligation to the City or impacts on location land use regulations or General Plan policies.

Fiscal Impact:

No fiscal impact to the City of Milpitas. However, the City would qualify to apply for available grant funds for planning activities, technical studies, and infrastructure financing.

California Environmental Quality Act:

The proposed action is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) under Section 15062(b)(3) of the CEQA Guidelines, which exempts any project where it can be seen with certainty that the activity will have a significant effect on the environment.

Recommendation:

Adopt a Resolution to amend the boundaries of an existing PDA and nominate one new PDA, and adopt a separate Resolution to nominate three new PPAs, for consideration by the MTC and ABAG for inclusion in Plan Bay Area 2050.

Attachments:

Two Resolutions with related maps as Exhibits

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF MILPITAS TO NOMINATE ONE NEW PRIORITY DEVELOPMENT AREA AND AMEND THE BOUNDARIES OF AN EXISTING PRIORITY DEVELOPMENT AREA FOR CONSIDERATION BY THE METROPOLITAN TRANSPORTATION COMMISSION AND ASSOCIATION OF BAY AREA GOVERNMENTS AS PART OF PLAN BAY AREA 2050

WHEREAS, the Metropolitan Transportation Commission (the “MTC”) and the Association of Bay Area Governments (“ABAG”) are preparing Plan Bay Area 2050 (the “Plan”), a long-range plan charting the course for the future of the nine-county San Francisco Bay Area (“Bay Area”); and

WHEREAS, the Plan will serve as the Bay Area’s Regional Transportation Plan and Sustainable Communities Strategy, outlining strategies for growth and investment through 2050; and

WHEREAS, ABAG and the MTC are creating a Regional Growth Framework (“Framework”) to be used in the Plan; and

WHEREAS, this Framework includes locally nominated Priority Development Areas (PDAs) that local city or county governments have identified and approved for future growth and that serve as locations to coordinate local and regional planning for housing, jobs, and future investment; and

WHEREAS, local jurisdictions with PDAs have access to regional funding dedicated to plans and infrastructure improvements in PDAs; and

WHEREAS, the City of Milpitas desires to amend the boundaries of an existing PDA and designate a new PDA as areas of importance for the local and regional area for future housing and job growth to promote greater opportunities for everyone regardless of race and income;

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council of the City of Milpitas submits a nomination to the MTC and ABAG to designate the Midtown Specific Plan Area as a new PDA and amend the existing Transit Area Specific Plan PDA to include the proposed amended Transit Specific Plan Area, as depicted in Exhibit A, attached hereto and incorporated herein by this reference.

PASSED AND ADOPTED this _____ day of _____ 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

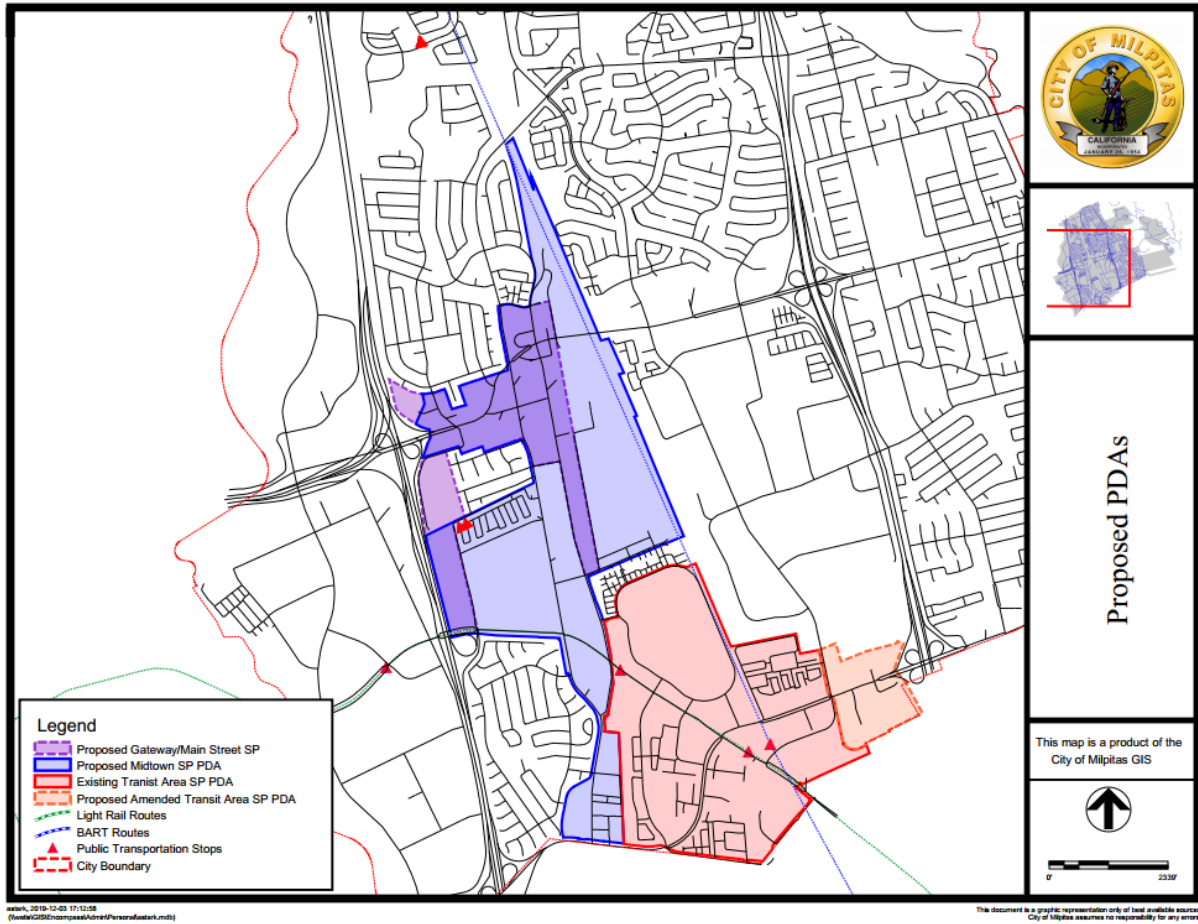
Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney

EXHIBIT A

MAP OF PROPOSED PRIORITY DEVELOPMENT AREAS



RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF MILPITAS TO NOMINATE THREE NEW PRIORITY PRODUCTION AREAS FOR CONSIDERATION BY THE METROPOLITAN TRANSPORTATION COMMISSION AND ASSOCIATION OF BAY AREA GOVERNMENTS AS PART OF PLAN BAY AREA 2050

WHEREAS, the Metropolitan Transportation Commission (the “MTC”) and the Association of Bay Area Governments (“ABAG”) are preparing Plan Bay Area 2050 (the “Plan”), a long-range plan charting the course for the future of the nine-county San Francisco Bay Area (“Bay Area”); and

WHEREAS, the Plan will serve as the Bay Area’s Regional Transportation Plan and Sustainable Communities Strategy, outlining strategies for growth and investment through 2050; and

WHEREAS, ABAG and the MTC are creating a Regional Growth Framework to be used in the Plan; and

WHEREAS, this Framework includes locally nominated Priority Production Areas (“PPAs”), industrial lands that support the vitality of the region’s economy and expand middle-wage job opportunities in industrial sectors; and

WHEREAS, local jurisdictions with PPAs may have access to future regional funding to support PPAs; and

WHEREAS, the City of Milpitas desires to designate PPAs as industrial areas of importance for the local and regional economy and offer resources to ensure the success of existing industrial businesses that expand middle-wage job opportunities;

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

The City Council of the City of Milpitas submits a nomination to the MTC and ABAG to designate the following areas as PPAs: Southwestern Employment Area, McCarthy Ranch Industrial Area and Central Manufacturing Area – North, as depicted in Exhibit A, attached hereto and incorporated herein by this reference.

PASSED AND ADOPTED this _____ day of _____ 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

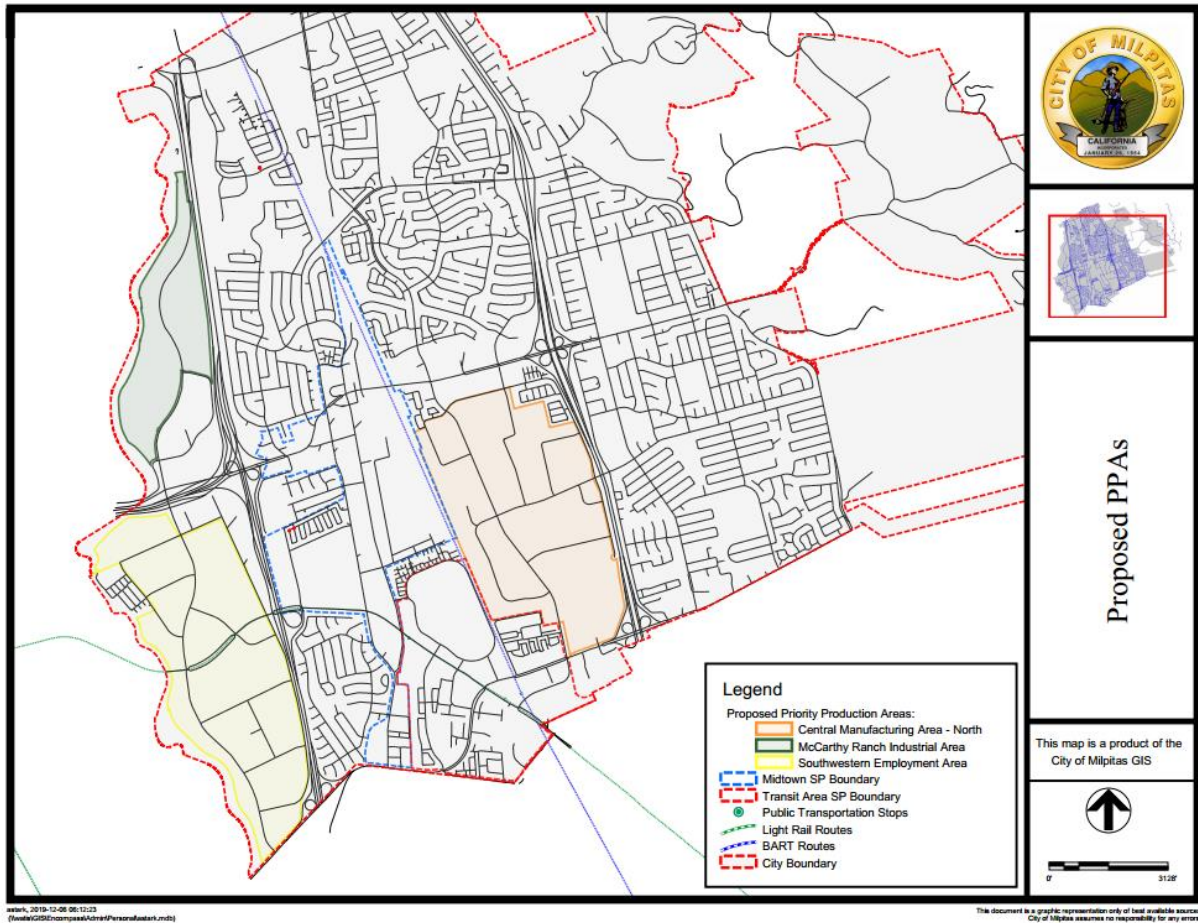
Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney

EXHIBIT A

MAP OF PROPOSED PRIORITY PRODUCTION AREAS





CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Amending the City of Milpitas Classification Plan and Adjusting the Salary Schedule for All Represented Classifications of the Milpitas Police Officers Association (Staff Contact: Liz Brown, 408-586-3086)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	12/17/2019
Staff Contact:	Liz Brown, 408-586-3086
Recommendation:	Adopt a Resolution to amend the City of Milpitas Classification Plan and to adjust the salary schedule for all represented classifications in Milpitas Police Officers Association by 4.5% effective January 5, 2020.

Background:

On April 4, 2017, the City Council approved the Memorandum of Understanding (MOU) between the City of Milpitas and the Milpitas Police Officers Association (MPOA) with a five-year term (January 1, 2017 – December 31, 2021). The MOU included a 4.5% base salary increase effective the first full pay period in January 2020, effective date January 5, 2020, for all represented MPOA classifications. At that time, the salary schedule reflecting the MPOA increase was not brought forward for Council consideration.

Analysis:

Per the California Code of Regulations § 570.5, in order to comply with state law, the City is required to bring all pay schedules before the governing board for review and approval. CCR § 570.5 specifies the required elements necessary to meet the definition of a publicly available pay schedule. For purposes of determining the amount of "compensation earnable" pursuant to GC sections 20630, 20636, and 20636.1, payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:

- (1) Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
- (2) Identifies the position title for every employee position;
- (3) Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
- (4) Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
- (5) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
- (6) Indicates an effective date and date of any revisions;
- (7) Is retained by the employer and available for public inspection for not less than five years; and
- (8) Does not reference another document in lieu of disclosing the payrate.

All eight (8) requirements must be met in one salary schedule for each member's pay, in order for CalPERS to approve the pay amount as payrate and reportable compensation earnable. The resolution and attached salary schedule fulfill these eight requirements.

Policy Alternative:

Not applicable

Fiscal Impact:

All increases related to the City Council approved MOU (January 1, 2017 – December 31, 2021) between the City of Milpitas and the Milpitas Police Officers Association have been incorporated into the FY 2019-20 Adopted Budget and will be incorporated into future budgets. There is no additional fiscal impact with approval of the recommended resolution.

California Environmental Quality Act:

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act pursuant to CEQA Guidelines section 15378(b)(5) in that it is a government organizational or administrative activity that will not result in direct or indirect changes in the environment.

Recommendation:

Adopt a Resolution to amend the City of Milpitas Classification Plan and to adjust the salary schedule for all represented classifications in the Milpitas Police Officers Association by 4.5% effective January 5, 2020.

Attachment:

Resolution to Amend Classification Plan

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING
THE RESOLUTION NO. 1626, THE CLASSIFICATION PLAN, TO ADJUST THE
SALARY SCHEDULE FOR ALL MILPITAS POLICE OFFICERS ASSOCIATION
(MPOA) REPRESENTED CLASSIFICATIONS**

WHEREAS, the City of Milpitas has a Classification Plan adopted as Resolution No. 1626 on December 17, 1968, which has been amended from time to time, and which is in accordance with the Personnel Rules and Regulations of the City of Milpitas (Resolution No. 792 as amended); and

WHEREAS, amendments to the Classification Plan are necessary to account for changes within the organization, transfer of duties, new job responsibilities, and adjustments to salary ranges; and

NOW THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Resolution No. 1626, as amended, is hereby amended effective January 5, 2020, as follows:

Adjust the salary schedule for all MPOA represented classifications by 4.5% effective January 5, 2020 per the Memorandum of Understanding between the City of Milpitas and the Milpitas Police Officers Association dated January 1, 2017 – December 31, 2021. A listing of the classifications is attached hereto as Attachment (“MPOA Salary Schedule Effective January 5, 2020”).

PASSED AND ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney

Attachment to Resolution

Milpitas Police Officers Association (MPOA) Salary Schedule

Effective January 5, 2020

Job Classification	Monthly Salary Range	
Communications Dispatch Supervisor	\$ 9,315.21	\$ 11,322.74
Communications Dispatcher	\$ 8,065.46	\$ 9,803.48
Patrol Officer	\$ 8,623.33	\$ 10,481.60
Patrol Officer Trainee	\$ 8,438.14	\$ 10,256.40
Police Assistant	\$ 8,194.02	\$ 9,959.87
Police Clerk I	\$ 5,873.41	\$ 7,139.03
Police Clerk II	\$ 6,460.60	\$ 7,852.95
Police Clerk Supervisor	\$ 7,462.15	\$ 9,070.27
Police Evidence Technician	\$ 6,851.62	\$ 8,328.22
Police Lieutenant	\$ 13,226.94	\$ 16,077.49
Police Officer	\$ 9,429.71	\$ 11,462.00
Police Officer Trainee	\$ 9,227.16	\$ 11,215.82
Police Sergeant	\$ 11,391.34	\$ 13,846.40



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager to Execute Amendment No. 3 to the Retired Annuitant Employment Agreement between the City of Milpitas and Joseph Minton for one additional year annually not to exceed \$63,484.80 and a total not to exceed \$204,580.80 (Staff Contact: Henry Kwong, 408-586-2419)
Category:	Consent Calendar-Public Safety
Meeting Date:	12/17/2019
Staff Contacts:	Purchasing Agent Chris Schroeder, 408-586-3161 Police Captain Henry Kwong, 408-586-2419
<u>Recommendation:</u>	Authorize the City Manager to execute Amendment No. 3 to the Retired Annuitant Employment Agreement between the City of Milpitas and Joseph Minton for one additional year annually not to exceed \$63,484.80 and a total not to exceed \$204,580.80.

Background:

On June 21, 2017 the City of Milpitas and Joseph Minton, a retired Milpitas Police Officer, entered into a Retired Annuitant Employment Agreement. The term of the agreement was from August 1, 2017 to June 30, 2018. The services specified in the Agreement included assistance with the implementation of a new Records Management System (RMS), Computer Aided Dispatch (CAD), and Silicon Valley Regional Communications Systems (SVRCS) for the Police Department. The initial contract was for 960 hours over the course of ten months at the rate of \$58.79 per hour for a total first year contract amount of \$56,438.40.

On July 1, 2018, the City and Mr. Minton entered into Amendment No. 1 to the Retired Annuitant Employment Agreement, which extended the agreement for six (6) months from July 1, 2018 to December 31, 2018 and increased the dollar value by \$28,219.20 for a new total not-to-exceed contract amount of \$84,657.60.

On December 5, 2018, the Parties entered into Amendment No. 2 to the Retired Annuitant Employment Agreement, which extended the agreement for twelve months from January 1, 2019 to December 31, 2019 and increased the dollar value by \$56,438.40 for a new total not-to-exceed contract amount of \$141,096.00.

Analysis:

The SVRCS and RMS projects have been delayed. The SVRCS project has experienced delays in necessary infrastructure, including the needed radio transmission sites. Radio equipment installation and training is ongoing with full operational testing expected through the fall of 2020. The RMS project has also been delayed due to the original vendor being deemed unsuccessful. The process is underway for replacing the original vendor. Full implementation of the new RMS is expected by the end of 2020. Therefore, it is in the City's best interest to continue the employment of the Mr. Minton until completion of the RMS and SVRCS projects. Staff recommends that the City extend the Retired Annuitant Employment Agreement for one additional year from January 1, 2020 to December 31, 2020. During the additional contract period Mr. Minton would be authorized to work up to nine hundred sixty (960) work hours, ensuring that total hours during the 2019-20 and 2020-21 fiscal years do not exceed 960.

Effective January 5, 2010, the hourly rate to be paid to Mr. Minton will be \$66.13. This hourly rate reflects an increase of 4.5% per the established salary rate that will be effective as of the first pay period in January 2020 pending Council approval of a publicly available pay schedule for the Milpitas Police Officers' Association (MPOA) consistent with the Memorandum of Understanding between MPOA and the City scheduled for Council consideration for the December 17, 2019 Council Meeting. From January 1, 2020 to January 4, 2020, the hourly rate will remain \$63.279 to ensure compliance with the working after retirement rules under the Public Employees' Retirement Law. The increase in value of the contract for this additional year will be up to \$63,484.80 depending on the hours worked for a revised total not-to-exceed contract amount of \$204,580.80.

Policy Alternative:

Alternative: Do not amend the Retired Annuitant Employment Agreement for one additional year.

Pros: It would result in eliminating the expense of \$63,484.80.

Cons: The Retired Annuitant has been designated as the project manager for the RMS project and SVRCS project and is able to focus on the projects exclusively during his work hours. Not having his services available would significantly impede the progress of each project.

Reason not recommended: The benefits from the services provided by the Retired Annuitant far exceed the actual costs of his services. He is able to dedicate his work hours solely to the important projects and brings a tremendous amount of technical skills and historical knowledge that are vital to working efficiently with vendors, contractors, other departments, and external agencies.

Fiscal Impact:

There is sufficient funding in the Police Department's budget for the increased cost of \$63,484.80.

California Environmental Quality Act:

Not applicable

Recommendation:

Authorize the City Manager to execute Amendment No. 3 to the Retired Annuitant Employment Agreement between the City of Milpitas and Joseph Minton for one additional year annually not to exceed \$63,484.80 and a total not to exceed \$204,580.80.

Attachment:

Draft Amendment No. 3

**THIRD AMENDMENT TO
RETIRED ANNUITANT EMPLOYMENT
AGREEMENT BETWEEN
THE CITY OF MILPITAS AND JOSEPH MINTON**

This Third Amendment is entered into this ____ day of December, 2019, by and between the City of Milpitas, a municipal corporation of the State of California (hereafter referred to as “City”) and **Joseph Minton**, (hereinafter “Retired Annuitant”). City and Retired Annuitant are jointly referred to hereinafter as the “Parties.”

RECITALS:

WHEREAS, the Parties entered into the Retired Annuitant Employment Agreement dated June 21, 2017, (the “Agreement”) pursuant to Government Code Section 21224 for the provision of services specified in the Agreement, including assistance with the implementation of a new Records Management System (RMS), Computer Aided Dispatch (CAD), and Silicon Valley Regional Communications Systems (SVRCS) projects for the Police Department. The Agreement was for 960 hours over the course of 10 months at the rate of \$58.79 per hour, for a total maximum Agreement amount of \$56,438.40; and

WHEREAS, on July 1, 2018, the Parties entered into the First Amendment to the Agreement, which extended the Agreement term for 6 months from July 1, 2018 to December 31, 2018, limited to a maximum of 480 hours at \$58.79 per hour, thereby increasing the Agreement amount by \$28,219.20, for a new total maximum Agreement amount of \$84,657.60; and

WHEREAS, on December 5, 2018, the Parties entered into the Second Amendment to the Agreement, which extended the Agreement term for 12 months from January 1, 2019 to December 31, 2019, limited to a maximum of 960 hours at the rate of \$58.79 per hour, thereby increasing the Agreement amount by \$56,438.40, for a new total maximum Agreement amount of \$141,096.00; and

WHEREAS, the completion of the RMS, CAD, and SVRCS projects have been delayed. The SVRCS project has experienced delays in necessary infrastructure, including the needed radio transmission sites. Radio equipment installation and training is ongoing with full operational testing expected through the fall of 2020. The RMS project has been delayed due to the original vendor being deemed unsuccessful. The process is underway for replacing the original vendor. Full implementation of the new RMS is expected by the end of 2020. Therefore, it is in the City’s best interest to continue the employment of the Retired Annuitant for one additional year to ensure smooth implementation of the projects and the Parties now desire to extend the term of the Agreement for one year and to increase the hourly rate.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained, the Parties agree to amend the Agreement as follows:

1. Section 1. “Terms of Services” is revised to read as follows:

“The term of this Agreement is from August 1, 2017 and shall automatically expire on December 31, 2020, unless terminated sooner as provided below.”

2. The maximum compensation amount of the Agreement of One-Hundred Forty-One Thousand Ninety-Six dollars and Zero cents (\$141,096.00), is increased by Sixty-Three Thousand Four Hundred Eighty dollars and Eighty cents (\$63,480.80), for a new total not-to-exceed Agreement amount of Two Hundred Four Thousand Five Hundred Eighty dollars and Eighty cents (\$204,580.80), which shall be paid to Retired Annuitant on an hourly basis at the rate of Sixty-Three dollars and Twenty-Seven cent (\$63.27) until it is increased to Sixty-Six dollars and Thirteen cents (\$66.13) effective as of the first full pay period in January, 2020.

3. All other provisions of the Agreement not amended by this Third Amendment shall remain in full force and effect.

Approved by:

City of Milpitas
A municipal corporation

Joseph Minton,
Retired Annuitant

Steven G. McHarris,
Interim City Manager

Signature

Approved as to Form:

Printed Name

Christopher J. Diaz, City Attorney

Title

Approved:

Date

Walter C. Rossmann,
Risk Manager/Director of Finance

Approved as to Content:

Armando Corpuz, Chief of Police



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve Final Tract Map No. 10476; and Approve and Authorize the Interim City Manager to Execute the Subdivision Improvement Agreement for a Mixed-Use Development at 1320 and 1425 McCandless Drive
Category:	Consent Calendar-Community Development
Meeting Date:	12/17/2019
Staff Contact:	Steve Erickson, City Engineer, 408-586-3301
Recommendations:	1. Approve Final Tract Map No. 10476, accept all offers of dedications as stated and depicted on the final map upon completion and acceptance of improvements; and 2. Approve and authorize the Interim City Manager to execute the Subdivision Improvement Agreement between the City of Milpitas and Milpitas – District 4 Owner, LLC, subject to minor legal changes deemed necessary by the City Attorney.

Background:

On November 17, 2015, the City Council approved Site Development Permit (SD15-0006), Conditional Use Permit (UP15-0010) and Major Vesting Tentative Maps (MT15-0006, MT15-0007, MT15-0008, MT15-0009) to allow construction of a hotel building, residential dwelling units, retail space and related site improvements. The District 1 project would be constructed upon four lots, and the 26.65-acre site is within the McCandless/Center Pointe and Montague Corridor sub-districts of the Transit Area Specific Plan area.

Development of Phase 1 of the approved project has been completed, and development of Phase 2 is under construction. The final phase of the project is located on Final Tract Map No. 10476, Lots 1, 2, 3 and 4. The approved development on these lots consists of 596 residential dwelling units, a 175-room hotel, and 70,923 square feet of retail space on 8.18 acres located at 1320 and 1425 McCandless Drive. The developer is Milpitas – District 4 Owner, LLC (Developer).

Analysis:

Final Tract Map No.10476 is now complete and ready for approval by the City Council. The City Engineer has examined the final map and determined that the map is substantially the same as the previously approved Vesting Tentative Map and finds that it conforms to all requirements of the State of California Subdivision Map Act, and Milpitas Municipal Code (MMC) and the terms and conditions of the Vesting Tentative Map.

The Developer has offered required dedications to the City for public use, including easements for public service and utilities, overland storm water release, and emergency vehicle access purposes, as shown on the final map. Staff recommends the City Council approve the final map and to accept these dedications, subject to completion and acceptance of public improvements to be installed by the Developer.

The Developer has agreed to enter into a Subdivision Improvement Agreement (SIA) with the City for the construction of off-site public improvements for the project which will be completed with the on-site work. The public improvements will be accepted by the City upon final map approval, the successful completion and passing of City inspection. The public improvements to be constructed include asphalt and concrete pavement; street median improvements; signing and striping; curb and gutter; sidewalk; driveway approach; utility mains and services; landscaping and other miscellaneous items of work identified on the improvement plans. Th

improvements will be completed within 2 years from the date of the SIA, and the work is guaranteed by bonds or similar securities to be posted by the Developer in the amount of \$680,985.

The City Engineer has reviewed the public improvement plans (E-EN19-0262 and E-EN19-0076) and is recommending the City Council approve the Subdivision Improvement Agreement to allow for the construction of public improvements after final map approval.

Policy Alternative:

Alternative: Deny approval of Final Map and Subdivision Improvement Agreement.

Pros: None

Cons: The site is currently vacant and a denial of approval of the Final Map or the Subdivision Improvement Agreement will cause the lot to remain vacant and undeveloped. The City would not benefit from the addition of 596 residential housing units, 175 room hotel and 70,923 SF of retail space.

Reason not recommended: To allow the Project to move forward, staff recommends approval of Final Map and Subdivision Improvement Agreement for Tract No. 10476.

Fiscal Impact:

Required public improvements will be constructed by the Developer and there will be no fiscal impact to the City.

California Environmental Quality Act:

Approval of final subdivision map is a ministerial action exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15268(b)(3). Approval of the Subdivision Improvement Agreement implements this project for which CEQA review has already been completed through the City Council's adoption of Resolution No. 8509 adopting an addendum to the previously certified Transit Area Specific Plan Environmental Impact Report.

Recommendations:

1. Approve Final Tract Map No. 10476, accept all offers of dedications as stated and depicted on the final map upon completion and acceptance of improvements; and
2. Approve and authorize the Interim City Manager to execute the Subdivision Improvement Agreement between the City of Milpitas and Milpitas – District 4 Owner, LLC, subject to minor legal changes deemed necessary by the City Attorney.

Attachments:

Final Tract Map No. 10476
Subdivision Improvement Agreement

OWNER’S STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF OR HAVE SOME RIGHT, TITLE, OR INTEREST IN AND TO THE REAL PROPERTY INCLUDED WITHIN THE SUBDIVISION SHOWN HEREON; THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID REAL PROPERTY; THAT WE CONSENT TO THE MAKING AND FILING OF THIS SUBDIVISION MAP AS SHOWN WITHIN THE DISTINCTIVE SYMBOL LINE.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS EASEMENTS FOR PUBLIC PURPOSES:

WE HEREBY OFFER FOR DEDICATION TO THE CITY OF MILPITAS THE EASEMENT DELINEATED HEREON AND DESIGNATED AS "STREET DEDICATION IN EASEMENT" FOR PUBLIC USE FOR ROADWAY PURPOSES, OPERATION, ALTERATION, RELOCATION, MAINTENANCE, REPAIR AND REPLACEMENT OF ALL PUBLIC SERVICE FACILITIES AND THEIR APPURTENANCES OVER, UNDER, ALONG, AND ACROSS THE FOLLOWING:

- 1. "PARCEL B" (SHOWN AS CENTRE POINTE DRIVE).

WE HEREBY OFFER FOR DEDICATION TO THE CITY OF MILPITAS FOR PUBLIC USE FOR OPERATION, ALTERATION, RELOCATION, MAINTENANCE, REPAIR AND REPLACEMENT OF ALL PUBLIC SERVICE FACILITIES AND THEIR APPURTENANCES, OVER, UNDER, ALONG, AND ACROSS THE FOLLOWING:

- 1. EASEMENT FOR EMERGENCY VEHICLE ACCESS PURPOSES (EAE).
- 2. EASEMENT FOR PUBLIC SERVICE, UTILITY AND SIDEWALK EASEMENT PURPOSES (PSUSE).
- 3. EASEMENT FOR SURFACE DRAINAGE RELEASE OF STORM WATER (SDRE).

MODIFICATION OF THE PRIVATE STREETS VERTICAL AND HORIZONTAL GEOMETRY, WITHIN SAID EASEMENT AREAS, SHALL BE PROHIBITED WITHOUT CITY APPROVAL TO AVOID THE NEGATIVE IMPACT OF STORM WATER TO SURROUNDING SUBDIVISIONS. AN ANALYSIS OF THE 100-YEAR HYDRAULIC CONDITIONS WAS PREPARED BY SCHAAF AND WHEELER, CONSULTING CIVIL ENGINEERS, IN THE DOCUMENT ENTITLED "FINAL MEMO", JOB NO. DRHB.07.16, DATED JUNE 17, 2016, SIGNED BY CAITLIN J. GILMORE, PE, RCE NO. 76810, AND IS ON FILE WITH THE CITY OF MILPITAS.

THE ABOVE MENTIONED EASEMENTS (EAE), (PSUSE), AND (SDRE) SHALL REMAIN OPEN AND FREE FROM BUILDINGS AND STRUCTURES OF ANY KIND EXCEPT UTILITY SERVICE AND UTILITY STRUCTURES, CURBS, SIDEWALKS, APPURTENANCES TO THE ABOVE, AND ALL LAWFUL UNSUPPORTED BUILDING OVERHANGS. UNOBSTRUCTED CONTINUOUS ACCESS SHALL BE MAINTAINED AT ALL TIMES.

WE HEREBY RESERVE FOR THE PRIVATE USE OF THE LOT OWNERS WITHIN THIS SUBDIVISION, THEIR LICENSEES, VISITORS AND TENANTS, WITH MAINTENANCE BY THE HOMEOWNERS ASSOCIATION AS STATED IN THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS CREATED FOR "TRACT 10476, GIDEON & ELION AT THE FIELDS", THE FOLLOWING:

- 1. EASEMENTS FOR PRIVATE SERVICES AND UTILITY EASEMENT PURPOSES (PRUE), INCLUDING, BUT NOT LIMITED TO, THE CONSTRUCTION AND MAINTENANCE OF SIDEWALKS, CONDUITS FOR STORM DRAINS, SANITARY SEWERS, WATER LINES, AND THEIR APPURTENANCES. SAID EASEMENTS SHALL REMAIN OPEN AND FREE FROM BUILDINGS AND STRUCTURES AND THEIR APPURTENANCES, EXCEPT FOR IRRIGATION SYSTEMS AND THEIR APPURTENANCES, LAWFUL FENCES, WALKWAYS, AND ALL LAWFUL UNSUPPORTED BUILDING OVERHANGS. UNOBSTRUCTED CONTINUOUS ACCESS SHALL BE MAINTAINED AT ALL TIMES.
- 2. THE STREET DESIGNATED AS (PRIVATE) AND SHOWN AS "PARCEL A" (MARKET STREET) ON THIS MAP IS NOT PART OF THE CITY OF MILPITAS STREET SYSTEM AND IS NOT ACCEPTED FOR PUBLIC MAINTENANCE.

WATER, SANITARY SEWER, AND STORM DRAIN UTILITIES WITHIN THE DISTINCTIVE SYMBOL LINE OF THIS MAP ARE PRIVATELY OWNED AND MAINTAINED BY THE OWNER, OR THEIR ASSIGNED, WITH THE EXCEPTION OF THE FOLLOWING:

- 1. WATER IN "PARCEL A", (MARKET STREET).

ALL DRY UTILITIES (GAS, ELECTRIC, TELEPHONE, CABLE, ETC.) WITHIN THE DISTINCTIVE SYMBOL LINE OF THIS MAP ARE OWNED AND MAINTAINED BY THE RESPECTIVE UTILITY COMPANY.

OWNER: MILPITAS–DISTRICT 2 ASSOCIATES, LLC, A DELAWARE LIMITED LIABILITY COMPANY

BY: NAME: TITLE:

OWNER ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA COUNTY OF }ss.

ON , 2019, BEFORE ME, , A NOTARY PUBLIC

PERSONALLY APPEARED WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND.

NOTARY’S SIGNATURE: NAME OF NOTARY (PLEASE PRINT): PRINCIPAL COUNTY OF BUSINESS: MY COMMISSION NUMBER: MY COMMISSION EXPIRES:

OWNER ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA COUNTY OF }ss.

ON , 2019, BEFORE ME, , A NOTARY PUBLIC

PERSONALLY APPEARED WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND.

NOTARY’S SIGNATURE: NAME OF NOTARY (PLEASE PRINT): PRINCIPAL COUNTY OF BUSINESS: MY COMMISSION NUMBER: MY COMMISSION EXPIRES:

TRUSTEE STATEMENT

WE, FIDELITY NATIONAL TITLE COMPANY, AS TRUSTEE UNDER THAT CERTAIN DEED OF TRUST RECORDED DECEMBER 23, 2015 AS DOCUMENT NO. 23180014, OFFICIAL RECORDS OF SANTA CLARA COUNTY, CALIFORNIA, DOES HEREBY CONSENT TO THE PREPARATION AND FILING OF THIS MAP, "TRACT 10476, GIDEON & ELION AT THE FIELDS", AND JOINS IN ALL DEDICATIONS THEREON.

IN WITNESS HEREOF, THE UNDERSIGNED HAS EXECUTED THIS STATEMENT ON , 2019 BY ITS DULY AUTHORIZED OFFICERS AS TRUSTEE: FIDELITY NATIONAL TITLE COMPANY

BY:

NAME:

ITS:

TRUSTEE ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA COUNTY OF }ss.

ON , 2019, BEFORE ME, , A NOTARY PUBLIC

PERSONALLY APPEARED WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND.

NOTARY’S SIGNATURE: NAME OF NOTARY (PLEASE PRINT): PRINCIPAL COUNTY OF BUSINESS: MY COMMISSION NUMBER: MY COMMISSION EXPIRES:

TRUSTEE STATEMENT

WE, FIDELITY NATIONAL TITLE COMPANY, AS TRUSTEE UNDER THAT CERTAIN DEED OF TRUST RECORDED MARCH 8, 2016 AS DOCUMENT NO. 23239443, OFFICIAL RECORDS OF SANTA CLARA COUNTY, CALIFORNIA, DOES HEREBY CONSENT TO THE PREPARATION AND FILING OF THIS MAP, "TRACT 10476, GIDEON & ELION AT THE FIELDS", AND JOINS IN ALL DEDICATIONS THEREON.

IN WITNESS HEREOF, THE UNDERSIGNED HAS EXECUTED THIS STATEMENT ON , 2019 BY ITS DULY AUTHORIZED OFFICERS AS TRUSTEE: FIDELITY NATIONAL TITLE COMPANY

BY:

NAME:

ITS:

TRUSTEE ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA COUNTY OF }ss.

ON , 2019, BEFORE ME, , A NOTARY PUBLIC

PERSONALLY APPEARED WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND.

NOTARY’S SIGNATURE: NAME OF NOTARY (PLEASE PRINT): PRINCIPAL COUNTY OF BUSINESS: MY COMMISSION NUMBER: MY COMMISSION EXPIRES:

RECORDER’S CERTIFICATE

FILE NO. FEE \$ PAID. ACCEPTED FOR RECORD AND FILED IN BOOK OF MAPS AT PAGES , SANTA CLARA COUNTY RECORDS, THIS DAY OF , 20 AT M., AT THE REQUEST OF FIDELITY NATIONAL TITLE COMPANY.

REGINA ALCOMENDRAS, RECORDER SANTA CLARA COUNTY, CALIFORNIA BY DEPUTY

TRACT 10476 GIDEON & ELION AT THE FIELDS

A SUBDIVISION FOR CONDOMINIUM PURPOSES CITY OF MILPITAS SANTA CLARA COUNTY, CALIFORNIA

A SUBDIVISION OF THE LANDS DESCRIBED IN THAT CERTAIN GRANT DEED, RECORDED MARCH 8, 2016 AS DOCUMENT #23239442, OFFICIAL RECORDS OF SANTA CLARA COUNTY, CALIFORNIA; AND "PARCEL 1" OF "TRACT ONE", AS DESCRIBED IN THAT CERTAIN GRANT DEED, RECORDED DECEMBER 23, 2015 AS DOCUMENT #23180013, OFFICIAL RECORDS OF SANTA CLARA COUNTY, CALIFORNIA

Prepared By: RUGGERI–JENSEN–AZAR 8055 Camino Arroyo, Gilroy, CA 95020 DECEMBER 2019

SURVEYOR’S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AT THE REQUEST OF MILPITAS–DISTRICT 2 ASSOCIATES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND IS BASED ON FIELD SURVEY PREFORMED BY ME OR UNDER MY DIRECTION IN OCTOBER 2018 IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND THE CITY OF MILPITAS ORDINANCE AND PROCEDURES, AND IS TRUE AND COMPLETE AS SHOWN. I HEREBY STATE THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR THAT THEY WILL BE SET IN THOSE POSITIONS BEFORE DECEMBER 2021, AND THAT THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

SIGNED: BRYAN PIERCE, PLS 8859 DATE

CITY SURVEYOR’S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND THAT I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT.

SIGNED: DEAN A. JURADO DATE
ACTING CITY SURVEYOR, CITY OF MILPITAS
KIER & WRIGHT
PLS NO. 9032

CITY ENGINEER’S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP; THAT THE SUBDIVISION AS SHOWN THEREIN IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP, IF REQUIRED, AND ANY APPROVED ALTERATIONS THEREOF; AND THAT THIS SUBDIVISION COMPLIES WITH PROVISIONS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES, APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP.

SIGNED: STEVEN PATRICK ERICKSON, P.E. DATE
CITY ENGINEER, CITY OF MILPITAS
RCE NO. 57242

SOILS REPORT

A GEOTECHNICAL REPORT WAS PREPARED BY ROCKRIDGE GEOTECHNICAL, INC. ENTITLED "GEOTECHNICAL INVESTIGATION PROPOSED MIXED–USE DEVELOPMENT THE FIELDS, DISTRICT LOT 3A 1320 McCANDLESS DRIVE & 1463 CENTRE POINT DRIVE, MILPITAS, CALIFORNIA", PROJECT NO. 17–1254, DATED APRIL 23, 2018, SIGNED BY CRAIG S. SHIELDS, PE, GE 2116, AND FILED WITH THE CITY OF MILPITAS.
A GEOTECHNICAL REPORT WAS PREPARED BY ENGEO INCORPORATED ENTITLED "GEOTECHNICAL EXPLORATION UPDATE", DATED MAY 14, 2019, PROJECT NO. 7867.301.303, SIGNED BY THEODORE P. BAYHAM, GE, CEG 2480, AND FILED WITH THE CITY OF MILPITAS.

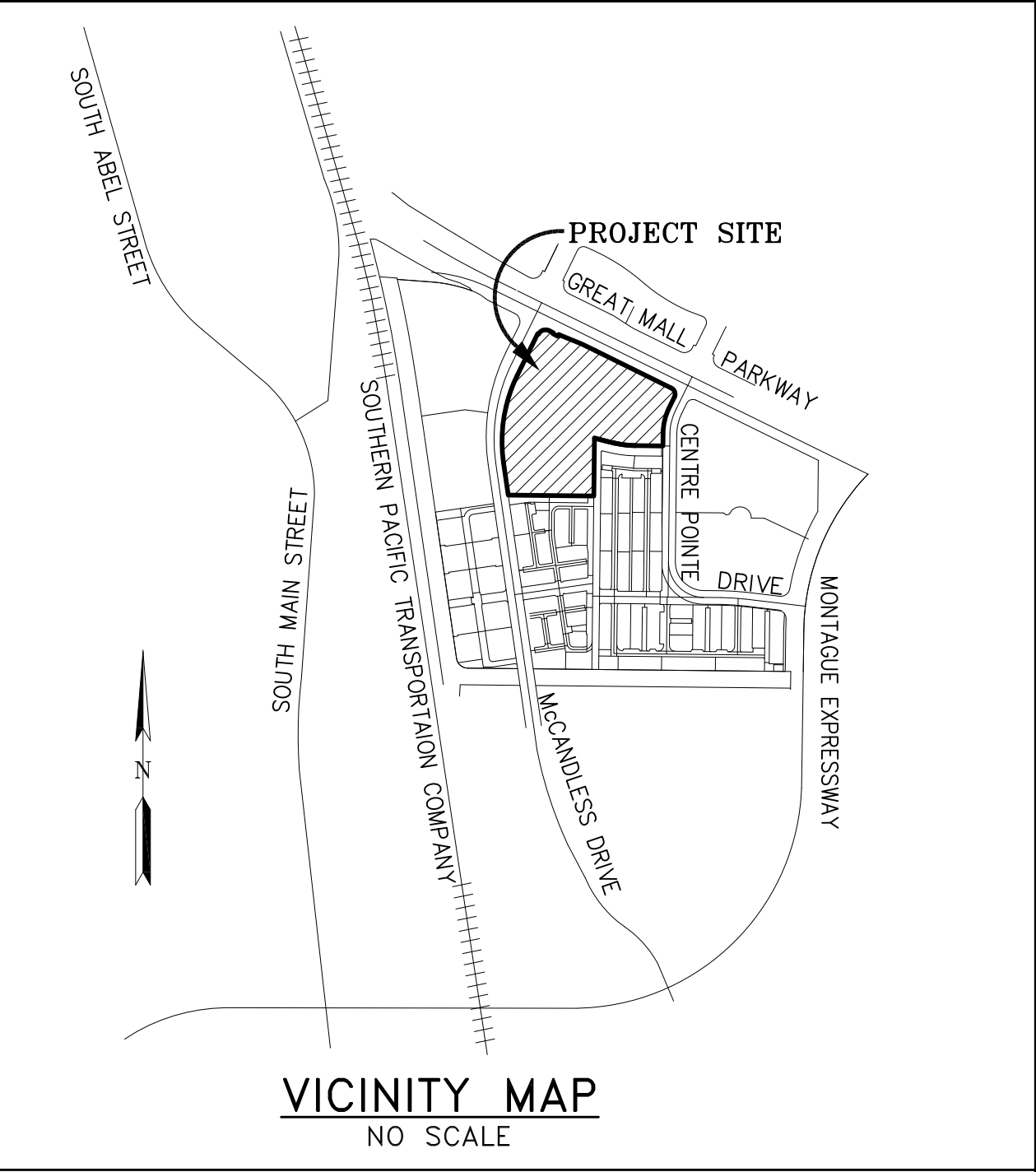
CITY CLERK’S CERTIFICATE

I, MARY LAVELLE, CITY CLERK OF THE CITY OF MILPITAS, CALIFORNIA, HEREBY CERTIFY THAT SAID CITY COUNCIL OF THE CITY OF MILPITAS, AS GOVERNING BODY OF SAID CITY AT A REGULAR MEETING HELD ON _____, 20____, HAS TAKEN THE FOLLOWING ACTIONS:

1. APPROVED THIS FINAL MAP, "TRACT 10476, GIDEON & ELION AT THE FIELDS".
2. ACCEPTED, SUBJECT TO IMPROVEMENT, ON BEHALF OF THE PUBLIC THE EASEMENTS DEDICATED FOR PUBLIC PURPOSES IN CONFORMITY WITH THE TERMS OF THE DEDICATION TO WIT:
 - a.) "PARCEL B" (SHOWN AS CENTRE POINTE DRIVE).
 - b.) EASEMENTS FOR EMERGENCY VEHICLE ACCESS PURPOSES (EAE).
 - c.) EASEMENT FOR PUBLIC SERVICE, UTILITY AND SIDEWALK EASEMENT PURPOSES (PSUSE).
 - d.) EASEMENTS FOR SURFACE DRAINAGE RELEASE OF STORM WATER (SDRE).

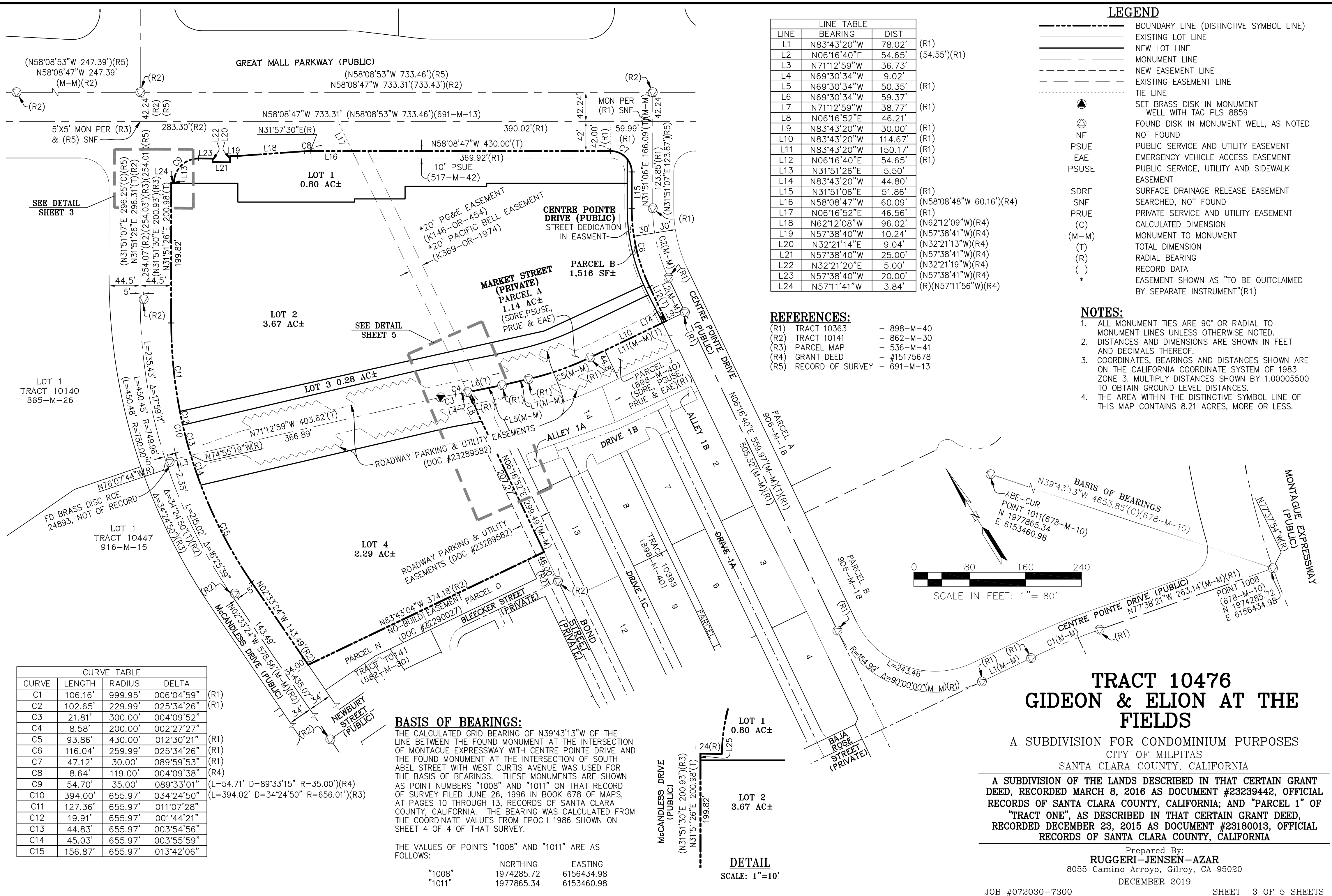
PURSUANT TO SECTION 66499.20.2 OF THE SUBDIVISION MAP ACT, THE FILING OF THIS MAP SHALL CONSTITUTE ABANDONMENT OF THE "4’ SLOPE EASEMENT" AS DESCRIBED IN THE GRANT DEED, RECORDED OCTOBER 20, 1975 IN BOOK B672 OF OFFICIAL RECORDS AT PAGE 90, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA; THE "4’ SLOPE EASEMENT" AS DESCRIBED IN THE INDIVIDUAL GRANT DEED RECORDED MAY 5, 1977 IN BOOK C797 AT PAGE 401, OFFICIAL RECORDS OF SANTA CLARA COUNTY, CALIFORNIA; THE "LANDSCAPE EASEMENT" AS DESCRIBED IN THE GRANT OF LANDSCAPE EASEMENT, RECORDED DECEMBER 10, 1985 IN BOOK J542 OF OFFICIAL RECORDS AT PAGE 2058, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA; THE "5’ SIDEWALK EASEMENT" AS DESCRIBED IN THE CITY OF MILPITAS CERTIFICATE OF ACCEPTANCE OF RIGHT OF WAY DEDICATION, RECORDED APRIL 25, 1996 IN BOOK P303 OF OFFICIAL RECORDS AT PAGE 1544, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA; AND THE "10’ PUBLIC SERVICE UTILITY EASEMENT" (PSUE) AS SHOWN ON THE PARCEL MAP FILED DECEMBER 5, 1984 IN BOOK 536 OF MAPS, AT PAGES 41 THROUGH 43, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA; AND CONTAINED WITHIN THE DISTINCTIVE SYMBOL LINE OF THIS MAP.

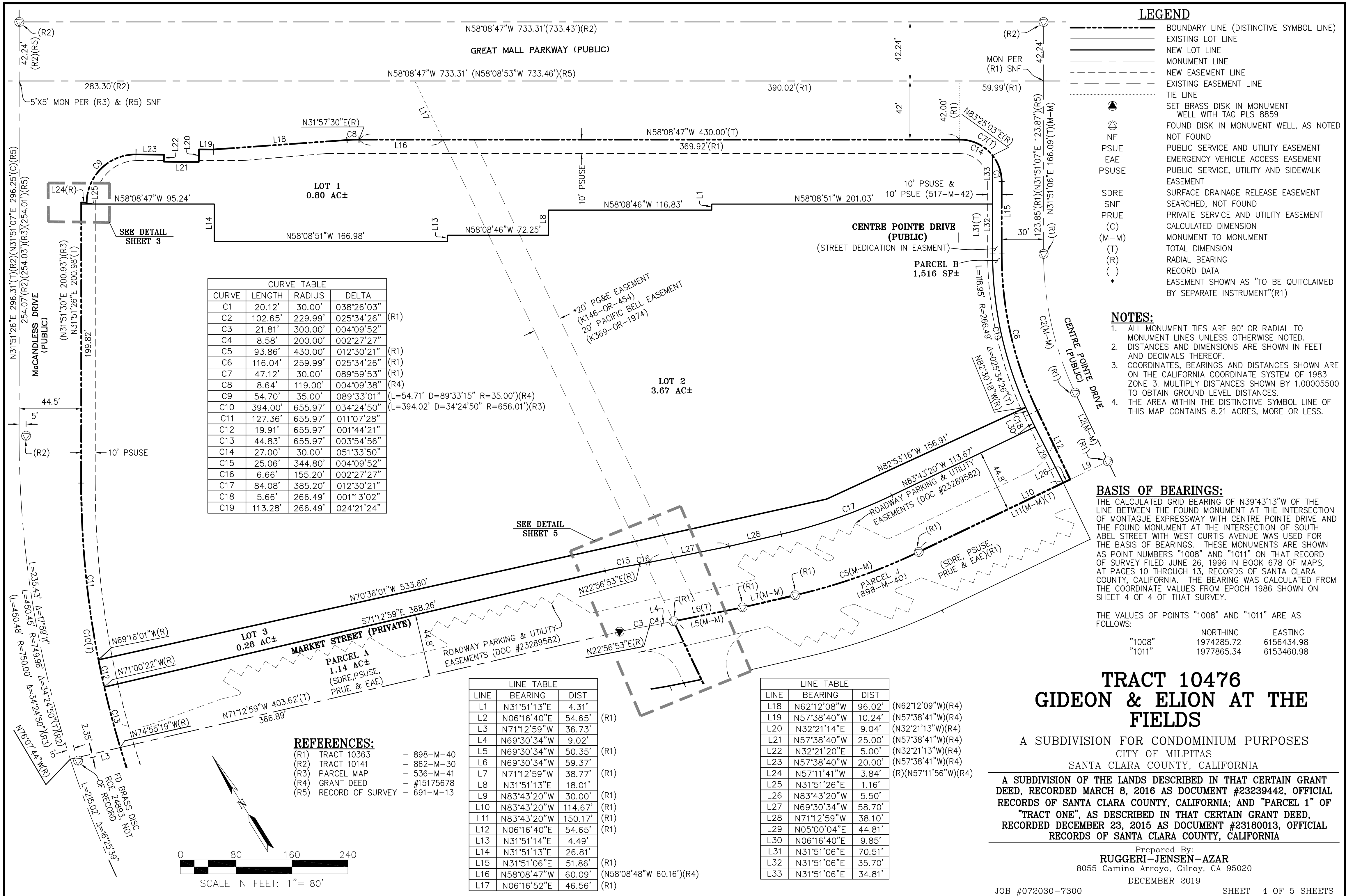
DATED: MARY LAVELLE
CITY CLERK, CITY OF MILPITAS



TRACT 10476
GIDEON & ELION AT THE FIELDS
A SUBDIVISION FOR CONDOMINIUM PURPOSES
CITY OF MILPITAS
SANTA CLARA COUNTY, CALIFORNIA
A SUBDIVISION OF THE LANDS DESCRIBED IN THAT CERTAIN GRANT DEED, RECORDED MARCH 8, 2016 AS DOCUMENT #23239442, OFFICIAL RECORDS OF SANTA CLARA COUNTY, CALIFORNIA; AND "PARCEL 1" OF "TRACT ONE", AS DESCRIBED IN THAT CERTAIN GRANT DEED, RECORDED DECEMBER 23, 2015 AS DOCUMENT #23180013, OFFICIAL RECORDS OF SANTA CLARA COUNTY, CALIFORNIA

Prepared By:
RUGGERI–JENSEN–AZAR
8055 Camino Arroyo, Gilroy, CA 95020
DECEMBER 2019





NOTES:

1. ALL MONUMENT TIES ARE 90° OR RADIAL TO MONUMENT LINES UNLESS OTHERWISE NOTED.
2. DISTANCES AND DIMENSIONS ARE SHOWN IN FEET AND DECIMALS THEREOF.
3. COORDINATES, BEARINGS AND DISTANCES SHOWN ARE ON THE CALIFORNIA COORDINATE SYSTEM OF 1983 ZONE 3. MULTIPLY DISTANCES SHOWN BY 1.00005500 TO OBTAIN GROUND LEVEL DISTANCES.
4. THE AREA WITHIN THE DISTINCTIVE SYMBOL LINE OF THIS MAP CONTAINS 8.21 ACRES, MORE OR LESS.

REFERENCES:

- (R1) TRACT 10363 - 898-M-40
- (R2) TRACT 10141 - 862-M-30
- (R3) PARCEL MAP - 536-M-41
- (R4) GRANT DEED - #15175678
- (R5) RECORD OF SURVEY - 691-M-13

LEGEND

- BOUNDARY LINE (DISTINCTIVE SYMBOL LINE)
- EXISTING LOT LINE
- NEW LOT LINE
- MONUMENT LINE
- NEW EASEMENT LINE
- EXISTING EASEMENT LINE
- TIE LINE
- SET BRASS DISK IN MONUMENT WELL WITH TAG PLS 8859
- FOUND DISK IN MONUMENT WELL, AS NOTED
- NOT FOUND
- PSUE PUBLIC SERVICE AND UTILITY EASEMENT
- EAE EMERGENCY VEHICLE ACCESS EASEMENT
- PSUSE PUBLIC SERVICE, UTILITY AND SIDEWALK EASEMENT
- SDRE SURFACE DRAINAGE RELEASE EASEMENT
- SNF SEARCHED, NOT FOUND
- PRUE PRIVATE SERVICE AND UTILITY EASEMENT
- (C) CALCULATED DIMENSION
- (M-M) MONUMENT TO MONUMENT
- (T) TOTAL DIMENSION
- (R) RADIAL BEARING
- () RECORD DATA
- * EASEMENT SHOWN AS "TO BE QUITCLAIMED BY SEPARATE INSTRUMENT"(R1)

BASIS OF BEARINGS:

THE CALCULATED GRID BEARING OF N39°43'13"W OF THE LINE BETWEEN THE FOUND MONUMENT AT THE INTERSECTION OF MONTAGUE EXPRESSWAY WITH CENTRE POINTE DRIVE AND THE FOUND MONUMENT AT THE INTERSECTION OF SOUTH ABEL STREET WITH WEST CURTIS AVENUE WAS USED FOR THE BASIS OF BEARINGS. THESE MONUMENTS ARE SHOWN AS POINT NUMBERS "1008" AND "1011" ON THAT RECORD OF SURVEY FILED JUNE 26, 1996 IN BOOK 678 OF MAPS, AT PAGES 10 THROUGH 13, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA. THE BEARING WAS CALCULATED FROM THE COORDINATE VALUES FROM EPOCH 1986 SHOWN ON SHEET 4 OF 4 OF THAT SURVEY.

THE VALUES OF POINTS "1008" AND "1011" ARE AS FOLLOWS:

	NORTHING	EASTING
"1008"	1974285.72	6156434.98
"1011"	1977865.34	6153460.98

LINE TABLE		
LINE	BEARING	DIST
L1	N06°16'52"E	46.21'
L2	N69°30'34"W	20.36'
L3	N71°12'59"W	36.73'
L4	N69°30'34"W	9.02'
L5	N69°30'34"W	50.35'
L6	N69°30'34"W	59.37'
L7	N69°30'34"W	58.70'

(R1)

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	18.55'	255.20'	004°09'52"
C2	10.50'	244.80'	002°27'27"
C3	21.81'	300.00'	004°09'52"
C4	8.58'	200.00'	002°27'27"
C5	394.00'	655.97'	034°24'50"
C6	44.83'	655.97'	003°54'56"
C7	45.03'	655.97'	003°55'59"
C8	52.91'	651.97'	004°38'59"
C9	25.06'	344.80'	004°09'52"
C10	6.66'	155.20'	002°27'27"
C11	89.86'	655.97'	007°50'55"

(L=394.02' D=34°24'50" R=656.01')(R3)

TRACT 10476
GIDEON & ELION AT THE
FIELDS

A SUBDIVISION FOR CONDOMINIUM PURPOSES
CITY OF MILPITAS
SANTA CLARA COUNTY, CALIFORNIA

A SUBDIVISION OF THE LANDS DESCRIBED IN THAT CERTAIN GRANT DEED, RECORDED MARCH 8, 2016 AS DOCUMENT #23239442, OFFICIAL RECORDS OF SANTA CLARA COUNTY, CALIFORNIA; AND "PARCEL 1" OF "TRACT ONE", AS DESCRIBED IN THAT CERTAIN GRANT DEED, RECORDED DECEMBER 23, 2015 AS DOCUMENT #23180013, OFFICIAL RECORDS OF SANTA CLARA COUNTY, CALIFORNIA

Prepared By:
RUGGERI-JENSEN-AZAR
8055 Camino Arroyo, Gilroy, CA 95020
DECEMBER 2019

JOB #072030-7300

SHEET 5 OF 5 SHEETS

RECORDING REQUESTED BY:
WHEN RECORDED RETURN TO:

CITY OF MILPITAS
455 E. Calaveras Boulevard
MILPITAS, CA 95035-5411
ATTN: Engineering Department

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Exempt from recording fee, per Government Code
Section 6103

CITY OF MILPITAS, CALIFORNIA

By: _____
City Clerk

AGREEMENT FOR COMPLETION OF PUBLIC IMPROVEMENTS

TRACT NO. 10476

between
CITY OF MILPITAS

a California municipal corporation

and

MILPITAS – DISTRICT 4 OWNER, LLC

a Delaware limited liability company

MILPITAS – DISTRICT 2 ASSOCIATES, LLC

a Delaware limited liability company

**AGREEMENT FOR COMPLETION OF PUBLIC IMPROVEMENTS
TRACT MAP NO. 10476**

I. PARTIES AND DATE.

This Agreement for the Completion of Public Improvements (“Agreement”) is entered into as of this ____ day of _____, 2019 by and between the City of MILPITAS, a California municipal corporation (“City”) and Milpitas – District 4 Owner, LLC, a Delaware limited liability company (“District 4”) with its principal office located at 4901 Birch Street, Newport Beach, CA 92660 and Milpitas – District 2 Associates, LLC, a Delaware limited liability company with its principal office located at 4901 Birch Street, Newport Beach, CA 92660 (“D2A” and collectively with District 4, “Developer”). City and Developer are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

II. RECITALS.

A. On July 15, 2011 Developer submitted to City an application for approval of a tentative map amendment for real property located within City, a legal description of which is attached hereto as Exhibit “A” (“Property”). The tentative map amendment was prepared on behalf of Developer by RJA Civil Engineers and is identified in City records as Major Tentative Map Amendment No. MT11-0002 (“Tract No.10476”).

B. Developer’s application for a vesting tentative tract map for Tract No. 10476 was deemed complete on February 22, 2012. On March 20, 2012, the MILPITAS CITY COUNCIL conditionally approved Developer’s application for a tentative tract map for Tract No. 10476.

C. Developer has not completed all of the work or made all of the public improvements required by Title XI, Chapter 1, Section 7 of City’s municipal code, the Subdivision Map Act (Government Code sections 66410 et seq.) (“Map Act”), the conditions of approval for Tract No. 10476 or other ordinances, resolutions, or policies of City requiring construction of improvements in conjunction with the subdivision of land.

D. Pursuant to Title XI, Chapter 1, Section 17 of City’s municipal code and the applicable provisions of the Map Act, Developer and City enter into this Agreement for the timely construction and completion of the public improvements and the furnishing of the security therefor, acceptable to the City Engineer and City Attorney, for Tract No. 10476.

E. Developer's execution of this Agreement and the provision of the security are made in consideration of City's approval of the final map for Tract No. 10476.

III. TERMS.

1.0 Effectiveness. This Agreement shall not be effective unless and until all three of the following conditions are satisfied: (a) Developer provides City with security of the type and in the amounts required by this Agreement; (b) Developer executes and records this Agreement in the Recorder's Office of the County of SANTA CLARA; (c) the City Council of the City ("City Council") approves the final map for Tract No. 10476 and (d) Developer records the final map for Tract No. 10476 in the Recorder's Office of the County of SANTA CLARA. If the above described conditions are not satisfied, this Agreement shall automatically terminate without need of further action by either City or Developer, and Developer may not thereafter record the final map for Tract No. 10476.

2.0 Public Improvements. Developer shall construct or have constructed at its own cost, expense, and liability all improvements required by City as part of the approval of Tract No. 10476, including, but not limited to, all grading, roads, paving, curbs and gutters, pathways, storm drains, sanitary sewers, utilities, drainage facilities, traffic controls, landscaping, street lights, and all other required facilities as shown in detail on the plans, profiles, and specifications which have been prepared by or on behalf of Developer for Tract Map No. 10476 ("Public Improvements"). The Public Improvements are more specifically described in Exhibit "B," which is attached hereto and incorporated herein by this reference. Construction of the Public Improvements shall include any transitions and/or other incidental work deemed necessary for drainage or public safety. The Developer shall be responsible for the replacement, relocation, or removal of any component of any irrigation water system in conflict with the construction or installation of the Public Improvements. Such replacement, relocation, or removal shall be performed to the complete satisfaction of the City Engineer and the owner of such water system. Developer further promises and agrees to provide all equipment, tools, materials, labor, tests, design work, and engineering services necessary or required by City to fully and adequately complete the Public Improvements.

2.1 Prior Partial Construction of Public Improvements. Where construction of any Public Improvements has been partially completed prior to this Agreement, Developer agrees to complete such Public Improvements or assure their completion in accordance with this Agreement.

2.2 Permits; Notices; Utility Statements. Prior to commencing any work, Developer shall, at its sole cost, expense, and liability, obtain all necessary permits and licenses and give all necessary and incidental notices required for the lawful construction of the Public Improvements and performance of Developer's obligations under this Agreement. Developer shall conduct the work in full compliance with the regulations, rules, and other requirements contained in any permit or license issued to Developer. Prior to commencing any work, Developer shall file a written statement with the City Clerk and the City Engineer, signed by Developer and each utility which will provide utility service to the Property, attesting that Developer has made all deposits legally required by the utility for the extension and provision of utility service to the Property.

2.3 Pre-approval of Plans and Specifications. Developer is prohibited from commencing work on any Public Improvement until all plans and specifications for such Public

Improvement have been submitted to and approved by the City Engineer, or his or her designee. Approval by the City Engineer shall not relieve Developer from ensuring that all Public Improvements conform with all other requirements and standards set forth in this Agreement.

2.4 Quality of Work; Compliance With Laws and Codes. The construction plans and specifications for the Public Improvements shall be prepared in accordance with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements. The Public Improvements shall be completed in accordance with all approved maps, plans, specifications, standard drawings, and special amendments thereto on file with City, as well as all applicable federal, state, and local laws, ordinances, regulations, codes, standards, and other requirements applicable at the time work is actually commenced.

2.5 Standard of Performance. Developer and its contractors, if any, shall perform all work required to construct the Public Improvements under this Agreement in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Developer represents and maintains that it or its contractors shall be skilled in the professional calling necessary to perform the work. Developer warrants that all of its employees and contractors shall have sufficient skill and experience to perform the work assigned to them, and that they shall have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the work, and that such licenses, permits, qualifications and approvals shall be maintained throughout the term of this Agreement.

2.6 Alterations to Improvements. The Public Improvements in Exhibit “B” are understood to be only a general designation of the work and improvements to be done, and not a binding description thereof. All work shall be done and improvements made and completed as shown on approved plans and specifications, and any subsequent alterations thereto. If during the course of construction and installation of the Public Improvements it is determined that the public interest requires alterations in the Public Improvements, Developer shall undertake such design and construction changes as may be reasonably required by City. Any and all alterations in the plans and specifications and the Public Improvements to be completed may be accomplished without giving prior notice thereof to Developer’s surety for this Agreement.

3.0 Maintenance of Public Improvements and Landscaping. City shall not be responsible or liable for the maintenance or care of the Public Improvements until City approves and accepts them. City shall exercise no control over the Public Improvements until accepted by City. Any use by any person of the Public Improvements, or any portion thereof, shall be at the sole and exclusive risk of the Developer at all times prior to City’s acceptance of the Public Improvements. Developer shall maintain all the Public Improvements in a state of good repair until they are completed by Developer and approved and accepted by City, and until the security for the performance of this Agreement is released. Maintenance shall include, but shall not be limited to, repair of pavement, curbs, gutters, sidewalks, signals, parkways, water mains, and sewers; maintaining all landscaping in a vigorous and thriving condition reasonably acceptable to City; removal of debris from sewers and storm drains; and sweeping, repairing, and maintaining in good and safe condition all streets and street improvements. It shall be Developer’s responsibility to initiate all maintenance work, but if it shall fail to do so, it shall promptly perform such maintenance work when notified to do so by City. If Developer fails to properly prosecute

its maintenance obligation under this section, City may do all work necessary for such maintenance and the cost thereof shall be the responsibility of Developer and its surety under this Agreement. City shall not be responsible or liable for any damages or injury of any nature in any way related to or caused by the Public Improvements or their condition prior to acceptance.

4.0 Construction Schedule. Unless extended pursuant to this Section 4.1 of this Agreement, Developer shall fully and adequately complete or have completed the Public Improvements within two (2) years of the effective date of this Agreement, unless extended pursuant to Section 4.1.

4.1 Extensions. City shall not unreasonably withhold, delay or condition Developer's request(s) that the City provide Developer with additional time within which to complete the Public Improvements. It is understood that by providing the security required under Section 13.0 et seq. of this Agreement, Developer and its surety consent in advance to any extension of time as may be given by City to Developer, and waives any and all right to notice of such extension(s). Developer's acceptance of an extension of time granted by City shall constitute a waiver by Developer and its surety of all defense of laches, estoppel, statutes of limitations, and other limitations of action in any action or proceeding filed by City following the date on which the Public Improvements were to have been completed hereunder. In addition, as consideration for granting such extension to Developer, City reserves the right to review the provisions of this Agreement, including, but not limited to, the construction standards, the cost estimates established by City, and the sufficiency of the improvement security provided by Developer, and to require adjustments thereto when warranted according to City's reasonable discretion.

4.2 Accrual of Limitations Period. Any limitations period provided by law related to breach of this Agreement or the terms thereof shall not accrue until Developer has provided the City Engineer with written notice of Developer's intent to abandon or otherwise not complete required or agreed upon Public Improvements.

5.0 Grading. Developer agrees that any and all grading done or to be done in conjunction with construction of the Public Improvements or development of Tract No. 10476 shall conform to all federal, state, and local laws, ordinances, regulations, and other requirements, including City's grading regulations. In order to prevent damage to the Public Improvements by improper drainage or other hazards, the grading shall be completed in accordance with the time schedule for completion of the Public Improvements established by this Agreement, and prior to City's approval and acceptance of the Public Improvements and release of the Security as set forth in Section 13.0 et seq. of this Agreement.

6.0 Utilities. Developer shall provide utility services, including water, power, gas, and telephone service to serve each parcel, lot, or unit of land within Tract No. 10476 in accordance with all applicable federal, state, and local laws, rules, and regulations, including, but not limited to, the regulations, schedules and fees of the utilities or agencies providing such services. Except for commercial or industrial properties, Developer shall also provide cable television facilities to serve each parcel, lot, or unit of land in accordance with all applicable federal, state, and local laws, rules, and regulations, including, but not limited to, the requirements of the cable company possessing a valid franchise with City to provide such service within City's jurisdictional limits. All utilities shall be installed underground.

7.0 Fees and Charges. Developer shall, at its sole cost, expense, and liability, pay all fees, charges, and taxes arising out of construction of the Public Improvements, including, but not limited to, all plan check, design review, engineering, inspection, and other service fees, and any impact or connection fees established by City ordinance, resolution, regulation, or policy, or as established by City relative to Tract No. 10476.

8.0 City Inspection of Public Improvements. Developer shall, at its sole cost, expense, and liability, and at all times during construction of the Public Improvements, maintain reasonable and safe facilities and provide safe access for inspection by City of the Public Improvements and areas where construction of the Public Improvements is occurring or will occur.

9.0 Default; Notice; Remedies.

9.1 Notice. If Developer neglects, refuses, or fails to fulfill or timely complete any obligation, term, or condition of this Agreement, or if City determines there is a violation of any federal, state, or local law, ordinance, regulation, code, standard, or other requirement, City may at any time thereafter declare Developer to be in default or violation of this Agreement and make written demand upon Developer or its surety, or both, to immediately remedy the default or violation (“Notice”). Developer shall substantially commence the work required to remedy the default or violation within ten (10) days of the Notice. If the default or violation constitutes an immediate threat to the public health, safety, or welfare, City may provide the Notice verbally, and Developer shall substantially commence the required work within twenty-four (24) hours thereof. Immediately upon City’s issuance of the Notice, Developer and its surety shall be liable to City for all costs of construction and installation of the Public Improvements and all other administrative costs expenses as provided for in Section 10.0 of this Agreement.

9.2 Failure to Remedy; City Action. If the work required to remedy the noticed default or violation is not diligently prosecuted to a completion acceptable to City within the time frame contained in the Notice, City may complete all remaining work, arrange for the completion of all remaining work, and/or conduct such remedial activity as in its sole and absolute discretion it believes is required to remedy the default or violation. All such work or remedial activity shall be at the sole and absolute cost, expense, and liability of Developer and its surety, without the necessity of giving any further notice to Developer or surety. City’s right to take such actions shall in no way be limited by the fact that Developer or its surety may have constructed any, or none of the required or agreed upon Public Improvements at the time of City’s demand for performance. In the event City elects to complete or arrange for completion of the remaining work and improvements, City may require all work by Developer or its surety to cease in order to allow adequate coordination by City. Notwithstanding the foregoing, if conditions precedent for reversion to acreage can be met and if the interests of City will not be prejudiced thereby, City may also process a reversion to acreage and thereafter recover from Developer or its surety the full cost and expense incurred.

9.3 Other Remedies. No action by City pursuant to Section 9.0 *et seq.* of this Agreement shall prohibit City from exercising any other right or pursuing any other legal or equitable remedy available under this Agreement or any federal, state, or local law. City may exercise its rights and remedies independently or cumulatively, and City may pursue inconsistent remedies. City may institute an action for damages, injunctive relief, or specific performance.

10.0 Administrative Costs. If Developer fails to construct and install all or any part of the Public Improvements within the time required by this Agreement, or if Developer fails to comply with any other obligation contained herein, Developer and its surety shall be jointly and severally liable to City for all administrative expenses, fees, and costs, including reasonable attorney's fees and costs, incurred in obtaining compliance with this Agreement or in processing any legal action or for any other remedies permitted by law.

11.0 Acceptance of Improvements; As-Built or Record Drawings. If the Public Improvements are properly completed by Developer and approved by the City Engineer, and if they comply with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements, the City Council shall be authorized to accept the Public Improvements. The City Council may, in its sole and absolute discretion, accept fully completed portions of the Public Improvements prior to such time as all of the Public Improvements are complete, which shall not release or modify Developer's obligation to complete the remainder of the Public Improvements within the time required by this Agreement. Upon the total or partial acceptance of the Public Improvements by City, Developer shall file with the Recorder's Office of the County of SANTA CLARA a notice of completion for the accepted Public Improvements in accordance with California Civil Code section 3093, at which time the accepted Public Improvements shall become the sole and exclusive property of City without payment therefor. If Tract No. 10476 was approved and recorded as a single phase map, City shall not accept any one or more of the improvements until all of the Public Improvements are completed by Developer and approved by City. Issuance by City of occupancy permits for any buildings or structures located on the Property shall not be construed in any manner to constitute City's acceptance or approval of any Public Improvements. Notwithstanding the foregoing, City may not accept any Public Improvements unless and until Developer provides one (1) set of "as-built" or record drawings or plans to the City Engineer for all such Public Improvements. The drawings shall be certified and shall reflect the condition of the Public Improvements as constructed, with all changes incorporated therein.

12.0 Warranty and Guarantee. Developer hereby warrants and guarantees all Public Improvements against any defective work or labor done, or defective materials furnished in the performance of this Agreement, including the maintenance of all landscaping within the Property in a vigorous and thriving condition reasonably acceptable to City, for a period of one (1) year following completion of the work and acceptance by City ("Warranty"). During the Warranty, Developer shall repair, replace, or reconstruct any defective or otherwise unsatisfactory portion of the Public Improvements, in accordance with the current ordinances, resolutions, regulations, codes, standards, or other requirements of City, and to the approval of the City Engineer. All repairs, replacements, or reconstruction during the Warranty shall be at the sole cost, expense, and liability of Developer and its surety. As to any Public Improvements which have been repaired, replaced, or reconstructed during the Warranty, Developer and its surety hereby agree to extend the Warranty for an additional one (1) year period following City's acceptance of the repaired, replaced, or reconstructed Public Improvements. Nothing herein shall relieve Developer from any other liability it may have under federal, state, or local law to repair, replace, or reconstruct any Public Improvement following expiration of the Warranty or any extension thereof. Developer's warranty obligation under this section shall survive the expiration or termination of this Agreement.

13.0 Security; Surety Bonds. Prior to execution of this Agreement, Developer shall provide City with surety bonds in the amounts and under the terms set forth below (“Security”). The amount of the Security shall be based on the City Engineer’s approximation of the actual cost to construct the Public Improvements, including the replacement cost for all landscaping (“Estimated Costs”). If City determines, in its sole and absolute discretion, that the Estimated Costs have changed, Developer shall adjust the Security in the amount requested by City. Developer’s compliance with this provision (Section 13.0 et seq.) shall in no way limit or modify Developer’s indemnification obligation provided in Section 16.0 of this Agreement.

13.1 Performance Bond. To guarantee the faithful performance of the Public Improvements and all the provisions of this Agreement, to protect City if Developer is in default as set forth in Section 8.0 et seq. of this Agreement, and to secure Developer’s one-year guarantee and warranty of the Public Improvements, including the maintenance of all landscaping in a vigorous and thriving condition, Developer shall provide City a faithful performance bond in the amount of Six Hundred Eighty Thousand Nine Hundred Eighty Five Dollars (\$680,985.00), which sum shall be not less than one hundred percent (100%) of the Estimated Costs. The City Council may, in its sole and absolute discretion and upon recommendation of the City Engineer, partially release a portion or portions of the security provided under this section as the Public Improvements are accepted by City, provided that Developer is not in default on any provision of this Agreement or condition of approval for Tract No. 10476 and the total remaining security is not less than twenty-five percent (25%) of the Estimated Costs. All security provided under this section shall be released at the end of the Warranty period, or any extension thereof as provided in Section 12 of this Agreement, provided that Developer is not in default on any provision of this Agreement or condition of approval for Tract No. 10476.

13.2 Labor & Material Bond. To secure payment to the contractors, subcontractors, laborers, material men, and other persons furnishing labor, materials, or equipment for performance of the Public Improvements and this Agreement, Developer shall provide City a labor and materials bond in the amount of Six Hundred Eighty Thousand Nine Hundred Eighty Five Dollars (\$680,985.00), which sum shall not be less than one hundred percent (100%) of the Estimated Costs. The security provided under this section may be released by written authorization of the City Engineer after six (6) months from the date City accepts the final Public Improvements. The amount of such security shall be reduced by the total of all stop notice or mechanic’s lien claims of which City is aware, plus an amount equal to twenty percent (20%) of such claims for reimbursement of City’s anticipated administrative and legal expenses arising out of such claims.

13.3 Additional Requirements. The surety for any surety bonds provided as Security shall have a current A.M. Best’s rating of no less than A:VIII, shall be licensed to do business in California, and shall be satisfactory to City. As part of the obligation secured by the Security and in addition to the face amount of the Security, the Developer or its surety shall secure the costs and reasonable expenses and fees, including reasonable attorney’s fees and costs, incurred by City in enforcing the obligations of this Agreement. The Developer and its surety stipulate and agree that no change, extension of time, alteration, or addition to the terms of this Agreement, the Public Improvements, or the plans and specifications for the Public Improvements shall in any way affect its obligation on the Security.

13.4 Evidence and Incorporation of Security. Evidence of the Security shall be provided on the forms set forth in Exhibit “C,” unless other forms are deemed acceptable by the City Engineer and the City Attorney, and when such forms are completed to the satisfaction of City, the forms and evidence of the Security shall be attached hereto as Exhibit “C” and incorporated herein by this reference.

14.0 Monument Security. Prior to City’s execution of this Agreement, to guarantee payment to the engineer or surveyor for the setting of all subdivision boundaries, lot corners, and street centerline monuments for Tract No. 10476 in compliance with the applicable provisions of City’s Municipal and/or Development Code (“Subdivision Monuments”), Developer shall deposit cash with City in the amount of One Thousand Five Hundred Dollars (\$1,500.00), which sum shall not be less than one hundred percent (100%) of the costs of setting the Subdivision Monuments as determined by the City Engineer. Said cash deposit may be released by written authorization of the City Engineer after all required Subdivision Monuments are accepted by the City Engineer, City has received written acknowledgment of payment in full from the engineer or surveyor who set the Subdivision Monuments, and provided Developer is not in default of any provision of this Agreement or condition of approval for Tract No. 10476.

15.0 Lien. To secure the timely performance of Developer’s obligations under this Agreement, including those obligations for which security has been provided pursuant to Sections 13 et seq. and 14 of this Agreement, Developer hereby creates in favor of City a lien against all portions of the Property not dedicated to City or some other governmental agency for a public purpose. As to Developer’s default on those obligations for which security has been provided pursuant to Sections 13 et seq. and 14 of this Agreement, City shall first attempt to collect against such security prior to exercising its rights as a contract lienholder under this section. Notwithstanding the foregoing provisions of this Section 15, City shall promptly upon Developer’s written request execute and deliver to Developer a commercially reasonable written subordination (in recordable form) of the City’s lien created pursuant to this Section 15, in favor of any lien created by Developer in favor of any lenders that make an acquisition loan and/or a construction loan to Developer with respect to the Property that is to be secured by one or more deeds of trust recorded against the Property.

16.0 Indemnification. Developer shall defend, indemnify, and hold harmless City, its elected officials, officers, employees, and agents from any and all actual or alleged claims, demands, causes of action, liability, loss, damage, or injury, to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state, or local governmental body or agency, arising out of or incident to any acts, omissions, negligence, or willful misconduct of such Developer, its personnel, employees, agents, or contractors in connection with or arising out of construction or maintenance of the Public Improvements, or performance of this Agreement by such Developer (including any such claims arising under the Prevailing Wage Law (as defined below)). This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys’ fees, and related costs or expenses, and the reimbursement of City, its elected officials, officers, employees, and/or agents for all legal expenses and costs incurred by each of them. This indemnification excludes only such portion of any claim, demand, cause of action, liability, loss, damage, penalty, fine, or injury, to property or persons, including wrongful death, which is caused solely and exclusively by the negligence or willful misconduct of City and its elected officials,

officers, employees, or agents as determined by a court or administrative body of competent jurisdiction. Developer's obligation to indemnify shall survive the expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by City, its elected officials, officers, employees, or agents.

16.1 Public Works Determination. Developer has been alerted to the requirements of California Labor Code Sections 1720 *et seq.* and 1770 *et seq.*, which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the work to be performed under this Agreement by Developer is being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, Developer agrees to fully comply with such Prevailing Wage Laws. Developer shall defend, indemnify and hold City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon Developer and its contractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Section 1776), hours of labor (Labor Code Sections 1813 and 1815), public works contractor registration (Labor Code Sections 1725.5 and 1771.1) and debarment of contractors and subcontractors (Labor Code Section 1777.1). It shall be the sole responsibility of Developer to determine whether to comply with Prevailing Wage Laws for any or all work required by this Agreement. As a material part of this Agreement, Developer agrees to assume all risk of liability arising from any decision not to comply with Prevailing Wage Laws for work required by this Agreement.

17.0 Insurance.

17.1 Types; Amounts. Developer shall procure and maintain, and shall require its contractors to procure and maintain, during construction of any Public Improvement pursuant to this Agreement, insurance of the types and in the amounts described below ("Required Insurance"). If any of the Required Insurance contains a general aggregate limit, such insurance shall apply separately to this Agreement or be no less than two times the specified occurrence limit.

17.1.1 General Liability. Developer and its contractors shall procure and maintain occurrence version general liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage.

17.1.2 Business Automobile Liability. Developer and its contractors shall procure and maintain business automobile liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000 per occurrence. Such insurance shall include coverage for the ownership, operation, maintenance, use, loading, or unloading of any vehicle owned, leased, hired, or borrowed by the insured or for which the insured is responsible.

17.1.3 Workers' Compensation. Developer and its contractors shall procure and maintain workers' compensation insurance with limits as required by the Labor Code

of the State of California and employers' liability insurance with limits of not less than \$1,000,000 per occurrence, at all times during which insured retains employees.

17.1.4 Professional Liability. For any consultant or other professional who will engineer or design the Public Improvements, liability insurance for errors and omissions with limits not less than \$1,000,000 per occurrence, shall be procured and maintained for a period of five (5) years following completion of the Public Improvements. Such insurance shall be endorsed to include contractual liability.

17.2 Deductibles. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its elected officials, officers, employees, agents, and volunteers; or (b) Developer and its contractors shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

17.3 Additional Insured; Separation of Insureds. The Required Insurance shall name City, its elected officials, officers, employees, agents, and volunteers as additional insureds with respect to work performed by or on behalf of Developer or its contractors, including materials, parts, or equipment furnished in connection therewith. The Required Insurance shall contain standard separation of insureds provisions, and shall contain no special limitations on the scope of its protection to City, its elected officials, officers, employees, agents, and volunteers.

17.4 Primary Insurance; Waiver of Subrogation. The Required Insurance shall be primary with respect to any insurance or self-insurance programs covering City, its elected officials, officers, employees, agents, and volunteers. All policies for the Required Insurance shall provide that the insurance company waives all right of recovery by way of subrogation against City in connection with any damage or harm covered by such policy.

17.5 Certificates; Verification. Developer and its contractors shall furnish City with original certificates of insurance and endorsements effecting coverage for the Required Insurance. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by City before work pursuant to this Agreement can begin. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

17.6 Term; Cancellation Notice. Developer and its contractors shall maintain the Required Insurance for the term of this Agreement and shall replace any certificate, policy, or endorsement which will expire prior to that date. All policies shall be endorsed to provide that the Required Insurance shall not be suspended, voided, reduced, canceled, or allowed to expire except on 30 days prior written notice to City.

17.7 Insurer Rating. Unless approved in writing by City, all Required Insurance shall place with insurers licensed to do business in the State of California and with a current A.M. Best rating of at least A:VIII.

18.0 Signs and Advertising. Developer understands and agrees to City's ordinances, regulations, and requirements governing signs and advertising structures. Developer hereby agrees

with and consents to the removal by City of all signs or other advertising structures erected, placed, or situated in violation of any City ordinance, regulation, or other requirement. Removal shall be at the expense of Developer and its surety. Developer and its surety shall indemnify and hold City free and harmless from any claim or demand arising out of or incident to signs, advertising structures, or their removal.

19.0 Relationship Between the Parties. The Parties hereby mutually agree that neither this Agreement, any map related to Tract No. 10476, nor any other related entitlement, permit, or approval issued by City for the Property shall operate to create the relationship of partnership, joint venture, or agency between City and Developer. Developer's contractors and subcontractors are exclusively and solely under the control and dominion of Developer. Nothing herein shall be deemed to make Developer or its contractors an agent or contractor of City.

20.0 General Provisions.

20.1 Authority to Enter Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority make this Agreement and bind each respective Party.

20.2 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.

20.3 Construction; References; Captions. It being agreed the Parties or their agents have participated in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days, or period for performance shall be deemed calendar days and not work days. All references to Developer include all personnel, employees, agents, and subcontractors of Developer, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

20.4 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

CITY OF MILPITAS
455 E. Calaveras Boulevard
Milpitas, CA 95035
Attn: Steve Erickson, PE
City Engineer

DEVELOPER:
4901 Birch Street,
Newport Beach, CA 92660
Attn: Steven Bull

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

20.5 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

20.6 Waiver. City's failure to insist upon strict compliance with any provision of this Agreement or to exercise any right or privilege provided herein, or City's waiver of any breach of this Agreement, shall not relieve Developer of any of its obligations under this Agreement, whether of the same or similar type. The foregoing shall be true whether City's actions are intentional or unintentional. Developer agrees to waive, as a defense, counterclaim or set off, any and all defects, irregularities or deficiencies in the authorization, execution or performance of this Agreement, as well as the laws, rules, regulations, ordinances or resolutions of City with regards to the authorization, execution or performance of this Agreement.

20.7 Assignment or Transfer of Agreement. Developer shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without prior written consent of City, which consent shall not be unreasonably withheld, conditioned or delayed. Any attempt to do so shall be null and void, and any assignee, hypothecatee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation, or transfer. Unless specifically stated to the contrary in City's written consent, any assignment, hypothecation, or transfer shall not release or discharge Developer from any duty or responsibility under this Agreement.

20.8 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

20.9 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

20.10 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

20.11 Consent to Jurisdiction and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of SANTA CLARA, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding. Without limiting the generality of the foregoing waiver, Developer expressly waives any right to have venue transferred pursuant to California Code of Civil Procedure Section 394.

20.12 Attorneys' Fees and Costs. If any arbitration, lawsuit, or other legal action or proceeding is brought by one Party against the other Party in connection with this Agreement

or the Property, the prevailing party, whether by final judgment or arbitration award, shall be entitled to and recover from the other party all costs and expenses incurred by the prevailing party, including actual attorneys' fees ("Costs"). Any judgment, order, or award entered in such legal action or proceeding shall contain a specific provision providing for the recovery of Costs, which shall include, without limitation, attorneys' and experts' fees, costs and expenses incurred in the following: (a) post judgment motions and appeals, (b) contempt proceedings, (c) garnishment, levy, and debtor and third party examination, (d) discovery, and (e) bankruptcy litigation. This section shall survive the termination or expiration of this Agreement.

20.13 Counterparts. This Agreement may be executed in counterpart originals, which taken together, shall constitute one and the same instrument.

CITY OF MILPITAS

MILPITAS-DISTRICT 4 OWNER, LLC,
a Delaware limited liability company

By: Milpitas – District 4 Partners, LLC
a Delaware limited liability company,
its Sole Member

By: _____

Steven McHarris
Interim City Manager
City of Milpitas

By: Milpitas – District 2 Associates, LLC
a Delaware limited liability company,
its Managing Member

By: Lyon Housing (Milpitas – District 2) LIX, LLC
a Delaware limited liability company,
its Managing Member

APPROVED AS TO FORM:

By: _____

By: _____

Christopher Diaz
City Attorney
City of Milpitas

Name: _____

Title: _____

APPROVED:

MILPITAS – DISTRICT 2 ASSOCIATES, LLC
a Delaware Limited Liability Company

By: Lyon Housing (Milpitas – District 2) LIX, LLC
a Delaware limited liability company,
its Managing Member

By: _____

Walter C. Rossman
Risk Manager/Director of Finance

By: _____

Name: _____

Title: _____

APPROVED AS TO CONTENT:

By: _____

Steve Erickson
City Engineer/Director of Engineering

NOTE: DEVELOPER'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO DEVELOPER'S BUSINESS ENTITY.

ACKNOWLEDGMENT

CAPACITY CLAIMED BY SIGNER:

~ Individual(s)
~ Corporate _____
Officer(s) _____
~ Partner(s)
~ Attorney-in-Fact
~ Trustee(s)
~ Subscribing Witness
~ Guardian/Conservator
~ Other _____

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

STATE OF CALIFORNIA }
}
COUNTY OF _____ }

On _____, 2019, before me, _____, the undersigned notary public, personally appeared _____, ~ personally known to me OR ~ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary

CAPACITY CLAIMED BY SIGNER:

~ Individual(s)
~ Corporate _____
 Officer(s) _____
~ Partner(s)
~ Attorney-in-Fact
~ Trustee(s)
~ Subscribing Witness
~ Guardian/Conservator
~ Other _____

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

STATE OF CALIFORNIA }
 }
COUNTY OF _____ }

On _____, 2019, before me,
_____, the undersigned notary public, personally
appeared _____, ~ personally known to me OR ~ proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity
upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary

EXHIBIT “A”
LEGAL DESCRIPTION OF PROPERTY
TRACT NO. 10476

EXHIBIT “B”
LIST OF PUBLIC IMPROVEMENTS
TRACT NO. 10476

EXHIBIT "C"
SURETY BONDS AND OTHER SECURITY
TRACT NO. 10476

As evidence of understanding the provisions contained in this Agreement, and of the Developer's intent to comply with same, the Developer has submitted the below described security in the amounts required by this Agreement, and has affixed the appropriate signatures thereto:

PERFORMANCE BOND PRINCIPAL AMOUNT: \$680,985

Surety: _____
Attorney-in-fact: _____
Address: _____

MATERIAL AND LABOR BOND PRINCIPAL AMOUNT: \$680,985

Surety: _____
Attorney-in-fact: _____
Address: _____

CASH MONUMENT SECURITY: \$1,500.00

Amount deposited per Cash Receipt No. _____ Date: _____

BOND NO. _____
INITIAL PREMIUM: _____
SUBJECT TO RENEWAL

CITY OF MILPITAS
TRACT MAP NO. 10476 IMPROVEMENTS
PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS the City of MILPITAS, California (“City”) and Milpitas – District 4 Owner, LLC, a Delaware limited liability company and Milpitas – District 2 Associates, LLC, a Delaware limited liability company (“Principal”), have executed an agreement for work consisting of, but not limited to, the furnishing all labor, materials, tools, equipment, services, and incidentals for all grading, roads, paving, curbs and gutters, pathways, storm drains, sanitary sewers, utilities, drainage facilities, traffic controls, landscaping, street lights, and all other required facilities for Tract Map No. 10476 (“Public Improvements”);

WHEREAS, the Public Improvements to be performed by Principal are more particularly set forth in that certain Agreement for Completion of Pubic Improvements dated _____, _____ (“Improvement Agreement”);

WHEREAS, the Improvement Agreement is hereby referred to and incorporated herein by reference; and

WHEREAS, Principal is required by the Improvement Agreement to provide a good and sufficient bond for performance of the Improvement Agreement, and to guarantee and warranty the Public Improvements constructed thereunder.

NOW, THEREFORE, Principal and _____ (“Surety”), a corporation organized and existing under the laws of the State of _____, and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto City in the sum of Six Hundred Eighty Thousand Nine Hundred Eighty Five Dollars (\$680,985.00), said sum being not less than one hundred percent (100%) of the total cost of the Public Improvements as set forth in the Improvement Agreement, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such, that if Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, agreements, guarantees, and warranties in the Improvement Agreement and any alteration thereof made as therein provided, to be kept and performed at the time and in the manner therein specified and in all respects according to their

intent and meaning, and to indemnify and save harmless City, its officers, employees, and agents, as stipulated in the Improvement Agreement, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Improvement Agreement, or to any plans, profiles, and specifications related thereto, or to the Public Improvements to be constructed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition.

This bond is executed and filed to comply with Section 66499 et seq. of the Government Code of California as security for performance of the Improvement Agreement and security for the one-year guarantee and warranty of the Public Improvements.

IN WITNESS WHEREOF, the seal and signature of the Principal is hereto affixed, and the corporate seal and the name of the Surety is hereto affixed and attested by its duly authorized Attorney-in-Fact at _____, this _____ day of _____, _____.

Principal

Surety

By: _____
President

(print name)

By: _____
Attorney-in-Fact

(print name)

NOTE: APPROPRIATE NOTARIAL ACKNOWLEDGMENTS OF EXECUTION BY PRINCIPAL AND SURETY, AND A COPY OF THE POWER OF ATTORNEY TO LOCAL REPRESENTATIVES OF THE BONDING COMPANY MUST BE ATTACHED TO THIS BOND.

BOND NO. _____
INITIAL PREMIUM: _____
SUBJECT TO RENEWAL

CITY OF MILPITAS
TRACT MAP NO. 10476 IMPROVEMENTS
LABOR AND MATERIAL BOND

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS the City of MILPITAS, California (“City”) and Milpitas – District 4 Owner, LLC, a Delaware limited liability company and Milpitas – District 2 Associates, LLC, a Delaware limited liability company (“Principal”), have executed an agreement for work consisting of, but not limited to, the furnishing all labor, materials, tools, equipment, services, and incidentals for all grading, roads, paving, curbs and gutters, pathways, storm drains, sanitary sewers, utilities, drainage facilities, traffic controls, landscaping, street lights, and all other required facilities for Tract Map No. 10476 (“Public Improvements”);

WHEREAS, the Public Improvements to be performed by Principal are more particularly set forth in that certain Agreement for Completion of Pubic Improvements dated _____, _____ (“Improvement Agreement”);

WHEREAS, the Improvement Agreement is hereby referred to and incorporated herein by reference; and

WHEREAS, Principal is required to furnish a bond in connection with the Improvement Agreement providing that if Principal or any of its subcontractors shall fail to pay for any materials, provisions, or other supplies, or terms used in, upon, for, or about the performance of the Public Improvements, or for any work or labor done thereon of any kind, or for amounts due under the provisions of Title 15 (commencing with section 3082) of Part 4 of Division 3 of the California Civil Code, with respect to such work or labor, that the Surety on this bond will pay the same together with a reasonable attorney’s fee in case suit is brought on the bond.

NOW, THEREFORE, Principal and _____ (“Surety”), a corporation organized and existing under the laws of the State of _____, and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto City and to any and all material men, persons, companies or corporations furnishing materials, provisions, and other supplies used in, upon, for or about the performance of the Public Improvements, and all persons, companies or corporations renting or hiring teams, or implements or machinery, for or contributing to the Public Improvements to be done, and all persons performing work or labor upon the same and all persons supplying both work and materials as aforesaid excepting the Principal, the sum of Six Hundred Eighty Thousand Nine Hundred Eighty

Five Dollars (\$680,985.00), said sum being not less than 100% of the total cost of the Public Improvements under the terms of the Improvement Agreement, we bind ourselves, our heirs, executors and administrators, successors and assigns jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal, his or its subcontractors, heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, or other supplies or machinery used in, upon, for or about the performance of the Public Improvements, or for work or labor thereon of any kind, or fail to pay any of the persons named in California Civil Code Section 3181, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and his subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor, and all other applicable laws of the State of California and rules and regulations of its agencies, then said Surety will pay the same in or to an amount not exceeding the sum specified herein.

As part of the obligation secured hereby, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

This bond is executed and filed to comply with Section 66499 et seq. of the California Government Code as security for payment to contractors, subcontractors, and persons furnishing labor, materials, or equipment for construction of the Public Improvements or performance of the Improvement Agreement. It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Improvement Agreement, or to any plans, profiles, and specifications related thereto, or to the Public Improvements to be constructed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition.

IN WITNESS WHEREOF, the seal and signature of the Principal is hereto affixed, and the corporate seal and the name of the Surety is hereto affixed and attested by its duly authorized Attorney-in-Fact at _____, this ____ day of _____, _____.

Principal

Surety

By: _____
President

By: _____
Attorney-in-Fact

(print name)

(print name)

NOTE: APPROPRIATE NOTARIAL ACKNOWLEDGMENTS OF EXECUTION BY PRINCIPAL AND SURETY, AND A COPY OF THE POWER OF ATTORNEY TO LOCAL REPRESENTATIVES OF THE BONDING COMPANY MUST BE ATTACHED TO THIS BOND.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve and Authorize the Interim City Manager to execute Agreement with Milpitas Unified School District for Construction of Phase 2 Mabel Mattos Elementary School Project and Completion of McCandless Drive Street Widening Improvements
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	12/17/2019
Staff Contact:	Steve Erickson, 408-586-3301
Recommendation:	Approve and authorize the Interim City Manager to execute Agreement with Milpitas Unified School District for Construction of Phase 2 Mabel Mattos Elementary School Project and Completion of McCandless Drive Street Widening Improvements.

Background:

On July 25, 2017, the City approved Encroachment Permit Number E-EN17-0108 for the construction of public improvements within the City right-of-way by the Milpitas Unified School District (District), associated with the construction of the Mabel Mattos Elementary School Phase 1 Project (Phase 1 Project). The Encroachment Permit was issued for construction of new sidewalk, street trees, and related street improvements to support the District's Phase 1 Project. The Encroachment Permit was conditioned to require the District to widen and correct the alignment of a portion of northbound McCandless Drive adjacent to the site of the Elementary School Phase 1 Project and the Carl's Jr. Restaurant. The requirement provided this roadway widening would occur in the future as part of the District's planned Mabel Mattos Elementary School Phase 2 Project (Phase 2 Project).

The District has acquired funding and is proceeding with the design and construction of its Phase 2 Project at the site of the Mable Mattos Elementary School. Construction of the Phase 2 Project is estimated to start in early 2020, and the District has agreed to complete the McCandless Drive widening and alignment adjustment as part of its Phase 2 Project.

Analysis:

The District has agreed to acquire street and utility easement right-of-way from the owner of the Carl's Jr. establishment and will construct the widening improvements for McCandless Drive as part of their Project. The dedication of the easement right-of-way to the City and completion of the roadway widening would occur prior to occupancy of the District's Phase 2 Project.

An Agreement between the City and District is proposed to establish roles, responsibilities, and schedules for the dedication of acquired easement right-of-way to the City, and for the completion of the roadway widening by the District.

The District Board approved the Agreement at its meeting of November 13, 2019 and City staff recommends the approval of this Agreement by the City Council.

Policy Alternative:

Alternative: Not approve the Agreement for the District to acquire and dedicate easement right-of-way to the City and to complete the widening and realignment of a portion of McCandless Drive.

Pros: none

Cons: The current alignment of the roadway near Carl's Jr. provides a shorter vehicular and bicycle merge area than desired. As traffic increases due to the Phase 2 Project's expansion of the Mabel Mattos Elementary School, the existing roadway condition would lead to back-ups and traffic related problems on McCandless Drive.

Reason for not Recommending: More than 700 students are expected to attend Mabel Mattos Elementary School at the completion of the Phase 2 Project, which is estimated to be completed by August 2021. The approval of the Agreement for the completion of the minor widening and alignment improvements along McCandless Drive near Carl's Jr. is recommended to mitigate anticipated traffic issues.

Fiscal Impact:

There is no fiscal impact to the City. The District has established a private job account to pay for City staff time for the review, approval, and inspection of the Phase 2 Project documents and plans for the widening of a portion of McCandless Drive. The District will fund the acquisition of the easement right-of-way and construction of the improvement to McCandless Drive.

California Environmental Quality Act:

The District completed an Environmental Impact Report for the Mabel Mattos Elementary School Project (formerly called McCandless Drive Elementary School Project), State Clearinghouse #2015011051, in November 2015.

Recommendation:

Approve and authorize the Interim City Manager to execute Agreement with Milpitas Unified School District for construction of Phase 2 Mabel Mattos Elementary School Project and completion of McCandless Drive Street Widening Improvements.

Attachment:

Phase 2 Agreement

ATTACHMENT 1

AGREEMENT BETWEEN CITY OF MILPITAS AND MILPITAS UNIFIED SCHOOL DISTRICT FOR CONSTRUCTION OF PHASE TWO MABEL MATTOS ELEMENTARY SCHOOL PROJECT AND COMPLETION OF MCCANDLESS DRIVE STREET WIDENING IMPROVEMENTS

THIS AGREEMENT made and entered on _____ by and between the City of Milpitas, a municipal corporation of the State of California (hereinafter referred to as "City"), and the Milpitas Unified School District, a public agency in the State of California (hereinafter referred to as "District"), collectively referred to herein as the "PARTIES".

RECITALS

WHEREAS, the City approved on July 25, 2017 Encroachment Permit Number E-EN17-0108 (the "Encroachment Permit") for the construction of public improvements within the City right of way by the District associated with construction of District's Mabel Mattos Elementary School Phase 1 Project (the "Phase 1 Project"); and

WHEREAS, the Encroachment Permit included a condition for the District to correct the roadway alignment of northbound McCandless Drive, near Carl's Jr. at 1890 McCandless Dr, Milpitas, CA 95035, by removing a narrow lane condition created by the Phase 1 Project; and

WHEREAS, the City and District agreed to defer correction of the McCandless Drive roadway until the District's future Mabel Mattos Elementary School Phase 2 Project (the "Phase 2 Project"); and

WHEREAS, the District has now started the design and project coordination of the Phase 2 Project, and will submit the Phase 2 Project construction plans to the City for approval; and

WHEREAS, to correct the roadway alignment of McCandless Drive, the District will acquire Roadway and Public Service Utility easements from the Carl's Jr property owner, will dedicate these easements to the City and will complete construction of the required McCandless Drive widening (the "McCandless Improvements") prior to the completion and occupancy of the Phase 2 Project, estimated to be August 2021; and

WHEREAS, the District and City desire to enter into this AGREEMENT requiring the District to complete acquisition and dedication of the easements and improvements to McCandless Drive. City will approve, if found acceptable, the Phase 2 Project plans by January 10, 2020; and

WHEREAS, the District will complete the McCandless Improvements as specified in Exhibit "A" attached hereto and incorporated herein by this reference.

NOW, THEREFORE, for and in consideration of their mutual promises and agreements, and subject to the terms, conditions, and provisions hereinafter set forth, the PARTIES hereto agree as follows:

AGREEMENT

- A. Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this AGREEMENT as though fully set forth herein.
- B. District Scope of Work: To remove the narrow lane condition, Northbound McCandless Drive, near the Carl's Jr restaurant establishment (1890 McCandless Dr, Milpitas, CA 95035), shall be widened as shown in Exhibit "A". The District's proposed work to complete the McCandless Improvements is as specified in (Exhibit "A") and shall include, but is not limited to, acquisition of the required Roadway and Public Service Utility easements, estimated to be 433 square feet as specified in (Exhibit "B1"); relocation and/or adjustment of private dry utilities to match sidewalk grade; construction of new curb, gutter, and sidewalk; paving; signage; pavement legends and striping; tree removal; and minor landscape and irrigation. The McCandless Improvements shall be at the District's sole cost and expense.
- C. Easement Acquisition: The correction to the roadway alignment at McCandless Drive requires the District to complete the acquisition of easements for roadway widening and public service utility purposes. The easement acquisition documents shall be prepared by a California licensed land surveyor at the District's sole cost and expense. The easement acquisition shall be completed prior to District's construction of the McCandless Improvements.
- D. Easement Dedication to City: Upon completion of the easement acquisitions, the District shall dedicate the easements to the City.
- E. City Review and Approval of McCandless Drive Plans, Easements, and Encroachment Permit: The District shall submit to the City engineered plans for the McCandless Improvements, prepared in compliance with the City's current Standard Plans and Specifications, for review, approval and permitting. The District shall submit to the City plats and legal descriptions for the acquired easements. The City will review the McCandless Improvement plans and easement acquisition documents, and if found to meet the City's standards, the City will issue the District an encroachment permit for the McCandless Improvements.
- F. Schedule for Easement Acquisition/Dedication & Completion of McCandless Drive Improvements: The District shall complete the easement acquisition and dedication to the City after completing the McCandless Improvements by August 2021.

- G. Fee for District's Phase 2 Project Plans and McCandless Improvements: The District will open a private job account for the Phase 2 Project and McCandless Improvements to reimburse the City for plan review and inspection costs. City staff time for plan check of the McCandless Improvements and City inspection time as required to perform required construction inspections for the McCandless Improvements will be charged against the private job account.
- H. City Approval of Districts Phase 2 Project Plans: The District will submit the Phase 2 Project construction drawings and related documents to the City for review and approval and District requests City approval of documents on or before January 10, 2020. The City will review and approve the Phase 2 Project construction plans, subject to conformance with City Fire Department requirements and City flood plain management requirements.
- I. Insurance and Indemnification:
1. Each party shall indemnify, defend and hold the other party, its officials, officers, employees, agents, consultants and contractors free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any negligent acts or omissions or willful misconduct of the indemnifying party, its officials, officers, employees, agents, consultants or contractors in the performance of the indemnifying party's obligations under this AGREEMENT, including the payment of all reasonable attorneys' fees.
 2. Notwithstanding the indemnification obligations of Section I(1) of this AGREEMENT, to the fullest extent permitted by law, District shall defend, indemnify and hold the City, its officials, employees, agents and volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, regardless of whether the allegations are false, fraudulent, or groundless, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of District, its officials, officers, employees, contractors, subcontractors, consultants or agents in connection with the narrow lane condition on McCandless Drive, including without limitation the payment of all expert witness fees, attorneys' fees and other related costs and expenses, except such Claims caused by the sole or active negligence or willful misconduct of the City.

3. The District shall require any contractor awarded a contract to construct any of the McCandless Improvements specified in Exhibit "A" to secure and maintain in full force and effect at all times during the term of any such contract, commercial general liability, automobile liability, workers' compensation/employers' liability, public liability and property damage insurance in forms and limits of liability acceptable to both the City and the District. The contractor's commercial general liability and automobile liability policies shall: (1) name the City and the District and their respective officers, employees and agents as additional insured with respect to all damages and claims, loss, liability, costs or expenses arising out of or in any way connected with the contractor's acts or omissions with respect to construction of the McCandless Improvements; (2) contain a provision or be endorsed to contain a provision that the insurance afforded thereby to the City and the District and their respective officers and employees is primary insurance to the full limits of liability of the policy, and that if the District or the City, or their officers and employees, have other insurance against a loss covered by such policy, that other insurance shall be excess insurance only and shall not be called upon to contribute to the policy in any way. The contractor's commercial general liability, automobile liability, and worker's compensation/employer's liability policies shall be endorsed to provide a waiver of subrogation in favor of the District and the City and their respective officers, employees and agents.
4. The District shall require any contractor awarded a contract to construct the McCandless Improvements specified in Exhibit "A" to add the City as a dual obligee on the contractor's payment and performance bonds.
5. The District shall require any contractor, and its subcontractors, awarded a contract to construct the McCandless Improvements specified in Exhibit "A" to indemnify, defend and hold harmless the City to the same extent that the District is indemnified, defended and held harmless.

J. Additional Provisions:

1. The PARTIES' waiver of any term, condition or covenant, or breach of any term, condition or covenant shall not be construed as a waiver of any other term, condition or covenant or breach of any other term, condition or covenant.
2. This AGREEMENT contains the entire agreement between the City and the District relating to the construction of the McCandless Improvements set forth in Exhibit "A" and acquisition of easements. Any prior agreements, promises, negotiations, or representations not expressly set forth in this AGREEMENT are of no force or effect.

3. If any term, condition or covenant of this AGREEMENT is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this AGREEMENT shall be valid and binding on the District and the City to the extent reasonably feasible.
4. This AGREEMENT shall be governed and construed in accordance with the laws of the State of California. Venue shall be in Santa Clara County, California.
5. This AGREEMENT may be executed in counterparts.
6. The term of this AGREEMENT shall commence upon execution of the AGREEMENT by both PARTIES and shall remain in effect until terminated upon completion of the obligations of the PARTIES specified herein. However, if a party materially breaches the AGREEMENT, the other party may provide written notice of the breach and a reasonable time under the circumstances to cure the breach, but in no event less than fifteen (15) days. If the breaching party fails to cure the breach within the specified time period, the non-breaching party may terminate the AGREEMENT upon five (5) days written notice to the other party.
7. Each party warrants that it shall make its best efforts to perform all obligations assigned to it related to the AGREEMENT in such a manner as to allow the obligations of the PARTIES required under this AGREEMENT to progress as scheduled.
8. Unless otherwise specified herein, the PARTIES shall submit any unresolved dispute to the District's Superintendent and City's City Manager for negotiation. The PARTIES agree to undertake good faith attempts to resolve said dispute, claim, or controversy within ten (10) calendar days after the receipt of written notice from the party alleging that a dispute, claim or controversy exists. The PARTIES additionally agree to cooperate with the other party in scheduling negotiation sessions. However, if said matter is not resolved within thirty (30) calendar days after conducting the first negotiating session, either party may, but is not required to, request that the matter be submitted to further dispute resolution procedures, as may be agreed upon by the PARTIES. If a matter is not resolved within thirty (30) calendar days after the first negotiating session between the PARTIES, unless otherwise agreed upon in writing by the PARTIES, either party may proceed with any other remedy available in law or in equity.

9. All changes or extensions to this AGREEMENT must be in writing in the form of an amendment executed by both PARTIES.

K. Notices – Notices given under this AGREEMENT may be delivered by first class mail addressed to the appropriate party at the following addresses:

To City: 455 E. Calaveras Boulevard
Milpitas, CA 95035
Attn.: Steven Erickson,
Engineering Director/City Engineer

To District: 1331 E. Calaveras Boulevard
Milpitas, CA 95035
Attn.: Cheryl Jordan
Superintendent

IN WITNESS WHEREOF, the PARTIES have entered into this AGREEMENT as of the date first above written.

City of Milpitas

Milpitas Unified School District

A municipal corporation

By: _____
Steve McHarris
Interim City Manager

By:  _____
Cheryl Jordan
Superintendent

APPROVED AS TO FORM

By: _____
Walter Rossmann
Finance Director

APPROVED AS TO FORM

By: _____
Christopher J. Diaz
City Attorney

Exhibit A
Proposed McCandless Drive Improvements Plan
See attached

GENERAL

1. ALL PERMITS WILL BE SECURED BY THE OWNER AND IT IS THE RESPONSIBILITY OF THE CONTRACTOR TO COMPLY WITH THE CONDITIONS AND REQUIREMENTS OF THE PERMITS.

- [illegible]

100000 sq ft addition

EXISTING BUILDING

GENERAL NOTES CONTINUATION

TRADING NOTES

- UNDERGROUND UTILITY LOCATIONS SHOWN HEREIN WERE TAKEN FROM RECORD DATA. NO GUARANTEE IS MADE OR IMPLIED AS TO THE ACCURACY OF THE INFORMATION SHOWN HEREIN. THE USER OF THIS INFORMATION SHALL BE RESPONSIBLE FOR VERIFYING THE INFORMATION SHOWN HEREIN PRIOR TO CONTACTING A UTILITY, INVESTIGATING AND/OR EXERCISING EXTREME CARE IN VERIFYING ALL LOCATIONS PRIOR TO COMMENCING EXCAVATIONS OR OTHER WORK WHICH MAY AFFECT THESE UTILITIES.
- BROOKTON, ALTERNATE 1: PARKING LOT LIGHTING WIRING AND SIGNAL WIRING NOT SHOWN. VERIFY LOCATION BEFORE COMMENCING TRENCHING. RESPACE OF REAR-PAVEMENT 1" THICKNESS PRIOR TO PROVIDE UNIMPAIRED SERVICE.
- ALL FINISH GRADES SHOWN ARE FINISH GRADE (UNLESS NOTED OTHERWISE).

QUALITY NOTES

- [illegible]

WANT TO GRADE

- ALL CATCH BASINS WITHIN VEHICULAR AREAS SHALL BE TRAFFIC RATED FOR HOS VEHICULAR LOADS. FOR CATCH BASINS IN VAN KWAY AREAS, INCLUDING EXISTING CATCH BASINS, USE HEEL PROOF AND ADA GRATE.

was

Record Drawings

affirmative action

Boil Date _____
 Est. _____
 Inspector _____

Revisions

REVISIONS

SPECIAL REPORT

CITY OF MILPITAS

ENGINEERING DIVISION

Project No.	File No.	COVER SHEET	E. P. No.	Sheet C10 of 3

100% 90% 80% 70% 60% 50% 40% 30% 20% 10% 0%

ABBREVIATIONS

- [illegible]

UTILITY LINES

- [illegible]

DATA COMPLIANCE:

- [illegible]

1. ALL WORKS INCLUDING GRADING, UNDERPINNING, COMPENSATION, AND SUBBASES SHALL FOLLOW THE RECOMMENDATIONS OF THE PROJECT GEOTECHNICAL REPORT.
2. ALL EXISTING FILL SHALL HAVE A MINIMUM RELATIVE COMPACTION PER PROJECT GEOTECHNICAL REPORT.
3. ALL EXISTING AND NEW FILL SHALL HAVE AN ALLOWABLE COMPACTIVITY FOR THE SUBGRADE AND FILL BASE FUNDAMENTAL TO DESIGN. THE COMPACTIVITY OF ENGINEERED FILL, PREPARATION OF THE SUBGRADE, AND FUNDAMENTAL BEHIND THE INSTRUCTED FILL MATERIAL SHALL BE AT GRADE BASE. BASEMENT RETAINING WALL BACKFILL, AND SLOPE SURFACE INFILLMENT BEHIND WALLS SHOULD BE PERFORMED IN

SHEET INDEX

- | | |
|------|------------------|
| C1.0 | COVER SHEET |
| C2.0 | DEMOLITION SHEET |
| C3.0 | GRADING PLAN |

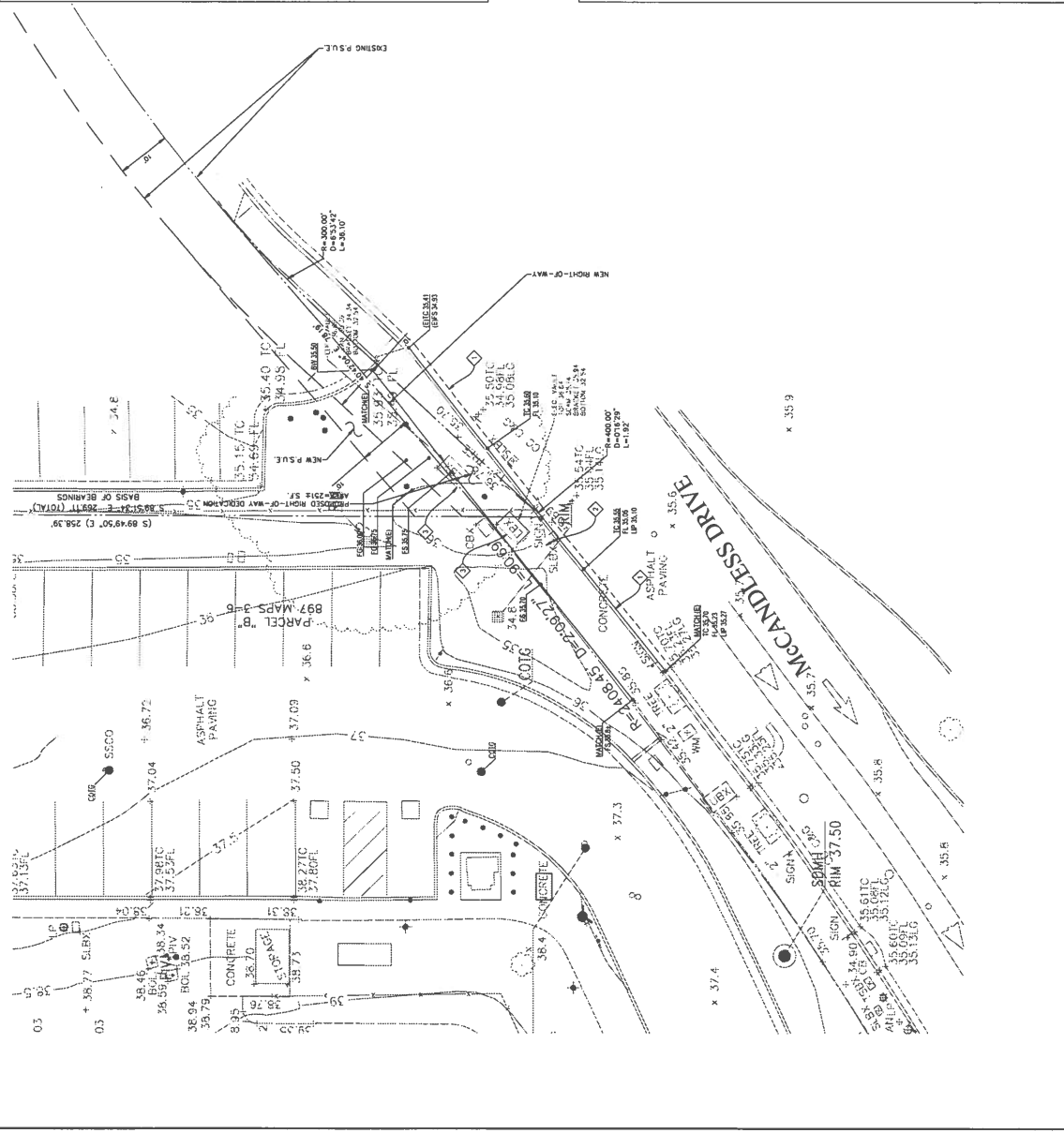
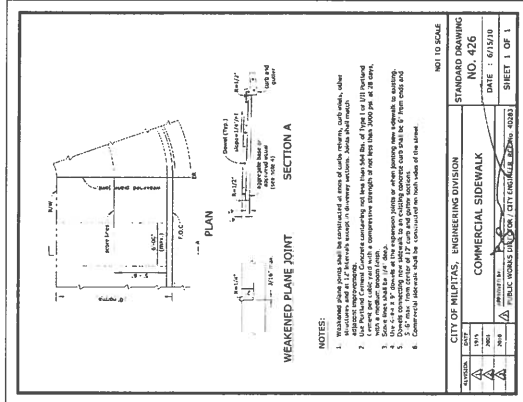
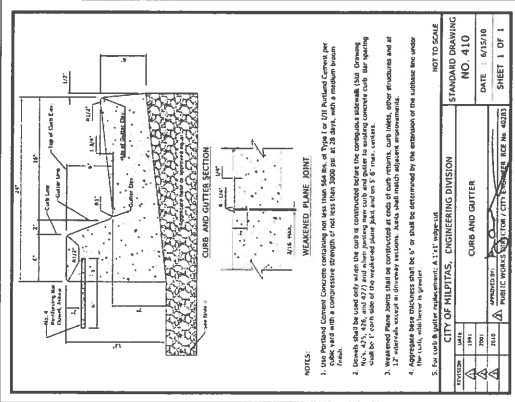


GRADING LEGEND

/ GRADE ELEVATION
 / SLOPE AND DIRECTION

GRADING KEYNOTES

- 1. NEW CURB & GUTTER PER CITY OF MILPITAS STANDARD
- 2. NEW CONCRETE SIDEWALK PER CITY OF MILPITAS STANDARD DETAIL A3
- 3. ADJUST EXISTING DRAINAGE TO PROPOSED GRADES



CITY OF MILPITAS		ENGINEERING DIVISION	
Project No.	1-800-277-7600	Project No.	1-800-277-7600
City	Milpitas	City	Milpitas
Division	Engineering	Division	Engineering
Sheet	318 of 3	Sheet	318 of 3

Revisions	
No.	Description
1	Initial design
2	Revised design
3	Final design

Record Drawings	
Drawn by	City Engineer
Checked by	City Engineer
Approved by	City Engineer
Signature & Seal	Date
Public Works Inspector	Date

SOILS ENGINEER	
Soils Engineer	These plans have been reviewed and found to be in accordance with the City of Milpitas standards and specifications.
Signature & Seal	Date
Address	City
Phone	City
Fax	City
Signature	Date

CIVIL ENGINEER	
Civil Engineer	I hereby certify that I am the registered professional engineer for the project, that I have exercised responsible charge over the design of the project, and that I am a duly licensed professional engineer in the State of California.
Signature & Seal	Date
Address	City
Phone	City
Fax	City </tr

PAVEMENT SECTION TO BE APPLIED BY GEOTECHNICAL ENGINEER.

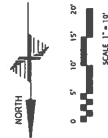
CONCRETE PAVEMENT SURFACES TO HAVE INLAY COMPRESSIVE STRENGTH OF AT LEAST 3,200 PSI. CONCRETE PAVING IN VERTICAL TRAVEL AREA TO MEET AUTY AVERAGE DAILY TRUCK TRAFFIC OF 1.

F. CONCRETE WITH # 4 O.C. EW. OVER ϕ OVER IN THE SOILS IS COMPACTED TO 99% R.C.

SEVERAL CONCRETE

AC PAVEMENT

F. AC PAVEMENT OVER F. CLASS 2 BULKHEAD COMPACTED IN THE SOILS TO 99% R.C.



PAVEMENT PLAN

Record Drawings

SOILS ENGINEER: These plans have reviewed and found to be in substantial conformance with the intent

CIVIL ENGINEER: I hereby declare that I am the engineer of work for the project, that I have exercised responsible charge over the design of the project as defined in section 8703 of the business and professions codes, and that the design is consistent with current standards. The design

CITY OF MILPITAS

[illegible]

Record Drawings

SOILS ENGINEER: These plans have reviewed and found to be in substantial conformance with the intent

Journal of Management Education

CIVIL ENGINEER: I hereby declare that I am the engineer of work for this project, that I have exercised responsible charge over the design of the project as defined in section 6703 of the business and professions codes, and that the design is consistent with current standards. The design is consistent with current standards. The design is consistent with current standards.

—CIVIL
the pro

Exhibit B1
McCandless Drive Roadway and PSUE
Plat & Legal Description

See attached

EXHIBIT "B1"
LEGAL DESCRIPTION FOR
PUBLIC SERVICE UTILITY EASEMENT
MILPITAS, CALIFORNIA
A.P.N. 086-41-015

All that certain real property situate in the County of Santa Clara, State of California, being a portion of Parcel 1 as shown on that certain Parcel Map filed December 5, 1984, in Book 536 of Maps at Pages 41 through 43, in the Office of the Recorder of said County; being more particularly described as follows:

Beginning at a point on the northerly line of said Parcel 1, said point being distant South 89°51'34" East, 14.86 feet from the northwesterly corner of said Parcel 1;

Thence along said northerly line South 89°51'34" East, 9.08 feet;

Thence leaving said northerly line South 40°24'04" East, 69.55 feet to a point on the existing northeasterly line of the Public Service Utility Easement shown on said Parcel Map, said point being a point of cusp and the beginning of a non-tangent curve to the left, concave to the southwest having a radius of 310.00 feet and to which a radial line bears North 49°17'56" East;

Thence along said curve through a central angle of 6°53'42" a distance of 37.31 feet;

Thence North 47°35'46" West, 38.55 feet to the **Point of Beginning**.

Containing 182 sq. ft. more or less.

The **BASIS OF BEARINGS** of this description is the northerly line of said Parcel 1, taken as South 89°51'34" East as shown on that certain Parcel Map filed for record in Book 536 of Maps at Pages 41-43, Santa Clara County Records.

As shown on Exhibit "B", attached hereto and made a part hereof.

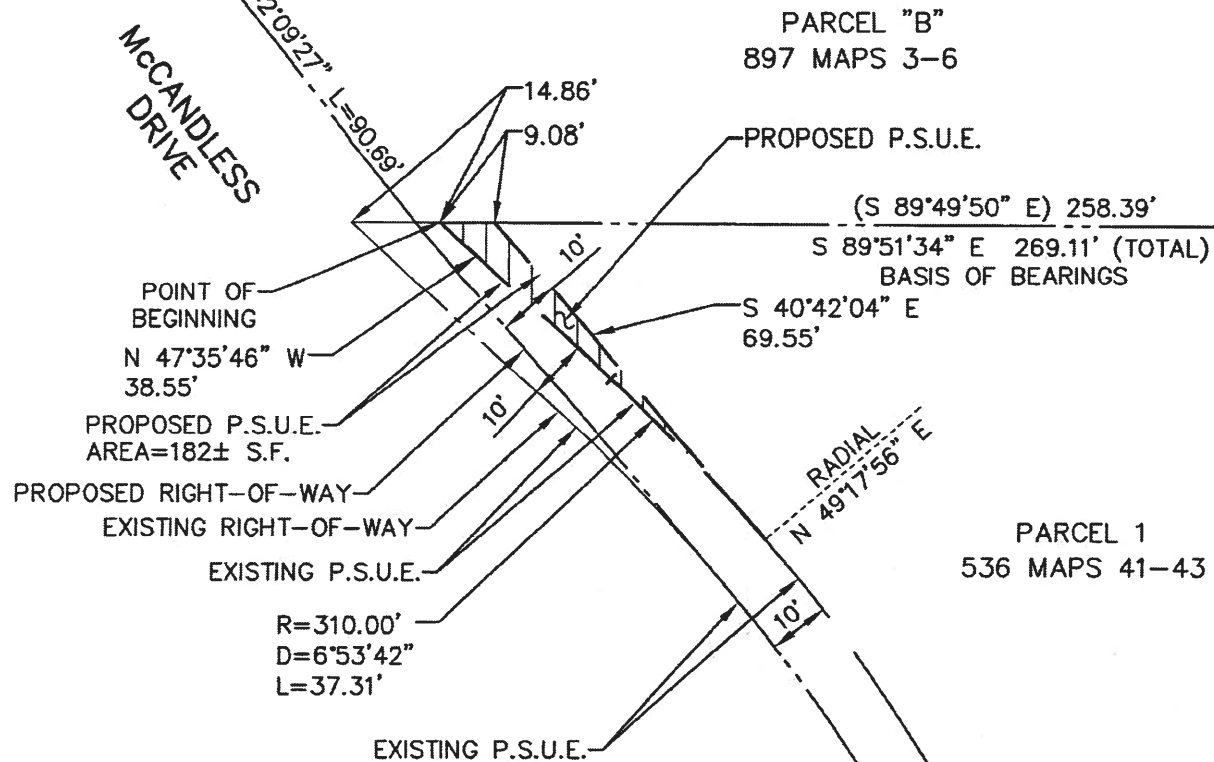
Description prepared by Dains Land Surveying

Robert Dains L.S. 8227

August 20, 2019
Date



EXHIBIT "B"



BASIS OF BEARINGS

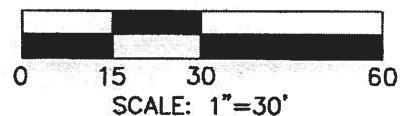
THE BEARING OF $N 89'51'34'' W$ ALONG THE NORTHERLY LINE OF PARCEL 1 AS SHOWN ON THE PARCEL MAP FILED IN BOOK 536 MAPS AT PAGES 41-43, SANTA CLARA COUNTY RECORDS.

LEGEND

- EXISTING RIGHT-OF-WAY LINE TO REMAIN
- EXISTING RIGHT-OF-WAY LINE TO BE REMOVED
- PROPOSED RIGHT-OF-WAY LINE
- EXISTING P.S.U.E. LINE
- PROPOSED P.S.U.E. LINE
-  SUBJECT AREA

()

RECORD DATA PER 897 MAPS 3-6



PLAT TO ACCOMPANY LEGAL DESCRIPTION FOR PROPOSED P.S.U.E. PURPOSES

MILPITAS

SANTA CLARA COUNTY

CALIFORNIA

PLAT:
RJD

SCALE:
1"= 30'

DATE:
07/22/19

JOB #:
16-648

DAINS LAND SURVEYING

rdains@dainslandsurveying.net

(650) 743-0831

Proposed P.S.U.E Dedication

North: 4569.1060' East: 5701.8635'

Segment #1 : Line

Course: S89° 51' 34"E Length: 9.08'
North: 4569.0837' East: 5710.9435'

Segment #2 : Line

Course: S40° 42' 04"E Length: 69.55'
North: 4516.3563' East: 5756.2980'

Segment #3 : Curve

Length: 37.31' Radius: 310.00'
Delta: 6°53'42" Tangent: 18.68'
Chord: 37.28' Course: N44° 08' 55"W
Course In: S49° 17' 56"W Course Out: N42° 24' 14"E
RP North: 4314.2013' East: 5521.2802'
End North: 4543.1060' East: 5730.3316'

Segment #4 : Line

Course: N47° 35' 46"W Length: 38.55'
North: 4569.1023' East: 5701.8659'

Perimeter: 154.48' Area: 181.73 Sq. Ft.
Error Closure: 0.0044 Course: S33° 42' 59"E
Error North: -0.00362 East: 0.00242

Precision 1: 35104.55



EXHIBIT "B1"
LEGAL DESCRIPTION FOR
RIGHT-OF-WAY DEDICATION
MILPITAS, CALIFORNIA
A.P.N. 086-41-015

All that certain real property situate in the County of Santa Clara, State of California, being a portion of Parcel 1 as shown on that certain Parcel Map filed December 5, 1984, in Book 536 of Maps at Pages 41 through 43, in the Office of the Recorder of said County; being more particularly described as follows:

Beginning at the northwesterly corner of said Parcel 1;

Thence along the northerly line of said Parcel 1 South $89^{\circ}51'34''$ East, 10.72 feet to the southwesterly corner of Parcel "B" as shown on that certain Parcel Map filed September 21, 2016, in Book 897 of Maps at Pages 3 through 6;

Thence South $40^{\circ}42'04''$ East, 78.19 feet to a point on the existing northeasterly right-of-way line of McCandless Drive shown on said Parcel Map filed in Book 536 of maps at Pages 41 through 43, said point being a point of cusp and the beginning of a non-tangent curve to the left, concave to the southwest having a radius of 300.00 feet and to which a radial line bears North $49^{\circ}17'56''$ East;

Thence along said curve through a central angle of $6^{\circ}53'42''$ a distance of 36.10 feet;

Thence North $47^{\circ}35'46''$ West, 47.63 feet to the beginning of a tangent curve to the right having a radius of 400.00 feet;

Thence along said curve through a central angle of $0^{\circ}16'29''$ a distance of 1.92 feet to the **Point of Beginning**.

Containing 251 sq. ft. more or less.

The **BASIS OF BEARINGS** of this description is the northerly line of said Parcel 1, taken as South $89^{\circ}51'34''$ East as shown on that certain Parcel Map filed for record in Book 536 of Maps at Pages 41-43, Santa Clara County Records.

As shown on Exhibit "B", attached hereto and made a part hereof.

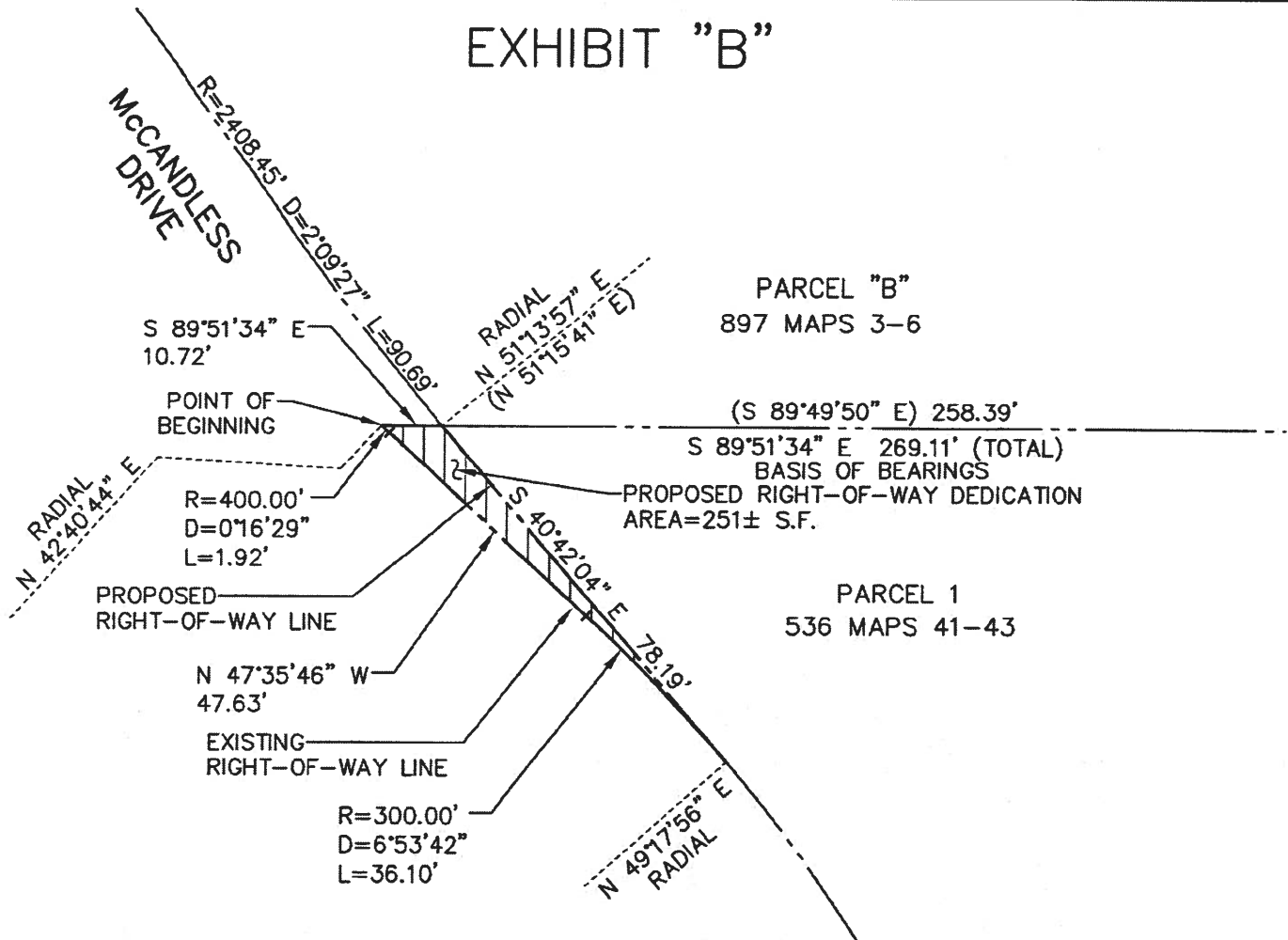
Description prepared by Dains Land Surveying


Robert Dains L.S. 8227

August 20, 2019
Date



EXHIBIT "B"



BASIS OF BEARINGS

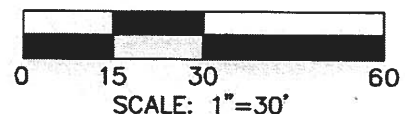
THE BEARING OF $N 89'51'34" W$ ALONG THE NORTHERLY LINE OF PARCEL 1 AS SHOWN ON THE PARCEL MAP FILED IN BOOK 536 MAPS AT PAGES 41-43, SANTA CLARA COUNTY RECORDS.

LEGEND

- EXISTING RIGHT-OF-WAY LINE TO REMAIN
- EXISTING RIGHT-OF-WAY LINE TO BE REMOVED
- PROPOSED RIGHT-OF-WAY LINE
-  SUBJECT AREA

()

RECORD DATA PER 897 MAPS 3-6



PLAT TO ACCOMPANY LEGAL DESCRIPTION RIGHT-OF-WAY DEDICATION PURPOSES

MILPITAS

SANTA CLARA COUNTY

CALIFORNIA

PLAT:
RJD

SCALE:
1"= 30'

DATE:
07/22/19

JOB #:
16-648

DAINS LAND SURVEYING

rdains@dainslandsurveying.net

(650) 743-0831

Proposed Right-of-Way Dedication

North: 4575.1228' East: 7055.7315'

Segment #1 : Line

Course: S89° 51' 34"E Length: 10.72'
North: 4575.0965' East: 7066.4515'

Segment #2 : Line

Course: S40° 42' 04"E Length: 78.19'
North: 4515.8189' East: 7117.4402'

Segment #3 : Curve

Length: 36.10' Radius: 300.00'
Delta: 6°53'42" Tangent: 18.07'
Chord: 36.08' Course: N44° 08' 55"W
Course In: S49° 17' 56"W Course Out: N42° 24' 14"E
RP North: 4320.1850' East: 6890.0037'
End North: 4541.7076' East: 7092.3097'

Segment #4 : Line

Course: N47° 35' 46"W Length: 47.63'
North: 4573.8270' East: 7057.1392'

Segment #5 : Curve

Length: 1.92' Radius: 400.00'
Delta: 0°16'29" Tangent: 0.96'
Chord: 1.92' Course: N47° 27' 33"W
Course In: N42° 24' 14"E Course Out: S42° 40' 44"W
RP North: 4869.1921' East: 7326.8788'
End North: 4575.1252' East: 7055.7246'

Perimeter: 174.57' Area: 250.58 Sq. Ft.
Error Closure: 0.0073 Course: N70° 49' 23"W
Error North: 0.00240 East: -0.00691

Precision 1: 23909.59





CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive the Milpitas Police Department Unmanned Aircraft System (UAS) Policy (Staff Contact: Jared Hernandez, 408-586-2406)
Category:	Consent Calendar-Public Safety
Meeting Date:	12/17/2019
Staff Contact:	Captain Jared Hernandez, 408-586-2406
Recommendation:	Receive the Milpitas Police Department and Unmanned Aircraft System (UAS) Policy.

Background:

The Milpitas Police Department researched the benefits to the deployment of Unmanned Aircraft System (UAS) Technology as means to provide better service to the community, improve operational effectiveness, and maximize community and officer safety. The Milpitas Police Department determined the use of UAS Technology would benefit the citizens of Milpitas and the officers who serve the community. The Milpitas Police Department collaborated with the Milpitas Fire Department and determined this tool would improve the effectiveness of both departments.

The Milpitas Police Department took several steps to ensure the implementation of UAS Technology is appropriate for the Milpitas community. On September 19, 2019, the Milpitas Police Department presented the concept to the Emergency Preparedness and Public Safety Commission. On October 1, 2019, the Milpitas Police Department presented the concept to Council. During the month of November 2019, the Milpitas Police Department hosted three town hall meetings to discuss the Unmanned Aircraft System (UAS) program with our community members and gathered input from the community to help develop a well vetted policy consistent with the values and expectations of our community. The Milpitas Police Department also disseminated an electronic survey to Milpitas citizens, through the application NextDoor. The survey was distributed in English, Spanish, Vietnamese, and Chinese. The survey provided citizens opportunity to mention concerns and make suggestions on how unmanned aircraft systems could be used by police and fire personnel.

Analysis:

The Milpitas Police Department evaluated policies of agencies currently utilizing UAS, feedback from community stakeholders, and feedback from Milpitas residents. Information gathered from the City Council, the Emergency Preparedness and Public Safety Commission, town hall meetings, and electronic survey responses were used to formulate a policy that incorporates best practices and supervisory oversight while being respectful of privacy.

The town hall meetings gained mild attendance; however, the response from those who did attend were overwhelmingly in favor of a UAS program and the draft policy. On November 6, 2019, the Milpitas Police Department hosted a UAS town hall meeting at Sinnott Elementary School. This meeting was not attended by any citizens. On November 9, 2019, the Milpitas Police Department hosted a town hall meeting at the San Jose City College Extension site. Two citizens attended the meeting, and both supported the UAS program. On November 12, 2019, the Milpitas Police Department hosted the final town hall meeting at Mabel Mattos School. Three citizens attended this meeting and all three supported the UAS program.

The Milpitas Police Department solicited input from Milpitas citizens who were unable to attend the town hall meetings via an electronic survey. Only seven citizens submitted responses. Six respondents supported the UAS program and one citizen was concerned about UAS random flights. However, the proposed policy prohibits the use of UAS for random flights.

Policy Alternative:

Alternative 1: Discontinue UAS policy work and do not pursue the implementation of an Unmanned Aircraft System (UAS) program.

Pros: None.

Cons: The Milpitas Police Department would continue to rely on other cities for similar resources. These resources are not readily available and response times are delayed when assets are coming from other cities. Further, UAS type capabilities would not be available to the Fire and Public Works Departments.

Reason not recommended: The UAS program has the potential to expand the City of Milpitas' services to our community, especially in matters involving public safety and the safety of our police officers.

Fiscal Impact:

N/A

California Environmental Quality Act:

N/A

Recommendation:

Receive the Milpitas Police Department Policy for Unmanned Aircraft Systems (UAS).

Attachment:

Unmanned Aircraft System Policy

Unmanned Aerial System (UAS) Operations

Policy
455

Milpitas Police Department

Policy Manual

Unmanned Aerial System (UAS) Operations

455.1 PURPOSE AND SCOPE

The purpose of this policy is to establish guidelines and protocol for the deployment and use of the Unmanned Aerial System (UAS) including the use, retention and/or destruction of media obtained using the UAS in accordance with applicable Federal law, State law, and City of Milpitas regulations.

455.2 DEFINITIONS

Definitions related to this policy include:

- a) **Unmanned Aerial System (UAS):** Consists of the small, unmanned aircraft weighing less than 55 lbs., the command system, a secure control link and other safety and support systems for operation of the UAS
- b) **Certificate of Authorization (COA):** Given by the Federal Aviation Administration (FAA) granting permission to fly the UAS within the specific boundaries and perimeters.
- c) **FAA Part 107 Certification:** Remote Pilot Certification given by the FAA to operate the controls of a small UAS under Part 107.
- d) **Operator:** A sworn or non-sworn member of the Milpitas Police Department or Milpitas Fire Department who is trained and authorized to control a UAS during flight.
- e) **Observer:** A member of the Milpitas Police Department or Milpitas Fire Department who is trained and authorized to maintain visual observation of the UAS while in flight.

455.3 POLICY

The UAS may be utilized to enhance the department's mission of protecting lives and property. Any use of a UAS will be in strict accordance with constitutional and privacy rights and Federal Aviation Administration (FAA) regulations, and industry best practices.

- UAS equipment and all data collected using a UAS is considered a confidential investigative record of and property of the department.
- UAS equipment and all data files are for official use only and shall not be utilized for personal use.
- UAS data shall not be copied, released, or disseminated in any form or manner outside the requirements of this policy.

Unmanned Aerial System (UAS) Operations

- Only authorized employees shall use or be in possession of a UAS device, data, or files.

455.4 PRIVACY

The department recognizes that use of a UAS involves potential privacy considerations and is committed to using UAS in a manner that respects privacy rights. UAS operators and observers will consider citizens' civil rights and reasonable expectations of privacy as key components of any decision made to deploy the vehicle. UAS operators and observers will ensure, and will be held accountable for ensuring, that operations of the UAS appropriately balance operational needs with maintaining public privacy and freedom from intrusion. To ensure that legitimate privacy considerations are observed, UAS operators and observers will:

(a) Absent a warrant or exigent circumstances, adhere to FAA altitude regulations and shall not intentionally record or transmit images of any location where a person would have a reasonable expectation of privacy (e.g., residence, yard, enclosure).

(b) Take reasonable precautions to avoid inadvertently recording or transmitting images of areas where there is a reasonable expectation of privacy.

455.5 USE OF UAS

(a) Department UAS's may be flown under two FAA regulatory authorizations:

1. Per the condition of a Certificate of Authorization (COA); or
2. FAA Part 107 Remote Pilot Certification

Only authorized operators who have completed the required training shall be permitted to operate the UAS.

(b) A supervisor may authorize the deployment of the UAS to preserve life, maximize public safety and/or officer safety, or collect investigative data. Uses may include but are not limited to:

1. High risk events such as; barricaded suspects, hostage situations, active shooters, apprehension of potentially armed and/or dangerous fleeing suspects, and high-risk search warrants;
2. Hot pursuit;
3. Mass casualty events;
4. Pursuant to a search warrant;

Unmanned Aerial System (UAS) Operations

5. Rescue events;
6. Disaster response and recovery;
7. Suspected explosive devices;
8. Fire suppression or investigation;
9. Hazardous material releases;
10. Post-incident crime scene and accident investigation, preservation and documentation;
11. Lost or missing persons;
12. Special Events;
13. When there is probable cause to believe that the UAS will record images of a place, thing, condition, or event, and that those images tend to show a felony has been committed, or tends to show that a particular person has committed a felony;
14. Anytime a UAS would enhance public safety, improve operational safety, incident stabilization or incident mitigation as determined by the supervisor;
15. Anti-UAV operations when a person is operating a UAV in a manner which impedes emergency personnel who, in the course of their duties, are coping with an emergency (refer to Penal Code § 402(a) 1);
16. Training missions;
17. In support of the Milpitas Fire Department when the underlying mission meets the uses outlined in this policy;
18. Mutual Aid support when the underlying mission meets the uses outlined in this policy; and
19. In support of any City of Milpitas department when the underlying mission meets the uses outlined in this policy.

455.6 PROHIBITED USE

The UAS video surveillance equipment shall not be used:

- (a) To conduct random surveillance activities.
- (b) To target a person based solely on individual characteristics, such as, but not limited to race, ethnicity, national origin, religion, disability, gender or sexual orientation.
- (c) Conduct any business other than official Department business.

Unmanned Aerial System (UAS) Operations

- (d) Shall not be weaponized.

455.7 EVIDENCE COLLECTION AND RETENTION

- (a) To avoid missing critical evidence during UAS operations, all UAS video will be recorded during flight. The pilot will manually activate the record feature on the UAS before take-off and will stop recording after landing.
- (b) At the conclusion of a UAS operation by the Milpitas Police Department or the Milpitas Fire Department, a Milpitas Police Department case agent or officer shall meet with the UAS operator to collect the UAS digital media storage device (DMSD) containing the video(s). All recorded video will be uploaded into the approved digital evidence management system (DEMS). After uploading the video(s) into the DEMS, the DMSD will be returned to service after reformatting the DMSD and deleting the video(s) from the DMSD. If uploading video(s) with evidentiary value to the DEMS is unavailable, the DMSD will be booked into MPD property as evidence. The collection and uploading of video(s) will be documented in an police report.
- (c) All data collected by the UAS shall be retained as follows:

Recordings of the following should be retained for a minimum of two years (Penal Code § 832.18)

1. Incident involving use of force by an officer
2. Officer-involved shootings
3. Incidents that lead to the detention or arrest of an individual
4. Recordings relevant to a formal complaint against a member of the Milpitas Police Department

Recordings of incidents involving the use of force by an officer(s), or officer-involved shootings that result in the death of an individual shall not be purged without the authorization of the Chief of Police or his/her designee.

Recordings containing evidence that may be relevant to a criminal prosecution should be retained for any additional period required by law for other evidence relevant to a criminal prosecution (Penal Code § 832.18).

All other recordings should be retained for a period consistent with the requirements of the organization's records retention schedule but in no event for a period less than 180 days. Records or logs of access and deletion of recordings should be retained permanently (Penal Code § 832.18)

No data should be destroyed if it is the subject of a California Public Records Act request

Unmanned Aerial System (UAS) Operations

or a legal hold

Test/Training data will be retained at the discretion of the supervisor.

- (d) Unauthorized use, duplication, and/or distribution of UAS videos are prohibited. Personnel shall not make copies of any UAS videos for their personal use and are prohibited from using a recording device such as a personal camera or any secondary video capture device to capture duplicate UAS videos. All recorded media, images and audio are the property of the Milpitas Police Department and shall not be copied, released or disseminated in any form or manner outside the parameters of this policy without the expressed written consent of the Chief of Police or his / her designee.
- (e) Supervisors may review recorded UAS video files when there is a legitimate supervisory or business purpose. In addition, Milpitas Police personnel shall only review recorded UAS video files on a need/right to know basis. The District Attorney's Office or City Attorney's Office may review in connection with each office's legal duties. Authorized review may include the following circumstances:
 - 1. For the purpose of completing a criminal investigation and/or preparing official reports.
 - 2. Preparing for courtroom testimony or a courtroom presentation.
 - 3. Evaluation of a critical incident: with supervisor approval.
 - 4. For training purposes.
 - 5. California Public Records Act requests or subpoena.
- (f) Departmental request for a UAS video, including requests from the District Attorney's Office or City Attorney's Office, shall be forwarded as a written request to the Property and Evidence Unit. Requests should contain sufficient information to identify the specific UAS video being requested.
- (g) Non-Departmental requests for a UAS video, data and files shall be processed in accordance with Federal, State, and local laws, and existing Department policy for release of official records (discovery, media inquiries, subpoenas, Public Records Act requests, etc.).
 - 1. When practical, Department personnel will be advised prior to any release of UAS video under the California Public Records Act (CPRA).
- (h) Request for Deletion/Redaction or Accidental Recording

Unmanned Aerial System (UAS) Operations

1. In the event of an accidental or unintentional recording with the UAS camera system, a request that the UAS video be deleted/redacted may be requested in writing through the chain of command to the Chief of Police. The request must include sufficient information to locate the UAS video and the reason for the request. The Chief of Police, or his / her designee, is the authority that may approve video deletion/redaction. The authorization to delete/redact the video must be documented in an administrative memorandum and shall include sufficient information explaining the rationale for the authorization. Only supervisors and/or Police Evidence Technicians are permitted to modify/delete/redact recordings.

(i) Copying Procedures

1. A copy of the UAS video can be requested in accordance with the provisions of this policy.
2. Police Evidence Technicians will be responsible for duplication of video footage recorded by the UAS camera system pursuant to a discovery request, CPRA request, or other authorized request approved by the Chief of Police or his/her designee

(j) UAS video may be retained beyond the 10 days listed above in subsection (c)(1)(e) above, and utilized for training purposes with the approval of the Field Services Division Captain.

1. An officer or supervisor recommending the use of a UAS video for training purposes shall submit the recommendation through the Chain of Command to the Field Services Division Captain.
2. The Field Services Division Captain will notify the Police Evidence Technician of the approval to produce a training copy of the video. Any video approved to be retained for training will be stored in a UAS Training file. Videos stored in this file shall not be duplicated, downloaded, moved or copied from the file.
3. An officer or employee involved in the recorded incident may object to the use of the UAS video for training purposes. Their objection should be submitted in writing through the Chain of Command to the Field Services Division Captain to determine if the employee's objection outweighs the training value of the recording. The Field Services Division Captain may consider a series of factors such as; the identities of the person(s) involved, the sensitive nature of the incident, the benefit of using the video versus other means of training (scenario based training, training bulletins, etc.), or any potential negative impacts the video may have on involved parties or those that view it.

Unmanned Aerial System (UAS) Operations

455.8 ROLES AND RESPONSIBILITIES

The roles and responsibilities for UAS Program members are as follows:

(a) **Program Coordinator**- A Milpitas Police Lieutenant who manages the UAS Program and ensures the program operates in accordance with all Federal, State and local laws, and within department policy and guidelines. In addition, the Program Coordinator will ensure the UAS Unit completes the following:

1. Maintain all training flight and maintenance records for each operator and observer, as well as individual airframes.
2. Ensure operators and observers stay current with their training and certifications.
3. Maintain contact with the FAA and familiarity with the pertinent FAA regulations.
4. Evaluate airframes based on mission needs.
5. Remain up to date with current UAS case law, best practices, and industry standards.
6. Develop and maintain the UAS Operational Guidelines Manual

(b) **Operator**—the operator's role is to safely operate the UAS in accordance with all applicable law and policy.

1. The operator may reject a flight based on personnel safety or violation of FAA regulations.
2. The operator shall be responsive to requests and input from the observer in order to accomplish the safe and effective deployment of the UAS.
3. Operators are responsible for mission documentation.

(c) **Observer**—the Observer's role is to assist in the safe and effective operation of the UAS. The observer shall:

1. Assist the operator in avoiding obstacles.
2. Operate any attachments to the UAS .
3. Remain alert for safety issues surrounding the operator and observer.

Unmanned Aerial System (UAS) Operations

4. Handle radio communications.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Report on Bids and Award of Construction Contract to American Asphalt Repair and Resurfacing Company, Inc. in the amount of \$123,930 for Repaving of the Public Works and Police Departments' Parking Lots
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	12/17/2019
Staff Contacts:	Chris Schroeder, Purchasing Agent, 408-586-3161 Tony Ndah, Public Works Director, 408-586-2602
Recommendations:	1. Receive a report on bids and award of construction contract to the lowest responsible bidder submitting a responsive bid, American Asphalt Repair and Resurfacing Company, Inc., in the amount of \$123,930 for the Repaving of the Public Works and Police Departments' Parking Lots Project. 2. Authorize the Director of Public Works to negotiate and execute contract change orders in an aggregate amount not to exceed \$10,000 for this project.

Background:

As part of the FY 2019–2024 Capital Improvement Program, Milpitas City Council approved Project No. 3716 – City Parking Lot Rehabilitation Program, which provides funding for the rehabilitation of City-owned parking lots at City buildings including City Hall, Public Works and Police Department Buildings, Community Center, Barbara Lee Senior Center, fire stations, and utility pump stations. The proposed project would provide the Public Works and Police Departments' parking lots with much needed surface repairs and extend the useful life of the parking lots for up to ten years ("Project"). Work under the Project includes repair of sections of failed asphalt, reseal of the surface with long-lasting slurry seal, sealing of existing cracks in the asphalt to extend its useful life, and restriping of the parking lots

Analysis:

On September 6, 2019, the Purchasing Division released an Invitation for Bid (IFB) for the Project. The IFB was publicly noticed and advertised on the City's website in accordance with the Milpitas Municipal Code and the Uniform Public Construction Cost Accounting Act ("Act"). Email notifications were sent to companies registered with the City via ProcureNow.com, the City's eProcurement system, and a bid notification was placed on PublicPurchase.com. Additionally, email notification to plan rooms and contractors registered with the City were sent in accordance with the Act.

Upon release, 131 firms received the solicitation notification and twenty-two (22) firms downloaded the bid notice and related contract documents. The Purchasing Division received one (1) bid by the October 23, 2019 deadline to respond to the IFB. American Asphalt Repair & Resurfacing Co., Inc is the lowest responsible bidder submitting a responsive bid in the amount of \$123,930, which is within the City's estimate of \$85,000 to \$125,000 for these services. Additionally, staff has added two add alternates to the project: one for failed asphalt replacement and one for crack sealing. Both of the add alternates will repair existing sections of the parking lots which have either failed or require sealing prior to the slurry seal application. These two additional work tasks will improve the surface of the asphalt prior to resurfacing and minimize further damaging of the surface as well as improve the expected longevity of slurry seal applied by the contractor. The work will be scheduled for May 2020 and will be completed before the end of the current Fiscal Year.

Policy Alternative:

Alternative: Direct City staff to reject all bids and re-bid the project.

Pros: Re-bidding the project may result in a lower bid.

Cons: Re-bidding will delay the resurfacing of the parking lots and may well result in higher bids.

Reason not recommended: If the Project were to be re-bid, it does not ensure lower bids would be received. In addition, the Project delivery costs would increase from additional staff activities during the re-bidding process.

Fiscal Impact:

The cost to resurface the Police and Public Works Department parking lots through a construction contract with American Asphalt Repair & Resurfacing Co., Inc. is \$123,930. Staff is also requesting approval to execute contract change orders in an aggregate amount not to exceed \$10,000, for a total construction budget of \$133,930. There are sufficient funds available in Capital Improvement Project No. 3716 for this work.

California Environmental Quality Act:

This Project is exempt from CEQA under Class 1 - Section 15301 - Existing Facilities because they relate to the operation, repair, maintenance or minor alterations to a public facility involving no or negligible expansion of use.

Recommendations:

- 1) Receive a report on bids and award of construction contract to the lowest responsible bidder submitting a responsive bid, American Asphalt Repair and Resurfacing Company, Inc., in the amount of \$123,930 for the Repaving of the Public Works and Police Departments' Parking Lots Project.
- 2) Authorize the Director of Public Works to negotiate and execute contract change orders in an aggregate amount not to exceed \$10,000 for this project.

Attachment

Construction Contract with American Asphalt Repair & Resurfacing Co., Inc.



CITY OF MILPITAS

CONSTRUCTION CONTRACT

Repaving of Public Works/Police Department Complex

1. PARTIES AND DATE.

This Contract is made and entered into this _____ day of _____, 2019 by and between the City of Milpitas, a public agency and public corporation of the State of California ("City") and **American Asphalt Repair and Resurfacing Co., Inc.**, a corporation with its principal place of business at **24200 Clawiter Road Hayward, CA 94545** ("Contractor"). City and Contractor are sometimes individually referred to as "Party" and collectively as "Parties" in this Contract.

2. RECITALS.

2.1 City. City is a public agency organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

2.2 Contractor. Contractor desires to perform and assume responsibility for the provision of certain construction services required by the City on the terms and conditions set forth in this Contract. Contractor represents that it is duly licensed and experienced in providing **Repaving of Public Works/Police Department Complex** related construction services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the services in the State of California, and that it is familiar with the plans of City. The following license classifications are required for this Project: A or B or C-12.

2.3 Project. City desires to engage Contractor to render such services for the **Repaving of Public Works/Police Department Complex** ("Project") as set forth in this Contract.

2.4 Project Documents & Certifications. Contractor has obtained, and delivers concurrently herewith, a performance bond, a payment bond, and all insurance documentation, as required by the Contract.

3. TERMS

3.1 Incorporation of Documents. This Contract includes and hereby incorporates in full by reference the following documents, including all exhibits, drawings, specifications and documents therein, and attachments and addenda thereto:

- Services/Schedule (Exhibit "A")
- Plans and Specifications (Exhibit "B")
- Special Conditions (Exhibit "C")
- Contractor's Certificate Regarding Workers' Compensation (Exhibit "D")

- Public Works Contractor Registration Certification (Exhibit “E”)
- Payment and Performance Bonds (Exhibit “F”)
- Insurance Requirements (Exhibit “G”)
- Federal Requirements (Exhibit “H”)
- Addenda
- Change Orders executed by the City
- Current Edition of the Caltrans Standard Specifications, Excluding Division I (Sections 1-9)
- Current Edition of the Caltrans Standard Plans
- Notice Inviting Bids, if any
- Instructions to Bidders, if any
- Contractor’s Bid

3.2 Contractor’s Basic Obligation; Scope of Work. Contractor promises and agrees, at its own cost and expense, to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete the Project, including all structures and facilities necessary for the Project or described in the Contract (hereinafter sometimes referred to as the “Work”), for a Total Contract Price as specified pursuant to this Contract. All Work shall be subject to, and performed in accordance with the above referenced documents, as well as the exhibits attached hereto and incorporated herein by reference. The plans and specifications for the Work are further described in Exhibit “B” attached hereto and incorporated herein by this reference. Special Conditions, if any, relating to the Work are described in Exhibit “C” attached hereto and incorporated herein by this reference.

3.2.1 Change in Scope of Work. Any change in the scope of the Work, method of performance, nature of materials or price thereof, or any other matter materially affecting the performance or nature of the Work shall not be paid for or accepted unless such change, addition or deletion is approved in writing by a valid change order executed by the City. Should Contractor request a change order due to unforeseen circumstances affecting the performance of the Work, such request shall be made within five (5) business days of the date such circumstances are discovered or shall waive its right to request a change order due to such circumstances. If the Parties cannot agree on any change in price required by such change in the Work, the City may direct the Contractor to proceed with the performance of the change on a time and materials basis.

3.2.2 Substitutions/“Or Equal”. Pursuant to Public Contract Code Section 3400(b), the City may make a finding that designates certain products, things, or services by specific brand or trade name. Unless specifically designated in this Contract, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such Specifications shall be deemed to be used for the purpose of facilitating the description of the material, process or article desired and shall be deemed to be followed by the words “or equal.”

Contractor may, unless otherwise stated, offer for substitution any material, process or article which shall be substantially equal or better in every respect to that so indicated or specified in this Contract. However, the City may have adopted certain uniform standards for certain materials, processes and articles. Contractor shall submit requests, together with substantiating data, for substitution of any “or equal” material, process or article no later than thirty-five (35) days after award of the Contract. To facilitate the construction schedule and

sequencing, some requests may need to be submitted before thirty-five (35) days after award of Contract. Provisions regarding submission of “or equal” requests shall not in any way authorize an extension of time for performance of this Contract. If a proposed “or equal” substitution request is rejected, Contractor shall be responsible for providing the specified material, process or article. The burden of proof as to the equality of any material, process or article shall rest with Contractor.

The City has the complete and sole discretion to determine if a material, process or article is an “or equal” material, process or article that may be substituted. Data required to substantiate requests for substitutions of an “or equal” material, process or article data shall include a signed affidavit from Contractor stating that, and describing how, the substituted “or equal” material, process or article is equivalent to that specified in every way except as listed on the affidavit. Substantiating data shall include any and all illustrations, specifications, and other relevant data including catalog information which describes the requested substituted “or equal” material, process or article, and substantiates that it is an “or equal” to the material, process or article. The substantiating data must also include information regarding the durability and lifecycle cost of the requested substituted “or equal” material, process or article. Failure to submit all the required substantiating data, including the signed affidavit, to the City in a timely fashion will result in the rejection of the proposed substitution.

Contractor shall bear all of the City’s costs associated with the review of substitution requests. Contractor shall be responsible for all costs related to a substituted “or equal” material, process or article. Contractor is directed to the Special Conditions (if any) to review any findings made pursuant to Public Contract Code section 3400.

3.3 Period of Performance and Liquidated Damages. Contractor shall perform and complete all Work under this Contract within **Sixty (60) Days**, beginning the effective date of the Notice to Proceed (“Contract Time”). Contractor shall perform its Work in strict accordance with any completion schedule, construction schedule or project milestones developed by the City. Such schedules or milestones may be included as part of Exhibits “A” or “B” attached hereto or may be provided separately in writing to Contractor. Contractor agrees that if such Work is not completed within the aforementioned Contract Time and/or pursuant to any such completion schedule, construction schedule or project milestones developed pursuant to provisions of the Contract, it is understood, acknowledged and agreed that the City will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the City as fixed and liquidated damages the sum of Five Hundred Dollars and Zero Cents (\$500.00) per day for each and every calendar day of delay beyond the Contract Time or beyond any completion schedule, construction schedule or Project milestones established pursuant to the Contract.

3.4 Standard of Performance; Performance of Employees. Contractor shall perform all Work under this Contract in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Contractor shall perform, at its own cost and expense and without reimbursement from the City, any work necessary to correct errors or omissions which are caused by Contractor’s failure to comply with

the standard of care provided for herein. Any employee who is determined by the City to be uncooperative, incompetent, a threat to the safety of persons or the Work, or any employee who fails or refuses to perform the Work in a manner acceptable to the City, shall be promptly removed from the Project by Contractor and shall not be re-employed on the Work.

3.5 Control and Payment of Subordinates; Contractual Relationship. City retains Contractor on an independent contractor basis and Contractor is not an employee of City. Any additional personnel performing the work governed by this Contract on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Contract and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.6 City's Basic Obligation. City agrees to engage and does hereby engage Contractor as an independent contractor to furnish all materials and to perform all Work according to the terms and conditions herein contained for the sum set forth above. Except as otherwise provided in the Contract, the City shall pay to Contractor, as full consideration for the satisfactory performance by Contractor of the services and obligations required by this Contract, the belowreferenced compensation in accordance with compensation provisions set forth in the Contract.

3.7 Compensation and Payment.

3.7.1 Amount of Compensation. As consideration for performance of the Work required herein, City agrees to pay Contractor the Total Contract Price of **One Hundred TwentyThree Thousand Nine Hundred Thirty Dollars and Zero Cents (\$123,930.00)** ("Total Contract Price") provided that such amount shall be subject to adjustment pursuant to the applicable terms of this Contract or written change orders approved and signed in advance by the City.

3.7.2 Payment of Compensation. If the Work is scheduled for completion in thirty (30) or less calendar days, City will arrange for payment of the Total Contract Price upon completion and approval by City of the Work. If the Work is scheduled for completion in more than thirty (30) calendar days, City will pay Contractor on a monthly basis as provided for herein. On or before the fifth (5th) day of each month, Contractor shall submit to the City an itemized application for payment in the format supplied by the City indicating the amount of Work completed since commencement of the Work or since the last progress payment. These applications shall be supported by evidence which is required by this Contract and such other documentation as the City may require. The Contractor shall certify that the Work for which payment is requested has been done and that the materials listed are stored where indicated. Contractor may be required to furnish a detailed schedule of values upon request of the City and in such detail and form as the City shall request, showing the quantities, unit prices, overhead, profit, and all other expenses involved in order to provide a basis for determining the amount of progress payments.

3.7.3 Prompt Payment. City shall review and pay all progress payment requests in accordance with the provisions set forth in Section 20104.50 of the California Public Contract Code. However, no progress payments will be made for Work not completed in accordance with this Contract. Contractor shall comply with all applicable laws, rules and regulations relating to the proper payment of its employees, subcontractors, suppliers or others.

3.7.4 Contract Retentions. From each approved progress estimate, five percent (5%) will be deducted and retained by the City, and the remainder will be paid to Contractor. All Contract retention shall be released and paid to Contractor and subcontractors pursuant to California Public Contract Code Section 7107.

3.7.5 Other Retentions. In addition to Contract retentions, the City may deduct from each progress payment an amount necessary to protect City from loss because of: (1) liquidated damages which have accrued as of the date of the application for payment; (2) any sums expended by the City in performing any of Contractor's obligations under the Contract which Contractor has failed to perform or has performed inadequately; (3) defective Work not remedied; (4) stop notices as allowed by state law; (5) reasonable doubt that the Work can be completed for the unpaid balance of the Total Contract Price or within the scheduled completion date; (6) unsatisfactory prosecution of the Work by Contractor; (7) unauthorized deviations from the Contract; (8) failure of Contractor to maintain or submit on a timely basis proper and sufficient documentation as required by the Contract or by City during the prosecution of the Work; (9) erroneous or false estimates by Contractor of the value of the Work performed; (10) any sums representing expenses, losses, or damages as determined by the City, incurred by the City for which Contractor is liable under the Contract; and (11) any other sums which the City is entitled to recover from Contractor under the terms of the Contract or pursuant to state law, including Section 1727 of the California Labor Code. The failure by the City to deduct any of these sums from a progress payment shall not constitute a waiver of the City's right to such sums.

3.7.6 Substitutions for Contract Retentions. In accordance with California Public Contract Code Section 22300, the City will permit the substitution of securities for any monies withheld by the City to ensure performance under the Contract. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a state or federally chartered bank in California as the escrow agent, and thereafter the City shall then pay such monies to Contractor as they come due. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor. For purposes of this Section and Section 22300 of the Public Contract Code, the term "satisfactory completion of the contract" shall mean the time the City has issued written final acceptance of the Work and filed a Notice of Completion as required by law and provisions of this Contract. Contractor shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon. The escrow agreement used for the purposes of this Section shall be in the form provided by the City.

3.7.7 Title to Work. As security for partial, progress, or other payments, title to Work for which such payments are made shall pass to the City at the time of payment. To the extent that title has not previously been vested in the City by reason of payments, full title shall pass to the City at delivery of the Work at the destination and time specified in this Contract. Such transferred title shall in each case be good, free and clear from any and all security interests, liens, or other encumbrances. Contractor promises and agrees that it will not pledge, hypothecate, or otherwise encumber the items in any manner that would result in any lien, security interest, charge, or claim upon or against said items. Such transfer of title shall not imply acceptance by the City, nor relieve Contractor from the responsibility to strictly comply with the Contract and shall not relieve Contractor of responsibility for any loss of or damage to items.

3.7.8 Labor and Material Releases. Contractor shall furnish City with labor and material releases from all subcontractors performing work on, or furnishing materials for, the Work governed by this Contract prior to final payment by City.

3.7.9 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720 et seq., and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Since the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000.00 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Contract. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request and shall post copies at Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. Contractor and any subcontractor shall forfeit a penalty of up to \$200.00 per calendar day or portion thereof for each worker paid less than the prevailing wage rates.

3.7.10 Apprenticeable Crafts. When Contractor employs workmen in an apprenticeable craft or trade, Contractor shall comply with the provisions of Section 1777.5 of the California Labor Code with respect to the employment of properly registered apprentices upon public works. The primary responsibility for compliance with said section for all apprenticeable occupations shall be with Contractor. The Contractor or any subcontractor that is determined by the Labor Commissioner to have knowingly violated Section 1777.5 shall forfeit as a civil penalty an amount not exceeding \$100.00 for each full calendar day of noncompliance, or such greater amount as provided by law.

3.7.11 Hours of Work. Contractor is advised that eight (8) hours labor constitutes a legal day's work. Pursuant to Section 1813 of the California Labor Code, Contractor shall forfeit a penalty of \$25.00 per worker for each day that each worker is permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, except when payment for overtime is made at not less than one and one-half (1-1/2) times the basic rate for that worker.

3.7.12 Payroll Records. Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor in the manner provided in Labor Code section 1776. In the event of noncompliance with the requirements of this section, Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects such Contractor must comply with this section. Should noncompliance still be evident after such 10-day period, Contractor shall, as a penalty to City, forfeit not more than \$100.00 for each calendar day or portion thereof, for each worker, until strict compliance is effectuated. The amount of the forfeiture is to be determined by the Labor Commissioner. A contractor who is found to have violated the provisions of law regarding wages on Public Works with the intent to defraud shall be ineligible to bid on Public Works contracts for a period of one to three years as determined by the Labor Commissioner. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The responsibility for compliance with this section is on Contractor. The

requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

3.7.13 Contractor and Subcontractor Registration. Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No bid will be accepted, nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work. Contractor is directed to review, fill out and execute the Public Works Contractor Registration Certification attached hereto as Exhibit "E" prior to contract execution. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

3.7.14 Labor Compliance; Stop Orders. This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be the Contractor's sole responsibility to evaluate and pay the cost of complying with all labor compliance requirements under this Contract and applicable law. Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor's performance of Work, including any delay, shall be Contractor's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay subject to any applicable liquidated damages and shall not be compensable by the City. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor.

3.8 Performance of Work; Jobsite Obligations.

3.8.1 Water Quality Management and Compliance.

3.8.1.1 Water Quality Management and Compliance. Contractor shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Work including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); local ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

3.8.1.2 Compliance with the Statewide Construction General Permit. Contractor shall comply with all conditions of the most recent iteration of the National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity, issued by the California State Water Resources Control Board ("Permit"). It shall be Contractor's sole responsibility to file a Notice of Intent and procure coverage under the Permit for all construction activity which results in the disturbance of more than one acre of total land area or which is part of a larger common area of development or sale. Prior to initiating work, Contractor shall be solely responsible for preparing and implementing a Storm

Water Pollution Prevention Plan (SWPPP) as required by the Permit. Contractor shall be responsible for procuring, implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, and monitoring and reporting requirements as required by the Permit. The Permit requires the SWPPP to be a “living document” that changes as necessary to meet the conditions and requirements of the job site as it progresses through different phases of construction and is subject to different weather conditions. It shall be Contractor’s sole responsibility to update the SWPPP as necessary to address conditions at the project site.

3.8.1.3 Other Water Quality Rules Regulations and Policies.

Contractor shall comply with the lawful requirements of any applicable municipality, drainage City, or local agency regarding discharges of storm water to separate storm drain systems or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

3.8.1.4 Cost of Compliance. Storm, surface, nuisance, or other waters may be encountered at various times during construction of The Work. Therefore, the Contractor, by submitting a Bid, hereby acknowledges that it has investigated the risk arising from such waters, has prepared its Bid accordingly, and assumes any and all risks and liabilities arising therefrom.

3.8.1.5 Liability for Non-Compliance. Failure to comply with the Permit is a violation of federal and state law. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to defend, indemnify and hold harmless the City and its directors, officials, officers, employees, volunteers and agents for any alleged violations. In addition, City may seek damages from Contractor for any delay in completing the Work in accordance with the Contract, if such delay is caused by or related to Contractor’s failure to comply with the Permit.

3.8.1.6 Reservation of Right to Defend. City reserves the right to defend any enforcement action brought against the City for Contractor’s failure to comply with the Permit or any other relevant water quality law, regulation, or policy. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to be bound by, and to reimburse the City for the costs (including the City’s attorney’s fees) associated with, any settlement reached between the City and the relevant enforcement entity.

3.8.1.7 Training. In addition to the standard of performance requirements set forth in paragraph 3.4, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them without impacting water quality in violation of the laws, regulations and policies described in paragraph 3.8.1. Consultant further warrants that it, its employees and subcontractors will receive adequate training, as determined by City, regarding the requirements of the laws, regulations and policies described in paragraph 3.8.1 as they may relate to the Work provided under this Agreement. Upon request, City will provide the Contractor with a list of training programs that meet the requirements of this paragraph.

3.8.2 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. Contractor shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out its Work, Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Work and the conditions under which the Work is

to be performed. Safety precautions as applicable shall include, but shall not be limited to, adequate life protection and lifesaving equipment; adequate illumination for underground and night operations; instructions in accident prevention for all employees, such as machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and adequate facilities for the proper inspection and maintenance of all safety measures. Furthermore, Contractor shall prominently display the names and telephone numbers of at least two medical doctors practicing in the vicinity of the Project, as well as the telephone number of the local ambulance service, adjacent to all telephones at the Project site.

3.8.3 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Contract or the Work, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Work. If Contractor observes that the drawings or specifications are at variance with any law, rule or regulation, it shall promptly notify the City in writing. Any necessary changes shall be made by written change order. If Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. City is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.8.4 Permits and Licenses. Contractor shall be responsible for securing City permits and licenses necessary to perform the Work described herein, including, but not limited to, an City Business License. While Contractor will not be charged a fee for any City permits, Contractor shall pay the City's applicable business license fee. Any ineligible contractor or subcontractor pursuant to Labor Code Sections 1777.1 and 1777.7 may not perform work on this Project.

3.8.5 Trenching Work. If the Total Contract Price exceeds \$25,000.00 and if the Work governed by this Contract entails excavation of any trench or trenches five (5) feet or more in depth, Contractor shall comply with all applicable provisions of the California Labor Code, including Section 6705. To this end, Contractor shall submit for City's review and approval a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.

3.8.6 Hazardous Materials and Differing Conditions. As required by California Public Contract Code Section 7104, if this Contract involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, Contractor shall promptly, and prior to disturbance of any conditions, notify City of: (1) any material discovered in excavation that Contractor believes to be a hazardous waste that is required to be removed to a Class I, Class II or Class III disposal site; (2) subsurface or latent physical conditions at the site differing from those

indicated by City; and (3) unknown physical conditions of an unusual nature at the site, significantly different from those ordinarily encountered in such contract work. Upon notification, City shall promptly investigate the conditions to determine whether a change order is appropriate. In the event of a dispute, Contractor shall not be excused from any scheduled completion date and shall proceed with all Work to be performed under the Contract but shall retain all rights provided by the Contract or by law for making protests and resolving the dispute.

3.8.7 Underground Utility Facilities. To the extent required by Section 4215 of the California Government Code, City shall compensate Contractor for the costs of: (1) locating and repairing damage to underground utility facilities not caused by the failure of Contractor to exercise reasonable care; (2) removing or relocating underground utility facilities not indicated in the construction drawings; and (3) equipment necessarily idled during such work. Contractor shall not be assessed liquidated damages for delay caused by failure of City to provide for removal or relocation of such utility facilities.

3.8.8 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the California Air Resources Board (CARB). Although CARB limits and requirements are more broad, Contractor shall specifically be aware of their application to "portable equipment", which definition is considered by CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify City against any fines or penalties imposed by CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

3.8.9 State Recycling Mandates. Contractor shall comply with State Recycling Mandates. Any recyclable materials/debris collected by the contractor that can be feasibly diverted via reuse or recycling must be hauled by the appropriate handler for reuse or recycling.

3.9 Completion of Work. When Contractor determines that it has completed the Work required herein, Contractor shall so notify City in writing and shall furnish all labor and material releases required by this Contract. City shall thereupon inspect the Work. If the Work is not acceptable to the City, the City shall indicate to Contractor in writing the specific portions or items of Work which are unsatisfactory or incomplete. Once Contractor determines that it has completed the incomplete or unsatisfactory Work, Contractor may request a re-inspection by the City. Once the Work is acceptable to City, City shall pay to Contractor the Total Contract Price remaining to be paid, less any amount which City may be authorized or directed by law to retain. Payment of retention proceeds due to Contractor shall be made in accordance with Section 7107 of the California Public Contract Code.

3.10 Claims: Government Code Claim Compliance.

3.10.1 Intent. Effective January 1, 1991, Section 20104 et seq., of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial supervised mediation, and judicial arbitration to resolve disputes on construction claims of \$375,000.00 or less. Effective January 1, 2017, Section 9204 of the Public Contract Code prescribes a process for negotiation and mediation to resolve disputes on construction claims. The intent of this Section is to implement Sections 20104 et seq. and Section 9204 of the California Public Contract Code. This Section shall be construed to be consistent with said statutes.

3.10.2 Claims. For purposes of this Section, "Claim" means a separate demand

by the Contractor, after a change order duly requested in accordance with the terms of this Contract has been denied by the City, for (A) a time extension, (B) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the Contract, or (C) an amount the payment of which is disputed by the City. Claims governed by this Section may not be filed unless and until the Contractor completes all procedures for giving notice of delay or change and for the requesting of a time extension or change order, including but not necessarily limited to the change order procedures contained herein, and Contractor's request for a change has been denied in whole or in part. Claims governed by this Section must be filed no later than the date of final payment. The claim shall be submitted in writing to the City and shall include on its first page the following in 16-point capital font: "THIS IS A CLAIM." Furthermore, the claim shall include the documents necessary to substantiate the claim. Nothing in this Section is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims, including all requirements pertaining to compensation or payment for extra Work, disputed Work, and/or changed conditions. Failure to follow such contractual requirements shall bar any claims or subsequent lawsuits for compensation or payment thereon.

3.10.3 Supporting Documentation. The Contractor shall submit all claims in the following format:

3.10.3.1 Summary of claim merit and price, reference Contract Document provisions pursuant to which the claim is made

3.10.3.2 List of documents relating to claim:

- (A) Specifications
- (B) Drawings
- (C) Clarifications (Requests for Information)
- (D) Schedules
- (E) Other

3.10.3.3 Chronology of events and correspondence

3.10.3.4 Analysis of claim merit

3.10.3.5 Analysis of claim cost

3.10.3.6 Time impact analysis in CPM format

3.10.4 City's Response. Upon receipt of a claim pursuant to this Section, City shall conduct a reasonable review of the claim and, within a period not to exceed 45 days, shall provide the Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the claim will be processed and made within 60 days after the public entity issues its written statement.

3.10.4.1 If City needs approval from its governing body to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the claim, and the governing body does not meet within the 45 days or within the mutually agreed to

extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, City shall have up to three days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

3.10.4.2 Within 30 days of receipt of a claim, City may request in writing additional documentation supporting the claim or relating to defenses or claims City may have against the Contractor. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of City and the Contractor.

3.10.4.3 City's written response to the claim, as further documented, shall be submitted to the Contractor within 30 days (if the claim is less than \$50,000.00, within 15 days) after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.

3.10.5 Meet and Confer. If the Contractor disputes City's written response, or City fails to respond within the time prescribed, the Contractor may so notify City, in writing, either within 15 days of receipt of City's response or within 15 days of City's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, City shall schedule a meet and confer conference within 30 days for settlement of the dispute.

3.10.6 Mediation. Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, City shall provide the Contractor a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after City issues its written statement. Any disputed portion of the claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation, with City and the Contractor sharing the associated costs equally. City and Contractor shall mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing, unless the parties agree to select a mediator at a later time.

3.10.6.1 If the Parties cannot agree upon a mediator, each Party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

3.10.6.2 For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the Parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

3.10.6.3 Unless otherwise agreed to by City and the Contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

3.10.6.4 The mediation shall be held no earlier than the date the Contractor completes the Work or the date that the Contractor last performs Work, whichever is earlier. All

unresolved claims shall be considered jointly in a single mediation, unless a new unrelated claim arises after mediation is completed.

3.10.7 Procedures After Mediation. If following the mediation, the claim or any portion remains in dispute, the Contractor must file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written claim pursuant to subdivision (a) until the time the claim is denied, including any period of time utilized by the meet and confer conference or mediation.

3.10.8 Civil Actions. The following procedures are established for all civil actions filed to resolve claims subject to this Section:

3.10.8.1 Within 60 days, but no earlier than 30 days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties or unless mediation was held prior to commencement of the action in accordance with Public Contract Code section 9204 and the terms of these procedures. The mediation process shall provide for the selection within 15 days by both parties of a disinterested third person as mediator, shall be commenced within 30 days of the submittal, and shall be concluded within 15 days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.

3.10.8.2 If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1114.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

3.10.8.3 In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

3.10.9 Government Code Claims. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the City. A Government Code claim must be filed no earlier than the date the work is completed or the date the Contractor last performs work on the Project, whichever occurs first. A Government Code claim shall be inclusive of all unresolved claims unless a new unrelated claim arises after the Government Code claim is submitted.

3.10.10 Non-Waiver. City's failure to respond to a claim from the Contractor within the time periods described in this Section or to otherwise meet the time requirements of this Section shall result in the claim being deemed rejected in its entirety. City's failure to respond shall not waive City's rights to any subsequent procedures for the resolution of disputed claims.

3.11 Loss and Damage. Except as may otherwise be limited by law, Contractor shall be responsible for all loss and damage which may arise out of the nature of the Work agreed to herein, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the Work until the same is fully completed and accepted by City. In the event of damage proximately caused by an Act of God, as defined by Section 7105 of the Public Contract Code, the City may terminate this Contract pursuant to Section 3.17.3; provided, however, that the City needs to provide Contractor with only one (1) day advanced written notice.

3.12 Indemnification.

3.12.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the City, its officials, employees, agents and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent required by Civil Code section 2782, Contractor's indemnity obligation shall not apply to liability for damages for death or bodily injury to persons, injury to property, or any other loss, damage or expense arising from the sole or active negligence or willful misconduct of the City or the City's agents, servants, or independent contractors who are directly responsible to the City, or for defects in design furnished by those persons.

3.12.2 Additional Indemnity Obligations. Contractor shall defend, with counsel of City's choosing and at Contractor's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against City or its officials, employees, agents and authorized volunteers. In addition, Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City or its officials, employees, agents and authorized volunteers as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City or its officials, employees, agents and authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Contractor shall reimburse City and its officials, employees, agents and authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall

not be restricted to insurance proceeds, if any, received by the City, its officials, employees, agents and authorized volunteers.

3.13 Insurance. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the City that it has secured all insurance required under Exhibit "G" (Insurance Requirements), attached hereto and incorporated herein by this reference. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required therein. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Contract for cause.

3.14 Bond Requirements.

3.14.1 Payment Bond. If required by Civil Code section 9550, as it may be amended from time to time, or otherwise specifically requested by City as set forth in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Contract a Payment Bond in an amount required by the City and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the City.

3.14.2 Performance Bond. If specifically requested by City in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Contract a Performance Bond in an amount required by the City and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the City.

3.14.3 Bond Provisions. Should, in City's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the effected bond within (ten) 10 days of receiving notice from City. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the City, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Contract until any replacement bonds required by this Section are accepted by the City. To the extent, if any, that the Total Contract Price is increased in accordance with the Contract, Contractor shall, upon request of the City, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the City. If Contractor fails to furnish any required bond, the City may terminate the Contract for cause.

3.14.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in California Code of Civil Procedure Section 995.120, shall be accepted. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the City.

3.15 Warranty. Contractor warrants all Work under the Contract (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Contract or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Work or non-conformance of the Work to the Contract, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one-year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the City, regardless of whether or not such warranties and guarantees have been transferred or assigned to the City by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the City. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

3.16 Employee/Labor Certifications.

3.16.1 Contractor's Labor Certification. By its signature hereunder, Contractor certifies that he is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code and agrees to comply with such provisions before commencing the performance of the Work. A certification form for this purpose, which is attached to this Contract as Exhibit "D" and incorporated herein by reference, shall be executed simultaneously with this Contract.

3.16.2 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be

limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

3.16.3 Verification of Employment Eligibility. By executing this Contract, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

3.17 General Provisions.

3.17.1 City's Representative. The City hereby designates the General Manager, or his or her designee, to act as its representative for the performance of this Contract ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.17.2 Contractor's Representative. Before starting the Work, Contractor shall submit in writing the name, qualifications and experience of its proposed representative who shall be subject to the review and approval of the City ("Contractor's Representative"). Following approval by the City, Contractor's Representative shall have full authority to represent and act on behalf of Contractor for all purposes under this Contract. Contractor's Representative shall supervise and direct the Work, using his best skill and attention, and shall be responsible for all construction means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Contract. Contractor's Representative shall devote full time to the Project and either he or his designee, who shall be acceptable to the City, shall be present at the Work site at all times that any Work is in progress and at any time that any employee or subcontractor of Contractor is present at the Work site. Arrangements for responsible supervision, acceptable to the City, shall be made for emergency Work which may be required. Should Contractor desire to change its Contractor's Representative, Contractor shall provide the information specified above and obtain the City's written approval.

3.17.3 Termination. This Contract may be terminated by City at any time, either with or without cause, by giving Contractor three (3) days advance written notice. In the event of termination by City for any reason other than the fault of Contractor, City shall pay Contractor for all Work performed up to that time as provided herein. In the event of breach of the Contract by Contractor, City may terminate the Contract immediately without notice, may reduce payment to Contractor in the amount necessary to offset City's resulting damages, and may pursue any other available recourse against Contractor. Contractor may not terminate this Contract except for cause. In the event this Contract is terminated in whole or in part as provided, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated. Further, if this Contract is terminated as provided, City may require Contractor to provide all finished or unfinished documents, data, diagrams, drawings, materials or other matter prepared or built by Contractor in connection with its performance of this Contract.

3.17.4 Contract Interpretation. Should any question arise regarding the meaning

or import of any of the provisions of this Contract or written or oral instructions from City, the matter shall be referred to City's Representative, whose decision shall be binding upon Contractor.

3.17.5 Anti-Trust Claims. This provision shall be operative if this Contract is applicable to California Public Contract Code Section 7103.5. In entering into this Contract to supply goods, services or materials, Contractor hereby offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the City tender final payment to Contractor, without further acknowledgment by the Parties.

3.17.6 Notices. All notices hereunder and communications regarding interpretation of the terms of the Contract or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

CONTRACTOR:

American Asphalt Repair and Resurfacing Co. Inc.
24200 Clawiter Road
Hayward, CA 94545
Attn: Erica Ornelas, Bids & Contracts Administrator

CITY:

City of Milpitas
455 E. Calaveras Boulevard
Milpitas, California 95035
Attn: City Manager

Any notice so given shall be considered received by the other Party three (3) days after deposit in the U.S. Mail as stated above and addressed to the Party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.17.7 Time of Essence. Time is of the essence in the performance of this Contract.

3.17.8 Assignment Forbidden. Contractor shall not, either voluntarily or by action of law, assign or transfer this Contract or any obligation, right, title or interest assumed by Contractor herein without the prior written consent of City. If Contractor attempts an assignment or transfer of this Contract or any obligation, right, title or interest herein, City may, at its option, terminate and revoke the Contract and shall thereupon be relieved from any and all obligations to Contractor or its assignee or transferee.

3.17.9 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.17.10 Laws, Venue, and Attorneys' Fees. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Santa Clara, State of California.

3.17.11 Counterparts. This Contract may be executed in counterparts, each of which shall constitute an original.

3.17.12 Successors. The Parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions contained in this Contract.

3.17.13 [Reserved]

3.17.14 Solicitation. Contractor warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, City shall have the right to terminate this Contract without liability.

3.17.15 Conflict of Interest. Contractor warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Contract, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Contract, or obtain any present or anticipated material benefit arising therefrom. In addition, Contractor agrees to file, or to cause its employees or subcontractors to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Work.

3.17.16 Certification of License.

3.17.16.1 Contractor certifies that as of the date of execution of this Contract, Contractor has a current contractor's license of the classification indicated below under Contractor's signature.

3.17.16.2 Contractors are required by law to be licensed and regulated

by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

3.17.17 Authority to Enter Contract. Each Party warrants that the individuals who have signed this Contract have the legal power, right and authority to make this Contract and bind each respective Party.

3.17.18 Entire Contract; Modification. This Contract contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Contract may only be modified by a writing signed by both Parties.

3.17.19 Non-Waiver. None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

3.17.20 City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this Project or other projects.

3.17.21 Wage Theft Prevention.

3.17.21.1 Contractor, and any subcontractor it employs to complete work under this Contract, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code and the Milpitas Minimum Wage Ordinance.

3.17.21.2 BY SIGNING THIS CONTRACT, CONTRACTOR AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY, FINDING IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS CONTRACT THAT CONTRACTOR OR ITS SUBCONTRACTORS HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONTRACTOR FURTHER AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) HAS EITHER FULLY SATISFIED EACH JUDGMENT, DECISION OR ORDER, OR, IF ANY JUDGMENT, DECISION OR ORDER HAS NOT BEEN FULLY SATISFIED, CONTRACTOR AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) IS CURRENTLY SATISFYING SAID JUDGMENT, DECISION OR ORDER THROUGH A PAYMENT OR ALTERNATIVE PLAN APPROVED BY THE APPLICABLE COURT/GOVERNMENT AGENCY AND THAT CONTRACTOR OR ITS SUBCONTRACTOR(S) ARE IN COMPLIANCE WITH SAID PLAN AS OF THE DATE OF EXECUTING THIS CONTRACT.

3.17.21.3 If at any time during the term of this Contract, a court or investigatory government agency issues a final judgment, decision or order finding that Contractor or a subcontractor it employs to perform work under this Contract has violated any applicable wage and hour law, or Contractor learns of such a judgment, decision, or order that was not previously disclosed in its bid/proposal, Contractor shall inform the City no more than fifteen (15) calendar days after the judgment, decision or order becomes final or from the date of learning of the final judgment, decision or order. Contractor or its subcontractor(s) shall, within thirty (30) calendar days after notifying the City, either (i) fully satisfy any such judgment, decision, or order and provide the City with documentary evidence of satisfying said judgment, decision or order; or (ii) provide the City documentary evidence of a payment or other alternative plan approved by the court/government agency to satisfy the judgment, decision or order. If the Contractor or its subcontractor is subject to a payment or other alternative plan, the Contractor or its subcontractor shall continue to submit documentary evidence every thirty (30) calendar days during the term of the Contract demonstrating continued compliance with the plan until the judgment, decision or order has been fully satisfied.

3.17.21.4 For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time period to appeal has expired. Relevant investigatory government agencies include: the United States Department of Labor, the California Division of Labor Standards Enforcement, the City, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

3.17.21.5 Failure to comply with any part of this Section constitutes a material breach of this Contract. Such breach may serve as a basis for immediate termination of this Contract and/or any other remedies available under this Contract and/or law.

3.17.21.6 Notice provided to the City shall be addressed to: Attention: Finance Director, 455 E. Calaveras Blvd. Milpitas, CA 95035. The Notice provisions of this Section are separate from any other notice provisions in this Contract and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

3.17.22 Federal Provisions. [RESERVED]

[SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE FOR CONSTRUCTION CONTRACT BETWEEN
THE CITY OF MILPITAS
AND AMERICAN ASPHALT REPAIR & RESURFACING CO., INC.**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

CITY OF MILPITAS *Approved By:*

Steve McHarris
Interim City Manager

Date

Approved As To Form:

Christopher J. Diaz
City Attorney

Approved:

Walter C. Rossmann
Director of Finance/Public Works

Approved As To Scope:

Tony Ndah
Director of Public Works

**AMERICAN REPAIR &
ASPHALT
RESURFACING CO.,
INC.**

Signature

Name

Title

Date

EXHIBIT "A" SERVICES / SCHEDULE

CITY PARKING LOTS REHABILITATION PUBLIC WORKS AND POLICE DEPARTMENTS

Project Description:

The Work under this project is for rehabilitating the parking lots of the City facilities with seal coat and slurry seal resurfacing. The bid price for the work shall include all labor, services, materials, equipment, plant, machinery, apparatus, appliances, tools, supplies, all other incidentals, and all Federal, State and local taxes, necessary to complete the Work as herein specified.

The time of completion of work shall be by the end of June 2020; however, the resurfacing work for the Public Works and the Police Department Parking lots shall be of first priority and weather permitting, shall be completed before the end of 2019.

Locations and Work to be done

The following City parking lots are to be resurfaced:

1. Public Works Department and Police Department Parking Lots, located at 1265 and 1275 N, Milpitas Blvd, Milpitas 95035

Each site has a unique time frame and the limits of work for each parking lot site is exhibited in the Attachment at the end of this technical specification.

The surface areas of the parking lots to be resurfaced described under these specifications have been extracted from aerial photographs and hence are approximate and may vary 10- 15 % of the actual surface areas. Payment for parking lots resurfacing work shall be per actual measurement of the resurfacing applied.

Description of Work:

1. Public Works Department and Police Department – Slurry Seal

Ability and Experience of Bidder

To be eligible for award of the construction contract, bidders will need to satisfy the City (Owner) that they have sufficient ability and experience in this class of work and sufficient capital and plant to enable them to complete the work successfully within the specified time frame. The Owner's decision or judgment on these matters will be final, conclusive, and binding.

Bidder shall have a minimum of five (5) years' experience and have completed satisfactorily five (5) jobs within that time of similar size and scope.

All Subcontractors shall have a minimum of five (5) years' experience and have completed satisfactorily five (5) jobs within that time of similar size and scope.

The bidders must submit with the bid proposal a list of five (5) jobs which they has successfully completed, giving the name and the address of these projects so they can be investigated prior to the award of the contract.

The City may make such investigations as it deems necessary, and the bidder shall furnish to the City, under oath if so required, all such information and data for this purpose as the City may request.

Site Condition

Prospective bidder shall familiarize himself fully with the conditions relating to the construction of the project and the employment of labor thereon. Failure to do so will not relieve a successful bidder of his obligation to furnish all material and labor necessary to carry out the provisions of this Contract. Insofar as possible the Contractor, in carrying out his work, must employ such methods or means as will not cause any interruption of or interference with the work of any other Contractor.

Laws and Regulations

Contractor's attention is directed to the fact that all applicable State laws, municipal ordinances, and the rules and regulation of all authorities having jurisdiction over

construction of the project shall apply to the Contract throughout, and they will be deemed to be included in the Contract the same as though herein written out in full.

Information Not Guaranteed

No information is given in the Contract Documents relating to subsurface and other conditions, natural phenomena, existing pipes, and other structures present at the sites. It is agreed and understood that the Contractor shall not use or be entitled to use any of the information made available to him or obtained in any examination made by him in any manner as a basis of or ground for any claim or demand against the City or the Engineer, arising from or by reason of any variance which may exist between the information made available and the actual subsurface or other structures actually encountered during the construction work.

TECHINICAL SPECIFICATIONS

The specifications for this project are based on California Department of Transportation, (Caltrans), Sections 37 Bituminous Seals and Section 94 Asphaltic Emulsion of the "Standard Specifications 2018".

The work under this project shall be in accordance with the following Caltrans specifications:

- a) Slurry Seal per Caltrans Specs 37-2
- b) Asphaltic Emulsion per Caltrans Specs. 94

1. SLURRY SEAL

Slurry Seal shall be per Caltrans Specs 37-2, and as described below:

37-2.01 Slurry Seal. -This work shall consist of mixing asphalt emulsion, aggregate, set control additives, and water and spreading the mixture on a surfacing or pavement where shown on the plans, as specified in these special provisions, and as directed by the Engineer.

37-2.02 Materials. -The materials for slurry seal immediately prior to mixing shall conform to the following requirements.

37-2.02A Asphaltic Emulsion. -Asphaltic emulsion shall be quick-setting Type CQS1h grade conforming to the requirements of these special provisions and Section 94, "Asphaltic Emulsions," of the Standard Specifications.

37-2.02B Water and Additives. -Water shall be of such quality that the asphalt will not separate from the emulsion before the slurry seal is in place in the work. If necessary for workability, a set-control agent that will not adversely affect the slurry seal, may be used.

37-2.02C Aggregate. -Aggregate shall consist of rock dust and other sands or other sands of similar nature, except that 100 percent of any aggregate or combination of aggregate, larger than the No. 50 sieve size, used in the mix shall be obtained by crushing rock. The material shall be free from vegetable matter and other deleterious substances. All aggregate shall be free of caked lumps and oversized particles.

The aggregate, prior to the addition of emulsion, shall conform to the requirements of this section. Conformance with the grading requirements will be determined by California Test 202, modified by California Test 105 when there is a difference in specific gravity of 0.2 or more between blends of different aggregates.

(1) Type II Aggregate -The percentage composition by weight of the aggregate shall conform to the following grading:

Sieve Size	Percentage Passing
3/8	100
No.4	94-100
No.8	65-90
No.16	40-70
No. 30	25-50

The aggregate shall conform to the following additional quality requirements:

Test	California Test	Requirement
Sand Equivalent	217	55 minimum
Durability Index	229	55 minimum

- (2) Type III Aggregate -The percentage composition by weight of the aggregate shall conform to the following grading:

Sieve Size	Percentage Passing
3/8	100
No.4	70-90
No.8	45-70
No.16	28-50
No. 30	19-34
No. 200	5-15

The aggregate shall conform to the following additional quality requirements:

Test	California Test	Requirement
Sand Equivalent	217	60 minimum
Durability Index	229	55 minimum

If the results of the aggregate grading do not meet gradation specified, the slurry seal represented by such test shall be removed. However, if requested in writing by the Contractor and approved by the Engineer, the slurry seal may remain in place and the Contractor shall pay to the City \$1.75 per ton for such aggregate left in place.

If the result of the Sand Equivalent test for aggregate does not meet the requirement specified, the slurry seal represented by such test shall be removed. However, if requested in writing by the Contractor and approved by the Engineer, the slurry seal may remain in place and the Contractor shall pay to the City \$1.75 per ton for such aggregate left in place.

When the results of both the aggregate grading and the Sand Equivalent test do not conform to the requirements specified, both payments to the City shall apply. The City may deduct these amounts from any monies due, or that may become due, the Contractor under the contract. No single aggregate grading or sand equivalent test shall represent more than 300 tons or one day's production, whichever is smaller.

37-2.03 Mix Design. -At least 7 working days before slurry seal placement commences, the Contractor shall submit to the Engineer for approval a laboratory report of tests and proposed mix design covering the specific materials to be used on the project. The percentage of asphaltic emulsion proposed in the mix design shall be within the percentage range specified in "Proportioning" in this section of the special provisions.

The tests and mix design shall be performed by a laboratory capable of performing the applicable International Slurry Seal Association (ISSA) tests. The proposed slurry seal mixture shall conform to the requirements specified when tested in accordance with the following tests:

Test	Designation	Requirement
Cohesion Test	ASTM D3910	20 Kg –cm within 1 hour
Wet Track Abrasion	ASTM D3910*	75 grams per square foot Maximum

* California Test 355 may be used for Type II Slurry Seal.

- (a) Mixing test must pass at the maximum expected air temperature at the project site during application.

- (b) Using project source aggregate and asphaltic emulsion and set control agents if used.

The original laboratory report shall be signed by the laboratory that performed the tests and mix design and shall show the results of the test on individual materials, comparing their values to those required by the specifications. The report shall clearly show the proportions of aggregate, filler (minimum and maximum), water (minimum and maximum), asphalt solids content based on the dry weight of aggregate and set-control agent usage. Previous laboratory reports covering the same materials may be accepted provided they are made during the same calendar year.

Once the proportions of materials to be used are approved by the Engineer, no substitution of other material will be permitted unless the materials proposed for substitution are first tested and a laboratory report is submitted for the substituted design as specified above. Substituted materials shall not be used until the mix design for those materials is approved by the Engineer.

37-2.04 Proportioning. –Aggregate, asphaltic emulsion, water, and additives, including set-control agent if used, shall be proportioned by volume utilizing the mix design approved by the Engineer. If more than one kind of aggregate is used, the correct amount of each kind of aggregate to produce the required grading shall be proportioned separately, prior to adding the other materials of the mixture, in a manner that will result in a uniform and homogeneous blend.

The completed mixture, after addition of water and any set-control agent used, shall be such that the slurry seal mixture has proper workability and (a) will permit a traffic flow, without pilot-car-assisted traffic control, on the slurry seal within 1 hour after placement without the occurrence of bleeding, raveling, separation or other distress, and (b) will prevent development of bleeding, raveling, separation or other distress within 15 days after placing the slurry seal.

Asphaltic emulsion shall be added at a rate of between 10 to 15 percent by weight of the dry aggregate. The quantity of asphaltic emulsion to be used in the slurry seal mixture will be determined from the design asphalt binder content, as approved by the Engineer, and the asphalt solids content of the asphaltic emulsion furnished.

The Contractor shall furnish an aggregate moisture determination for every two hours of operation or maintain the moisture content to within a maximum daily variation of + or - 0.5 percent.

The aggregate shall be proportioned using a belt feeder operated with an adjustable cutoff gate. The height of the gate opening shall be readily determinable. The emulsion shall be proportioned by a positive displacement pump. Any variable rate emulsion pump, if used, shall be equipped with a means to seal the adjusting unit in its calibrated condition. Water shall be introduced into the mixer by a meter registering in gallons delivered.

Uniformity of distribution of asphalt will be determined by extraction test in accordance with California Test 310. The bitumen ratio (pounds of asphalt per 100 pounds of dry aggregates) shall not vary more than 0.5 pounds of asphalt above or 0.5 pound of asphalt below the amount approved by the Engineer. This requirement shall apply to representative samples taken from any location or operation designated by the Engineer.

The delivery rate of aggregate and emulsion per revolution of the aggregate feeder shall be calibrated at the appropriate gate settings for each mixer-spreader truck used on the project in accordance with California Test 109 and the requirements of these special provisions.

The aggregate belt feeder shall deliver aggregate to the pugmill with such volumetric consistency that the deviation for any individual aggregate delivery rate check-run shall not exceed 2.0 percent of the mathematical average of three runs

of at least 3 tons in duration each. The emulsion pump shall deliver emulsion to the pugmill with such volumetric consistency that the deviation for any individual delivery rate check-run shall be within 2.0 percent of the mathematical average of three runs of at least 500 gallons in each duration.

These check-runs shall be performed for each aggregate source using a vehicle scale that has been error tested in accordance with California Test 109.

The emulsion storage located immediately before the emulsion pump shall be equipped with a device which will automatically shut down the power to the emulsion pump and aggregate belt feeder when the emulsion level is lowered sufficiently to expose the pump suction line.

A temperature-indicating device shall be installed in the emulsion storage tank at the pump suction level. The device shall indicate temperature of the emulsion and shall be accurate to + or - 5⁰ F.

The belt delivering the aggregate to the pugmill shall be equipped with a device to monitor the depth of aggregate being delivered to the pugmill. Said device for monitoring depth of aggregate shall automatically shut down the power to the aggregate belt feeder whenever the depth of aggregate is less than 70 percent of the target depth flow. A second device shall be located where it will monitor movement of the aggregate belt by detecting revolutions of the belt feeder. The device for monitoring no flow or belt movement, as the case may be, shall automatically shut down the power to the aggregate belt when aggregate belt movement is interrupted. This second device will not be required where the aggregate delivery belt is an integral part of its drive chain.

To avoid erroneous shutdown by normal fluctuation, a delay of 3 seconds between sensing less than desirable storage levels of aggregate or emulsion and shutdown of the proportioning operation will be permitted.

37-2.05 Mixing and Spreading Equipment. -The slurry seal shall be mixed in continuous pugmill mixers of adequate size and power for the type of slurry seal to be placed. All indicators required in the section entitled "Proportioning" shall be in working order prior to commencing mixing and spreading operations.

Mixers-spreader trucks shall be equipped to proportion emulsion, water, aggregate, and set-control additives by volume. All rotating and reciprocating equipment on mixer-spreader trucks shall be covered with metal guards.

The mixer-spreader truck shall not be operated unless all low-flow and no-flow devices and revolution counters are in good working condition and functioning and all metal guards are in place. All indicators required by these special provisions shall be visible while walking alongside the mixer-spreader truck.

Aggregate feeders shall be connected directly to the drive on the emulsion pump. The drive shaft of the aggregate feeder shall be equipped with a revolution counter reading to the nearest full revolution of the aggregate delivery belt.

At least two operational spreader trucks shall be available at the jobsite during the spreading operation except when continuous placement type mixer-spreader trucks are used. The identifying number of mixer-spreader trucks shall be at least 2 inches in height, located on the front and rear of the vehicle.

The slurry mixture shall be spread by means of a controlled spreader box conforming to the following requirements:

The spreader shall be capable of spreading a traffic lane width and shall have strips of flexible rubber belting or similar material on each side of the spreader box and in contact with the pavement to positively prevent loss of slurry from the ends of the box. All spreader boxes over 7-1/2 feet in width shall have baffles, reversible motor driven augers, or other suitable means, to insure uniform application on super elevated sections and shoulder slopes. Spreader box skids shall be

maintained in such manner as to prevent chatter (wash boarding) in the finished mat.

Rear flexible strike-off blades shall make close contact with the pavement and shall be capable of being adjusted to the various crown shapes so as to apply a uniform slurry seal coat.

Flexible drags, to be attached to the rear of the spreader box, shall be provided as directed by the Engineer. All drags and strike-off blades (rubbers) shall be cleaned or changed daily if problems with cleanliness and longitudinal scouring occur.

The spreader box shall be clean, free of all slurry seal and emulsion, at the start of each work shift.

Slurry mixture, to be spread in areas inaccessible to the controlled spreader box, may be spread by other approved methods.

37-2.06 Placing -The slurry mixture shall be uniformly spread on the existing surfacing within the rate specified without spotting, rehandling or otherwise shifting of the mixture. Slurry seal shall not be placed when the existing pavement temperature is below 50⁰ F. or during unsuitable weather.

Before placing the slurry seal, the pavement surface shall be cleaned by sweeping, flushing or other means necessary to remove all loose particles of paving, all dirt, vegetation, and all other extraneous material.

Slurry seal mixture shall be spread at a rate within 20 to 25 pounds of dry aggregate per square yard. The exact rate will be as determined by the Engineer. The completed spread shall be within 10 percent of the rate determined by the Engineer.

Longitudinal joints shall correspond with the edges of traffic lanes. The Engineer may permit other patterns of longitudinal joints, if such patterns will not adversely affect the quality of the finished product, as determined by the Engineer.

All through driving lanes shall be spread in full lane width pulls only. Longitudinal joints, common to two driving lanes, shall be butt joints with overlaps not to exceed 3 inches. Building paper shall be placed at transverse joints, over previously placed slurry seal, or other suitable methods used to avoid double placement of slurry seal. Hand tools shall be available in order to remove spillage.

Ridges or bumps in the finished surface will not be permitted.

The mixture shall be uniform and homogenous after spreading on the surfacing and shall not show separation of the emulsion and aggregate after setting.

Adequate means shall be provided to protect the slurry seal from damage by traffic until such time that the mixture has cured sufficiently so that the slurry seal will not adhere to and be picked up by the tires of vehicles.

37-2.07 Payment. -The item slurry seal coating shall be paid for at the contract unit price per square feet of the actual area of the parking lot on which slurry seal has been applied. The price shall include preparation for treatment, furnishing, mixing and applying the slurry seal.

The above price and payment shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in applying slurry seal coat, complete in place, as shown on the plans, and as specified in these specifications and as directed by the Engineer.

2. ASPHALTIC EMULSIONS

Asphaltic Emulsion shall be per Caltrans Specs. 94.

Section 94 includes specifications for furnishing asphaltic emulsions as described below .

94-1.01C Submittals

Submit an SDS (Safety Data Sheet) for each shipment of asphaltic emulsion to the job site.

If asphaltic emulsion is used before sampling and testing is complete, submit a certificate of compliance for each shipment to the job site. The certificate of compliance must include:

1. Shipment number and shipment date
2. Source refinery, consignee, and destination
3. Type and description of material with specific gravity and quantity
4. Contract or purchase order number
5. Signature by the manufacturer of the material and a statement that the material complies with the Contract
6. Test results showing the material complies with section 94-1.02

Without the certificate of compliance, use of asphaltic emulsion shall not be authorized.

94-1.01D Quality Assurance

Sample asphaltic emulsion under AASHTO T 40.

Store samples in clean and airtight sealed containers. Storage temperature must be at least 40⁰ F until tested.

Settlement test may be waived if the asphaltic emulsion is used in less than 5 days from the time the sample is taken.

94-1.02 MATERIALS

94-1.02A General

Asphaltic emulsions must be composed of a bituminous material uniformly emulsified with water and an emulsifying or a stabilizing agent. Polymer modified asphaltic emulsion must contain a polymer.

Asphaltic emulsion must be homogeneous. Within 30 days after delivery and if freezing has not caused separation, the asphaltic emulsion must be homogeneous after thorough mixing.

Asphaltic emulsion must be anionic, cationic, polymer modified, or quick setting.

94-1.02B Anionic Asphaltic Emulsions

Anionic asphaltic emulsion must be rapid setting, medium setting, or slow setting. Rapid-setting anionic asphaltic emulsion must comply with the requirements shown in the following table:

Rapid-Setting Anionic Asphaltic Emulsion Requirements

Quality characteristic	Test method	Requirement	
		Grade RS1	Grade RS2
Saybolt Furol viscosity, @ 25 °C (Saybolt Furol seconds)	AASHTO T 59	20–100	--
Saybolt Furol viscosity, @ 50 °C (Saybolt Furol seconds)		--	75–400
Settlement, 5 days (max, %)		5	5
Storage stability test, 1 day (max, %) ^a		1	1
Demulsibility, 35 ml, 0.02 N CaCl ₂ (min, %) ^b		60	60
Sieve test (max, %)		0.10	0.10
Residue by distillation (min, %)		55	63
Tests on residue from distillation test:			
Penetration, 25 °C		100 ^c –200	100 ^c –200
Ductility, 25 °C, 50 mm/minute (min, mm)		400	400
Solubility in trichloroethylene (min, %)		97.5	97.5

^aThe 24-hour storage stability test may be used instead of the 5-day settlement test. ^bThe demulsibility test must be made within 30 days from date of shipment. ^cA harder base asphalt meeting current asphalt binder specifications may be specified if the test requirements on the residue from distillation are waived.

Medium-setting anionic asphaltic emulsion must comply with the requirements shown in the following table:

Medium-Setting Anionic Asphaltic Emulsion Requirements

Quality characteristic	Test method	Requirement		
		Grade MS1	Grade MS2	Grade MS2h
Saybolt Furol viscosity, @ 25 °C (Saybolt Furol seconds)	AASHTO T 59	20–100	100 min	100 min
Settlement, 5 days (max, %)		5	5	5
Storage stability test, 1 day (max, %) ^a		1	1	1
Coating ability and water resistance:				
Coating, dry aggregate		good	good	good

Coating, after spraying	fair	fair	fair
Coating, wet aggregate	fair	fair	fair
Coating, after spraying	fair	fair	fair
Sieve test (max, %)	0.10	0.10	0.10
Residue by distillation (min, %)	55	65	65
Tests on residue from distillation test:			
Penetration, 25 °C	100–200	100–200	40–90
Ductility, 25 °C, 50 mm/minute (min, mm)	400	400	400
Solubility in trichloroethylene (min, %)	97.5	97.5	97.5

^aThe 24-hour storage stability test may be used instead of the 5-day settlement test.

Slow-setting anionic asphaltic emulsion must comply with the requirements shown in the following table:

Slow-Setting Anionic Asphaltic Emulsion Requirements

Quality characteristic	Test method	Requirement	
		Grade SS1	Grade SS1h
Saybolt Furol viscosity, @ 25 °C (Saybolt Furol seconds)	AASHTO T 59	20–100	20–100
Settlement, 5 days (max, %)		5	5
Storage stability test, 1 day (max, %) ^a		1	1
Cement mixing test (max, %)		2.0	2.0
Sieve test (max, %)		0.10	0.10
Residue by distillation (min, %)		57	57
Tests on residue from distillation test:			
Penetration, 25 °C		100–200	40–90
Ductility, 25 °C, 50 mm/minute (min, mm)		400	400
Solubility in trichloroethylene (min, %)		97.5	97.5

^aThe 24-hour storage stability test may be used instead of the 5-day settlement test.

94-1.02C Cationic Asphaltic Emulsions

Cationic asphaltic emulsion must be rapid, medium, or slow setting.

Rapid-setting cationic asphaltic emulsion must comply with the requirements shown in the following table:

Rapid-Setting Cationic Asphaltic Emulsion Requirements

Quality characteristic	Test method	Requirement	
		Grade CRS1	Grade CRS2
Saybolt Furol viscosity, @ 50 °C (Saybolt Furol seconds)	AASHTO T 59	20–100	100–400
Settlement, 5 days (max, %)		5	5
Storage stability test, 1 day (max, %) ^a		1	1
Demulsibility, 35 ml, 0.8 % sodium dioctyl sulfosuccinate (min, %) ^b		40	40
Particle charge test		positive	positive
Sieve test (max, %)		0.10	0.10

Distillation:		
Oil distillate by volume of emulsion (max, %)	3	3
Residue (min, %)	60	65
Tests on residue	97.5	97.5
Tests on residue from distillation test:		
Penetration, 25 °C	100 ^c –250	100 ^c –250
Ductility, 25 °C, 50 mm/minute (min, mm)	400	400
Solubility in trichloroethylene (min, %)	97.5	97.5

^aThe 24-hour storage stability test may be used instead of the 5-day settlement test. ^bThe demulsibility test must be made within 30 days from date of shipment. ^cA harder base asphalt meeting current asphalt binder specifications may be specified if the test requirements on the residue from distillation are waived.

Medium-setting cationic asphaltic emulsion must comply with the requirements shown in the following table:

Medium-Setting Cationic Asphaltic Emulsion Requirements

Quality characteristic	Test method	Requirement		
		Grade CMS2S	Grade CMS2	Grade CMS2h
Saybolt Furol viscosity, @ 50 °C (Saybolt Furol seconds)	AASHTO T 59	50–450	50–450	50–450
Settlement, 5 days (max, %)		5	5	5
Storage stability test, 1 day (max, %) ^a		1	1	1
Coating ability and water resistance:				
Coating, dry aggregate		good	good	good
Coating, after spraying		fair	fair	fair
Coating, wet aggregate		fair	fair	fair
Coating, after spraying		fair	fair	fair
Particle charge test		positive	positive	positive
Sieve test (max, %)		0.10	0.10	0.10
Distillation:				
Oil distillate by volume of emulsion (max, %)		20	12	12
Residue (min, %)		60	65	65
Tests on residue from distillation test:				
Penetration, 25 °C		100–250	100–250	40–90
Ductility, 25 °C, 50 mm/minute (min, mm)		400	400	400
Solubility in trichloroethylene (min, %)		97.5	97.5	97.5

^aThe 24-hour storage stability test may be used instead of the 5-day settlement test.

Slow-setting cationic asphaltic emulsion must comply with the requirements shown in the following table:

Slow-Setting Cationic Asphaltic Emulsion Requirements

Quality characteristic	Test method	Requirement	
		Grade CSS1	Grade CSS1h
Saybolt Furol viscosity, @ 25 °C (Saybolt Furol seconds)	AASHTO T 59	20–100	20–100
Settlement, 5 days (max, %)		5	5
Storage stability test, 1 day (max, %) ^a		1	1
Particle charge test		Positive ^b	Positive ^b
Sieve test (max, %)		0.10	0.10
Cement mixing test (max, %)		2.0	2.0
Residue by distillation (min, %)		57	57
Tests on residue from distillation test:			
Penetration, 25 °C		100–250	40–90
Ductility, 25 °C, 50 mm/minute (min, mm)		400	400

Solubility in trichloroethylene (min, %)	97.5	97.5
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^aThe 24-hour storage stability test may be used instead of the 5-day settlement test. ^bMust comply with a pH requirement of 6.7 maximum under ASTM E70 if the particle charge test result is inconclusive.

94-1.02D Polymer Modified Asphaltic Emulsions

Polymer modified asphaltic emulsion must comply with the requirements shown in the following table:

Polymer Modified Asphaltic Emulsion Requirements

Quality characteristic	Test method	Requirement			
		Anionic		Cationic	
		Grade PMRS2	Grade PMRS2h	Grade PMCRS2	Grade PMCRS2h
Saybolt Furol viscosity, @ 50 °C (Saybolt Furol seconds)	AASHTO T 59	75–300	75–300	75–350	75–350
Settlement, 5 days (max, %)		5	5	5	5
Storage stability test, 1 day (max, %)		1	1	1	1
Sieve test (max, %)		0.30	0.30	0.30	0.30
Demulsibility (min, %)		60 ^a	60 ^a	40 ^b	40 ^b
Particle charge		--	--	positive	positive
Ash content (max, %)	ASTM D3723	0.2	0.2	0.2	0.2
Residue by evaporation (min, %)	California Test 331	65	65	65	65
Tests on residue from evaporation test:					
Penetration, 25 °C	AASHTO T 49	100–200	40–90	100–200	40–90
Ductility, 25 °C, (min, mm)	AASHTO T 51	400	400	400	400
Torsional recovery (min, %)	California Test 332	18	18	18	18
or					
Polymer content at 5% by weight (min, %)	California Test 401	2.5	2.5	2.5	2.5

^aUse 35 ml of 0.02 N CaCl₂ solution. ^bUse 35 ml of 0.8% sodium dioctyl sulfosuccinate solution.

94-1.02E Quick-setting Asphaltic Emulsions

Quick-setting asphaltic emulsion must comply with the requirements shown in the following

table:Quick-setting Asphaltic Emulsion Requirements

Quality characteristic	Test method	Requirement			
		Anionic		Cationic	
		Grade QS1	Grade QS1h	Grade CQS1	Grade CQS1h
Saybolt Furol viscosity, @ 50 °C (Saybolt Furol seconds)	AASHTO T 59	15–90	15–90	15–90	15–90
Storage stability test, 1 day (max, %)		1	1	1	1
Sieve test (max, %)		0.30	0.30	0.30	0.30
Particle charge ^a		negative	negative	positive	positive

Residue by distillation (min, %)		57	57	57	57
Tests on residue from distillation test:					
Penetration, 25 °C	AASHTO T 49	100–200	40–90	100–200	40–90
Ductility, 25 °C, (min, mm)	AASHTO T 51	400	400	400	400
Solubility in trichloroethylene (min, %)	AASHTO T 44	97	97	97	97

^aIf the result of the particle charge test is inconclusive, the asphaltic emulsion must be tested for pH under ASTM E70. Grade QS1h asphaltic emulsion must have a minimum pH of 7.3. Grade CQS1h asphaltic emulsion must have a maximum pH of 6.7.

94-1.04 PAYMENT

Payment for asphaltic emulsion for Work shall be included under payment items for fog seal and slurry seal.

2. STRIPING

For all striping and marking, and signs to be painted on the newly coated parking lot surfaces, Latex Zone Marking paints shall be used meeting Federal Specification TT-P-1952B for use on Asphalt and concrete. All striping, marking, and signs shall be minimum 15 mil thick, and painted in two coats.

A. Parking Lot - 4" White Line (Painted) New and Re-striping of Parking Spaces

The work shall consist of the furnishing of white paint lines to be used for the designation of parking stalls and areas. The reflectorized lines shall be four inch thick lines and painted as depicted upon the plan set or as directed by the City Engineer.

The measurement and payment for four inch reflectorized white painted lines will be for each parking space actually painted on the parking lot

surface. All work shall include the labor, equipment and material necessary to furnish the lines as necessary.

B. ADA Parking Spaces

All ADA parking spaces shall be re-striped to ADA compliance (using blue paint) consistent with current striping and ADA markings.

Markings shall be blue paint lines used for the designation of parking stalls and areas. The lines shall be four inch wide and painted as depicted upon the plan set or as directed by the City Engineer.

Each handicap parking spaces shall also include blue handicap logos, and the striping for vehicles access on the sides of the handicap stalls.

Measurement and payment for these shall be for striping per each handicap parking space including the striping for access to handicap stalls and shall include the handicap logo in each space and any other the striping required for ADA compliance and as shown on the Plans. All work shall include the labor, equipment and material necessary to furnish the lines and logos as necessary.

C. Cross- Walk - 12” White Line (Painted)

The work shall consist of the furnishing white paint lines to be used for the designation of crosswalks. The lines shall be twelve inch thick lines and painted as depicted upon the plan set or as directed by the Engineer.

The measurement and payment for twelve inch white painted cross- walks shall be per each cross-walk actually painted in the field. All work shall include the labor, equipment and material necessary to furnish the lines as necessary.

D. Traffic Direction Marking on the Parking Lot Surface

Stop, Slow, and Arrows - 4” White Line (Painted)

The work shall consist of the furnishing of white paint to be used for traffic direction signs: **SLOW, STOP, and ARROWS** at the designated areas of the parking lots and other areas. The alphabets for “**SLOW, STOP**” signs shall be eight inches wide. The line width of the “**ARROWS**” sign shall be four-inch wide and painted at locations as depicted upon the plan set or as directed by the City Engineer.

Measurement and payment for white painted traffic direction signs shall be per each sign actually painted in the field. All work shall include the labor, equipment and material necessary to furnish the signs as necessary.

E. Stop Line Striping

The work shall consist of the furnishing of white paint lines to paint “**Stop Lines**” at the road “**STOP**” signs out of the parking lots. The lines shall be eight inch wide. The lines shall extending half the width of the road on the side vehicles are exit the parking lots. The painted line shall be as depicted upon the Plan set or as directed by the City Engineer.

Measurement and payment for the white painted “**Stop Line**” shall be on linear feet basis, actually painted on the parking lot surface. All work shall include labor, equipment and material necessary to furnish the lines as necessary.

F. Paint Concrete Curb with “FIRE LANE = NO PARKING”

The work shall consist of painting the curbs in the City Hall parking lot area with red color with the following “**FIRE LANE = NO PARKING**” marked in white painted as shown on the Plan. The curbs to be painted are:

- a) Curb on the City Hall parking lot parallel to N. Milpitas Blvd
- b) Curb on the north and west sides of the Senior Center
- c) Curb on the island north of the Senior Center, in front of entrance.
- e) Or as directed by the Engineer

Only the sides of the curbs facing the street and up (towards the sky) shall be painted and marked. Painting and markings shall be as depicted on the Plan Set or as directed by the City Engineer. The marking “**FIRE LANE = NO PARKING**” shall be painted in white and spaced at 20 ft. intervals. Marking lettering sizes shall be as per the existing size and style.

Measurement and payment for painting and marking the curbs shall be in linear feet actually as applied in the field. All work shall include the labor, equipment and material necessary to furnish the lines as necessary.

G. ELECTRIC VEHICLE CHARGING STATIONS

Measurement and payment for painting and marking for the electric vehicle charging parking stalls shall be each stall, and as actually applied in the field. All work shall include the labor, equipment and material necessary to furnish the lines as necessary

H. “RESERVED” Sign Markings on the Parking Stall Pavements.

Milpitas Public Works parking lots has approximately 24 parking stalls designated as “**RESERVED**”. Each of these parking stall surfaces shall be painted in yellow with “**RESERVED**” sign. The alphabets shall be 1.5 inch wide and 8 inch in height.

Measurement and payment for painting the “**RESERVED**” sign shall be for each parking stall actually painted in the field. All work shall include the labor, equipment and material necessary to furnish the lines as necessary.

I. “COMPACT” sign markings on the Parking Stall Pavement.

Compact car stall are 7’ x 16’ each. Each of these stalls for compact cars shall be painted in white with sign “**COMPACT**” on the surface of the stalls.

Measurement and payment for painting the “**Compact**” sign shall be for each sign actually painted in the field. All work shall include the labor, equipment and material necessary to furnish the sign as necessary.

J. Miscellaneous Line Striping.

The parking lots of the City facility may need additional white or yellow colored line striping at various locations to indicate such items as space for dumpsters or Parking Spaces for City’s specialty vehicles, and other miscellaneous items such as no parking zones etc. These strips shall be white lines, 8 inch wide, and painted where indicated on the Plans or as directed by the Engineer.

Measurement and payment for striping the lines for these miscellaneous items shall be on linear foot basis actually painted in the field. All work shall include the labor, equipment and material necessary to stripe the lines.

K. “VISITOR” Sign Markings on the Parking Stall Pavements.

Milpitas Public Works parking lots has approximately 14 parking stalls designated for visitor. Each of these designated parking stall surfaces shall be painted in white with “**VISITOR**” sign. The alphabets shall be 1.5 inch wide and 8 inch height.

Measurement and payment for painting the signs “**VISITOR**” shall be for each stall actually painted in the field. All work shall include the labor, equipment and material necessary to furnish the lines as necessary.

SCHEDULE OF QUANTITIES
MILPITAS PUBLIC WORKS AND POLICE DEPARTMENT PARKING LOTS

Item	Description	Unit	Quantity	Unit Price \$	Amount \$
1	Parking lot pavement surface preparation in accordance with 37.2. 06, "Placing" of the Specification	LS	LS	\$8000.00`	\$8000.00
2	Slurry Seal Coating as per specifications and attached plans. PW (75,000 SF), PD (50,000 SF)	SF	125,000	\$0.45	\$56250.00
3	Parking Lot Striping PW (127), PD (95)	Stalls	222	\$60.00	\$13320.00
4	Handicap Parking Stalls Striping per ADA PW(3), PD (4)	Stalls	7	250.00	\$1750.00
5	Traffic Direction Arrows Striping	Each	5	\$50.00	\$250.00
6	Cross Walk Striping	Each	1	\$350.00	\$350.00
7	Striping "RESERVED" at the parking stalls	Each	24	\$45.00	\$1080.00

8	Striping "VISITOR" at the parking stalls	Each	14	\$45.00	\$630.00
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9	Parking Lot Numbers (PD)	Each	30	\$35.00	\$1050.00
10	Miscellaneous Line Striping	LF	100	4.50	\$450.00
11	Asphalt Replacement (depth of approx. 6 inches)	Sq Ft	3000	12.00	\$36000.00
12	Crack Sealing of Lot Prior to Resurfacing	LF	600	\$8.00	\$4800.00
	TOTAL				\$123930.00

EXHIBIT "B"

PLANS AND SPECIFICATIONS

Parking Lots Public Works Dept. and Police Dept.



DETAILS

1. Curb Painting and “FIRE LANE + NO PARKING” sign – City Hall and Senior Center



2. “ELECTRIC VEHICLES CHARGING ONLY” sign



EXHIBIT “C” SPECIAL CONDITIONS

ARTICLE 1. BONDS

Within ten (10) calendar days from the date the Contractor is notified of award of the Contract, the Contractor shall deliver to the City four identical counterparts of the Performance Bond and Payment Bond on the forms supplied by the City and included as Exhibit “F” to the Contract. Failure to do so may, in the sole discretion of City, result in the forfeiture of Contractor’s bid security. The surety supplying the bond must be an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, authorized to do business as such in the State of California and satisfactory to the City. The Performance Bond and the Payment Bond shall be for one hundred percent (100%) of the Total Contract Price.

EXHIBIT "D"

CERTIFICATION LABOR CODE - SECTION 1861

I, the undersigned Contractor, am aware of the provisions of Section 3700, et seq., of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work on this Contract.

American Asphalt Repair & Resurfacing Co., Inc.

By: _____
Signature

Name (Print)

Title (Print)

EXHIBIT "E" PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See www.dir.ca.gov/PublicWorks/PublicWorks.html for additional information.

No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

Contractor hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.¹

Name of Contractor: American Asphalt Repair & Resurfacing Co., Inc.

DIR Registration Number: _____

DIR Registration Expiration: _____

Small Project Exemption: _____ Yes or X No

Unless Contractor is exempt pursuant to the small project exemption, Contractor further acknowledges:

- Contractor shall maintain a current DIR registration for the duration of the project.
- Contractor shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
- Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

Name of Contractor _____

Signature _____

Name and Title _____

Dated _____

EXHIBIT "F"

PAYMENT AND PERFORMANCE BONDS

¹ If the Project is exempt from the contractor registration requirements pursuant to the small project exemption under Labor Code Sections 1725.5 and 1771.1, please mark "Yes" in response to "Small Project Exemption."

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the City of Milpitas (hereinafter referred to as "City") has awarded to _____, (hereinafter referred to as the "Contractor") _____ an agreement for _____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, _____, the undersigned Contractor and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the City in the sum of _____ DOLLARS, (\$_____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee of all materials and workmanship; and shall indemnify and save harmless the City, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by City, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the City from loss or damage resulting from or caused by defective materials or faulty workmanship, Surety shall undertake and faithfully fulfill all such obligations. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the City's rights or the

Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Contractor shall be, and is declared by the City to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the City's option:

- (1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- (2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the City, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.
- (3) Permit the City to complete the Project in any manner consistent with local, California and federal law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the City may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the City, when declaring the Contractor in default, notifies Surety of the City's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the

terms of the Contract Documents or to the Project, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__).

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____

Attorney-in-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

(Attach Attorney-in-Fact Certificate)

Title _____

The rate of premium on this bond is _____ per thousand. The total amount of premium charges, \$_____. (The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety)

(Name and Address of Agent or

Representative for service of

process in California, if different _____ from
above)

(Telephone number of Surety and _____
Agent or Representative for service
of process in California)

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title or Type of Document

- Partner(s) ☐ Limited
- General ☐
- Attorney-In-Fact
- ☐ Trustee(s)

Number of Pages

☐ Guardian/Conservator - Other: Signer is representing: Name Of Person(s) Or Entity(ies)	Date of Document
	Signer(s) Other Than Named Above

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the City of Milpitas (hereinafter designated as the "City"), by action taken or a resolution passed _____, 20____ has awarded to _____ hereinafter designated as the "Principal," a contract for the work described as follows:

_____ (the "Project"); and

WHEREAS, the work to be performed by the Principal is more particularly set forth in the Contract Documents for the Project dated _____ ("Contract Documents"), the terms and conditions of which are expressly incorporated by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the City in the penal sum of _____ Dollars (\$_____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or City and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____

Attorney-in-Fact

Title _____

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Authority authorizing the person signing on behalf of the Surety to do so much be attached hereto.

NOTE: A copy of the Power-of-Authority authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title or Type of Document

- Partner(s) ☐ Limited

General ☐ - Attorney-In-Fact ☐ Trustee(s) - Guardian/Conservator - Other: Signer is representing: Name Of Person(s) Or Entity(ies) Number of Pages Date of Document 	
Signer(s) Other Than Named Above	

EXHIBIT "G"

INSURANCE REQUIREMENTS

Please refer to the insurance requirements listed below. Those that have an "X" indicated in the space before the requirement apply to Contractor's or Consultant's Agreement.

Contractor or Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor or Consultant, its agents, representatives, employees or subcontractors.

Contractor or Consultant shall provide its insurance broker(s)/agent(s) with a copy of these requirements and request that they provide Certificates of Insurance complete with copies of all required endorsements.

Contractor or Consultant shall furnish City with copies of original endorsements affecting coverage required by this Exhibit G. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements and certificates are to be received and approved by City before work commences. City has the right to require Contractor's or Consultant's insurer to provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

Commercial General Liability (CGL):

___ Coverage at least as broad as Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$2,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

X_ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and

personal and advertising injury with limits no less than \$1,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

___ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$5,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

Automobile Liability:

X_ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), of if Contractor or Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limits no less than \$1,000,000.00 per accident for bodily injury and property damage.

___ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), with limits no less than \$5,000,000.00 per accident for bodily injury and property damage.

___ Garage keepers' extra liability endorsement to extend coverage to all vehicles in the care, custody and control of the Contractor or Consultant, regardless of where the vehicles are kept or driven.

Professional Liability (Errors and Omissions):

___ Insurance appropriate to the Contractor or Consultant's profession, with limit no less than \$1,000,000.00 per occurrence or claim, \$2,000,000.00 aggregate.

___ (If Design/Build), with limits no less than \$1,000,000.00 per occurrence or claim, and \$2,000,000.00 policy aggregate.

___ Insurance appropriate to the Contractor or Consultant's profession, with limit no less than _____ per occurrence or claim, _____ aggregate

Workers' Compensation Insurance:

X_ Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000.00 per accident for bodily injury or disease. *(Not required if Contractor or Consultant provides written verification it has no employees)*

The Employer's Liability policy shall be endorsed to waive any right of subrogation as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees.

Builder's Risk (Course of Construction):

____ Insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions. If the project does not involve new or major reconstruction, at the option of the City, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the City's site.

Surety Bonds:

X_ Contractor shall provide the following Surety Bonds:

1. Bid Bond
2. Performance Bond
3. Payment Bond

The Payment Bond and Performance Bond shall be in a sum equal to the contract price. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

Contractor's or Consultant's Pollution Legal Liability:

____ Contractor's or Consultant's pollution legal liability and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) with limits no less than \$1,000,000.00 per occurrence or claim and \$2,000,000.00 policy aggregate.

If the Contractor or Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Contractor or Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

Other Insurance Provisions:

The insurance policies are to contain, or be endorsed to contain the following provisions:

X_ **Additional Insured Status and Primary/Non-Contributory Language:**

Contractor's general liability and automobile liability policies shall be primary and shall not seek contribution from the City's coverage and be endorsed to add the City and its officers, officials, employees, and agents as additional insureds under such policies using Insurance Services Office form CG 20 10 (or equivalent) on the general liability policy. For construction projects, an endorsement providing completed operations coverage for the additional insured on the general liability policy, ISO form CG 20 37 (or equivalent), is also required.

The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and

noncontributory basis for the benefit of City (if agreed to in a written contract or agreement) before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

____ Loss Payee Status – Builder's Risk/Course of Construction Insurance (applicable to Construction Contracts only)

Contractor or Consultant may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name the City as a loss payee as their interest may appear.

X_ Notice of Cancellation, Suspension or Otherwise Voiding Policies:

Each insurance policy required above shall contain or be endorsed to contain that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except with thirty (30) days' prior written notice by certified mail, return receipt requested to the City.

X_ Waiver of Subrogation:

Contractor or Consultant hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor or Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Contractor or Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by Contractor or Consultant, its employees, agents and subcontractors.

X_ Completed Operations

For Construction Agreements, Contractor shall maintain insurance as required by this Agreement to the fullest amount allowed by law and shall maintain insurance for a minimum of five (5) years following the completion of this project. In the event Contractor fails to obtain or maintain completed operations coverage as required by this Agreement, the City at its sole discretion may purchase the coverage required and the cost will be paid by Contractor.

THE FOLLOWING PROVISIONS APPLY TO ALL AGREEMENTS

Deductibles and Self-Insured Retentions ("SIR"):

Any deductibles or self-insured retentions must be declared to and approved by City. The City may require the Contractor or Consultant to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. At the option of the City, either (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees; or (2) the Contractor or Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

All SIRs must be disclosed to Risk Management for approval and shall not reduce the limits of liability.

Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or the City.

City reserves the right to obtain a full-certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Acceptability of Insurers:

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-:VII, unless otherwise acceptable to City.

Claims Made Policies: (note - should be applicable only to professional liability, see below)

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claimsmade policy form with a Retroactive Date prior to the contract effective date, the Contractor or Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.
4. A copy of the claims reporting requirements must be submitted to the City for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractor's Pollution Liability Policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability Policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

Subcontractors:

Contractor or Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

Subcontractor agrees to be bound to Contractor and City in the same manner and to the same extent as Contractor is bound to City under this Agreement and any other contract documents. Subcontractor further agrees to include the same requirements and provisions of this

Agreement, including the indemnity and insurance requirements, with any sub-subcontractor to the extent they apply to the scope of the sub-subcontractor's work. A copy of the City indemnity and insurance provisions will be furnished to the subcontractor upon request.

Verification of Coverage:

Contractor or Consultant shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor or Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage or other special circumstances.

Failure to Comply:

Each insurance policy required above shall contain or be endorsed to contain that any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected and appointed officials, officers, attorneys, agents, and employees.

Applicability of Coverage:

Each insurance policy required above shall contain or be endorsed to contain that the Contractor's or Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

EXHIBIT “H”
FEDERAL REQUIREMENTS

[RESERVED]



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve the Memorandum of Understanding Agreement between the City of Milpitas and the Santa Clara County Library District (Staff Contact: Renee Lorentzen, 408-586-3409)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	12/17/2019
Staff Contact:	Renee Lorentzen, Recreation Services Director, 408-586-3409
Recommendation:	Approve the Memorandum of Understanding Agreement between the City of Milpitas and the Santa Clara County Library District.

Background:

The new Milpitas Library opened on January 10, 2009. At that time, the Santa Clara County Library District funded 54 open hours at their Milpitas site. To provide additional open hours and Library services to the public, the City of Milpitas funded an additional 12 hours a week, for a total of 66 hours a week. The City of Milpitas funded the additional 12 hours per week for three (3) years, until necessary budget reductions were instituted in 2012. The City removed Library additional hours funding from the budget and the Milpitas Library continued to operate at 54 hours a week. On August 2, 2016, the prior City Council requested City staff gather information on increasing Milpitas Library hours.

Staff worked with the Santa Clara County Library District (SCCLD) staff to create a proposal for the restoration of hours to the pre-2012 level of 66 hours per week. An additional option of 71 hours per week, based on a Library user feedback survey conducted by the SCCLD, was also developed. On September 6, 2016, the prior City Council approved reinstating City funding for an additional 17 open hours per week, for a total of 71 hours per week. At this time, the Milpitas Library is funded through a combination of County and City funding to sustain 71 hours per week through FY 2019-20.

Although there is a long history of the City annually supporting additional Library open hours for the community, there is no formal agreement between the City of Milpitas and the SCCLD as to the process in which the SCCLD requests this funding.

Analysis:

In collaboration with SCCLD staff, City staff has prepared a Memorandum of Understanding (MOU) that outlines the process and terms for the request and approval of any annual funding from the City for services provided by the County Library.

The process and terms include:

- A required formal Proposal Request from the County Library with specific funding needs that includes performance metrics, survey information or other such justification data from the County for changes in funding;
- Review and recommendation from the Library and Education Advisory Commission to the City Council;
- Agreement that funding decisions coincide with each respective agency's Fiscal Year Budget Planning cycle, which culminates in the final budget adoption by July 1st of every year;

- Identifying community messaging protocol in cases of service reduction; and
- Invoicing protocol.

The City of Milpitas has kicked off its Fiscal Year 2020-21 Budget Process in November. Having an official process in place for the request and approval of annual funding for additional Library services will ensure that staff analyzes the Library services funding level as part of developing a balanced proposed budget consistent with Council Priority Areas and submitted to the City Council for consideration and approval.

Policy Alternative:

Alternative: Do not approve the Library Funding MOU

Pros: None

Cons: In the absence of a Library Funding MOU, requests for funding and resources may be submitted out of alignment with the City's budget process. Requests considered outside of other service and program requests, could result in a lack of funding available for City Council priority services and programs.

Reason not recommended: The consideration of funding for Library services should be analyzed as part of the development of a balanced proposed budget consistent with Council Priority Areas and submitted to Council for consideration and approval in May.

Fiscal Impact:

While there is no direct Fiscal Impact related to the approval of the Library Funding MOU, having an established process outlining the terms for a funding request and that is in alignment with the City Council's annual budget process will allow Council to evaluate the request and fiscal impact in the context of other programs and funding priorities.

Recommendation:

Approve the Memorandum of Understanding Agreement between the City of Milpitas and the Santa Clara County Library District.

Attachment:

Draft Memorandum of Understanding Agreement

MEMORANDUM OF UNDERSTANDING AGREEMENT

This Memorandum of Understanding Agreement (“MOU”) is entered into by and between the City of Milpitas, a California municipal corporation (hereinafter “City”) and the Santa Clara County Library District, a political subdivision of the State (hereinafter “County Library”). Although the County Library funds the operation of the Library, the City may choose to provide funding for enhanced services on an annual basis. This MOU outlines the process and terms for the request and approval of any annual funding from the City for services provided by the County Library.

RECITALS

- A. The City and County Library entered into an agreement on October 21, 2008, for the use and maintenance of the Milpitas Library branch located at 161 N. Main Street, Milpitas, CA 95035 (“Milpitas Branch Library”). The Library and Parking Garage are owned by the City. Per the agreement, the County Library is responsible for the programming and maintenance of the indoor premises and the City is responsible for the maintenance of the exterior grounds, including the garage.
- B. County Library provides library services to the residents of Milpitas at the Milpitas Branch Library. Library service levels and budget are prepared by the County Library and adopted by the Santa Clara County Board of Supervisors.
- C. County Library funds and provides a minimum of 54 hours of library services at the Milpitas Branch Library through revenue from property taxes, fines and fees, City/County contributions, special taxes, and state grants. The County Library may seek additional funding from the City for enhanced services. The County Library and the City wish to formalize their relationship by establishing a means of requesting funding for enhanced services at the Milpitas Branch Library.
- D. To this end, the City wishes to establish a process for the County Library to submit a “Proposal Request” in order to obtain funding for services at the County Library; document agreement for annual services provided by the County Library and funded by the City; and invoicing for agreed upon services.
- E. In turn, County Library understands that the City budgets a single fiscal year cycle and must timely submit a Proposal Request with the requisite information set forth below to best secure funding for the library services it provides to the City.
- F. This MOU sets forth the terms and conditions and mutual understanding of the parties relative to the foregoing.

NOW, THEREFORE, in consideration of the foregoing and of the promises and covenants set forth herein, the parties agree as follows:

1. Proposal Request Obligations of County Library.

1.1 Annually, the County Library shall submit a Proposal Request to the City by **the second Friday of December** for any funding needs for enhanced services in the following fiscal year.

1.2 The Proposal Request must include the following information:

1.2.1 Statement of County Library base annual service of 54 hours per week, as determined by the Santa Clara County Library Joint Powers Authority;

1.2.2 Statement of the City's support service level at current fiscal year, including the enhanced services funded through those funds (itemized list);

1.2.3 Amount of funding request;

1.2.3.1 If funding request is more, then (i) provide description of proposed funding need including additional operating hours and/or additional operating program(s) dollars, if applicable, (ii) performance metrics or survey of users related to the request for additional funding, (iii) description of the estimated additional Milpitas residents that would be served with increased service, and (iv) detail line item of the funding areas of those additional monies (i.e. staff, materials, etc.);

1.2.3.2 If funding request is the same, then (i) detail line item of the funding areas of those funds (i.e. staff, materials, etc.), and (ii) performance metrics or survey of users related to the funding;

1.2.3.3 If funding request is less, for the initial year (i) the amount of years County Library is allocating additional dollars, and for subsequent years (ii) a confirmation letter of the less amount submitted to the City Manager, (iii) and performance metrics or survey of users related to the funding;

1.3 The Proposal Request must be sent to:

CITY: City of Milpitas
Attn: Renee Lorentzen

Director of Recreation and Community Services
457 E. Calaveras Boulevard
Milpitas, CA 95035

- 1.4 The City's Library and Education Commission (LEAC) will review the Request Proposal by County Library by March 20, and provide a recommendation to the City Council, unless otherwise directed by the City Council. Library staff will participate in the LEAC presentation and provide any supplemental materials relevant to the funding request. Library staff may participate in the City Council presentation providing information and answering Council question(s) on the funding request.
- 1.5 Any applicable funding decisions will coincide with each respective agency's Fiscal Year Budget Planning cycle, which culminates in the final budget adoption by July 1st of every year.
- 1.6 County Library acknowledges that the City's funding support of its library services at the Milpitas Branch Library is not considered approved until action is taken by both the County Library Board and City Council. The communication of any service level changes, to the public, as a result of either County Library Board or City Council action, is the responsibility of the County Library in coordination with the City's Director of Recreation and Community Services.
- 1.7 After the both governing boards approved the service level and funding, as applicable, the County Library will document the annual services provided with an invoice send to the City's Director of Recreation and Community Services.

2. Invoicing Clause. Upon approval of the City's funding support, County Library may invoice the City for library services it provides to the City. Within thirty (30) calendar days of receipt by the City of County Library's invoice, City shall remit payment to the County Library. The City shall not be responsible for payment of any amounts in excess of the City's approved funding support for library services provided by County Library unless otherwise agreed to in writing by the City. If the City objects to any portion of County Library's invoice, it shall provide written notice to County Library of said objections within ten (10) calendar days of receipt by the City of County Library's invoice and the Parties shall then engage in good faith efforts to resolve such issues through informal discussions. In the event the City does not submit such an objection to County Library within said ten (10) calendar day period, the City will be deemed to have approved said invoice.

3. Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this MOU. Any action, suit or proceeding related to or arising from this MOU shall be filed in the Santa Clara County Superior Court.

4. Term. This MOU shall commence upon execution by the parties and unless sooner terminated as provided herein, shall remain in effect unless terminated (pursuant to the terms and conditions of this MOU) by either party. Either party may terminate this MOU upon 120 days written notice.

5. No Third Party Beneficiaries. This MOU is made and entered into for the sole benefit of the parties hereto. No other person shall have any right of action based upon any provision of this MOU.

6. Joint Preparation. This MOU shall be deemed to have been prepared jointly and equally by the parties, and none of its terms shall be construed against any party on the ground that the party prepared the MOU or caused it to be prepared.

7. Entire Agreement. This MOU constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements and understandings, both written and oral. This MOU may not be modified or amended except in a writing signed by all parties hereto.

8. Authority to Execute. The persons executing this MOU on behalf of each of the parties warrant and represent that they have the authority to execute this MOU on behalf of the party for whom they execute and have the authority to bind the party to the obligations hereunder.

IN WITNESS WHEREOF, the parties have executed this MOU as of the dates set forth below.

CITY OF MILPITAS

By: _____

Mayor

Dated: December _____, 2019

ATTEST:

City Clerk

COUNTY LIBRARY

By: _____

Dated: December _____, 2019



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve the Milpitas Parks, Recreation and Cultural Resources Commission Work Plan for Fiscal Year 2019-20 (Staff Contact: Rosana Cacao, 408-586-3207)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	12/17/2019
Staff Contact:	Rosana Cacao, 408-586-3207
Recommendation:	Approve proposed Parks, Recreation and Cultural Resources Commission Fiscal Year 2019-20 Work Plan.

Background:

The Milpitas Parks, Recreation and Cultural Resources Commission was originally established in May 1964, with the purpose of advising City Council on matters pertaining to recreation, bicycle, and pedestrian trails and access, historic preservation, planning and development of new and existing parks and facilities, and identifying, protecting, and enhancing structures and other features reflecting special aspects of the City's Cultural heritage. The Commission's Fiscal Year 2019-20 Work Plan identifies goals, projects and ongoing tasks that the Commission plans to accomplish in this fiscal year.

At its September 9, 2019 meeting, Commissioners discussed and voted to forward their 2019-20 Work Plan to the City Council for final approval.

Analysis:

The Parks, Recreation and Cultural Resources Commission advisory area and Work Plan goals are in support and alignment with the City Council Priority Area "Community Wellness and Open Space."

Key proposed tasks are:

Park Name History Project

1. Research Park Names & Develop Park Bios
2. Create online webpage with map highlighting parks and corresponding name biographies
3. Promote public awareness of Park Naming History

Master Plan Updates and/or Recommendations

1. Receive updates and provide any requested feedback on the Parks and Recreation Master Plan
2. Receive update and provide recommendation for final City Council acceptance of the Bicycle and Pedestrian Trails Master Plan

City Historic Sites

1. Review current list of Historic Sites on the local and national registries
2. Create online webpage with map highlighting Historic Sites and corresponding location information
3. Work with Historical Society on promoting its Annual Historic Sites Tour
4. Promote public awareness of Milpitas Historic sites

Park Project Review

1. Receive presentation and make recommendation for final City Council approval on Park Projects as part of Private Development plans
2. Receive presentation and make recommendation for final City Council approval on new Public Park Projects or existing Public Park Renovation Projects

Make recommendation on Annual CIP

1. Make recommendations for City Council consideration on Park project priority as part of the Capital Improvement Program

Family Bike Mini-Event

1. Review past Family Bike Event
2. Select bike ride route
3. Promote public awareness to encourage participation

Fiscal Impact:

Marketing costs associated with the promotion of the Family Bike Mini-Event are estimated not to exceed \$300 and are within the Commission's \$1,000 budget. There is no additional fiscal impact to the Fiscal Year 2019-20 budget associated with any of the remaining items on the Work Plan.

Recommendation:

Receive and approve the proposed Parks, Recreation and Cultural Resources Commission 2019-20 Work Plan.

Attachment

Draft Parks, Recreation and Cultural Resources Commission Fiscal Year 2019-20 Work Plan

Parks, Recreation and Cultural Resources Commission
Work Plan FY 2019-2020

DRAFT

Work Plan Goals:

Advise City Council on recreation, park, and historic preservation activities; review and recommend planning and development of new and existing parks and recreation facilities; recommend protecting and enhancing special aspects of the City's heritage

<u>Topic/Advisory Area</u>	<u>Tasks</u>	<u>Required Resources</u>	<u>Deadline</u>
Park Name History Project Phase I	1. Establish Subcommittee	Commission, Staff, Grants	Mar-20
	2. Research Park Names & Develop Bio	Historical Society	
	3. Create online webpage (Comm & Dept.)		
	Potential Phase II - (next FY)		
	4. Cost out physical park markers		
	5. Seek Grants/Identify Funding		
	6. Seek CC approval		
	7. Marker Development & Installation		
Park and Recreation Master Plan	1. Hear Updates and/or Receive presentation on Park and Recreation Master Plan	Commission, Staff	
Annual Park/Facility Tour	1. Determine theme for tour	Commission , Staff	Annually - June
	2. Confirm location(s)		
	3. Conduct Tour		
Quarterly Reports	1. Receive Quarterly Reports from Recreation Staff on: Community Garden, Program areas	Staff	Quarterly
	Allocations, Recreation, Trends, CIP, Special		
	Events		
Review Historic Site List	1. Review Plan and make updates to goals, themes, priorities	Commission, Staff, County, Historical Society	May-20
	2. Create online component		
	3. Work with Historical Society on Annual Tour		

Parks, Recreation and Cultural Resources Commission
Work Plan FY 2019-2020

DRAFT

Bicycle & Pedestrian Trails	1. Receive presentation on Bicycle and Pedestrian Trails Master Plan		Commission, Staff	Ongoing/Per project
	2. Review Family Bike Day Event			
	3. Review City Trail system updates			
Ongoing Review	1. Private Development Projects including		Commission, Staff	Ongoing/Per project
	open space			
	2. Make recommendation on Annual CIP Park			
	Improvement Projects & Priorities			

**Parks, Recreation and Cultural Resources Commission
Work Plan FY 2019-2020**

DRAFT



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve the Milpitas Veterans Commission Work Plan for Fiscal Year 2019-20 and Bylaws Amendment (Staff Contact: Renee Lorentzen, 408-586-3409)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	12/17/2019
Staff Contact:	Renee Lorentzen, 408-586-3409
Recommendations:	1. Receive and approve proposed Veterans Commission Fiscal Year 2019-20 Work Plan. 2. Approve amended Veterans Commission Bylaws to remove any term limits for the Veterans Commission only.

Background:

The Milpitas Veterans Commission was established December 1, 2009, with the purpose of advising City Council on matters pertaining to veterans in Milpitas. The Commission's Fiscal Year 2019-20 Work Plan identifies goals, projects and ongoing tasks that the Commission plans to accomplish in this fiscal year.

At the April 16, 2019 City Council meeting, City Council voted to standardize Bylaws for 11 City of Milpitas Commissions that included verbiage about Term Limits not to exceed three (3) consecutive terms and this included the Veterans Commission. Due to the specialty of the membership requirement for the Veterans Commission and the low percentage of reported veteran residents in Milpitas, City Council requested staff return to a future meeting with an amendment to the bylaws, to include language that provides an exception to term limits.

At its August 7, 2019 meeting, the Commission discussed and voted to forward its 2019-20 Work Plan to the City Council for final approval.

Analysis:

Work Plan

The Veterans Commission advisory area and Work Plan goals are in support and alignment with the City Council Priority Area "Community Wellness and Open Space."

Key proposed tasks are:

Annual Veterans Day and Memorial Day

1. Assist and work with City Staff to incorporate items to the ceremonies.

Annual Veterans Recognition Lunch

1. Form Subcommittee
2. Arrange for menu theme and guest speaker
3. Obtain Raffle donations

Assist Milpitas Veterans in need during the holidays

1. Work to identify Milpitas Veterans in need during the holidays
2. Coordinate with the Milpitas Food Pantry and 2nd Harvest Food Bank with food drives to assist veteran families.

Serve as Knowledge base for Veterans/Local Resources and Assistance

1. Work with Santa Clara County Veterans Service Office (SCCVSO) on all events that are sponsored/co-sponsored by the Commission.
2. Maintain and update the Veterans webpage for the City, to include items such as: policies, burial benefits, shelter, hospitals, programs, resources and events.

Adopt-A-Vet

1. Work with Milpitas schools to teach students on how to properly raise and lower the flag: provide education sessions for elementary age students;
2. Work directly with the Milpitas High School NJROTC on mentorship and involvement with special events.

Honoring Milpitas Veterans Memorial Research

1. Work with Milpitas staff to research the implementation of a permanent Memorial honoring Milpitas Veterans in the form of pavers in the Veterans Plaza Area.

Bylaws

There are a reported 1,857 veterans that reside in Milpitas, making up approximately 2.3% of Milpitas' population. Veterans Commission Bylaws state "All members and alternates shall be Milpitas residents who are honorably discharged U.S. veterans or are actively serving members in any branch of the U.S. military." With the veteran population representation limited, receiving applications from interested veterans to serve on the Commission has been infrequent. Thus, to address the unique eligibility requirements of this Commission, and in accordance with prior Council direction, the proposed Bylaws include language that allows Commissioners to be appointed for more than three consecutive terms.

Fiscal Impact:

The Veterans Commission Holding Account provides the monies needed for Work Plan Item "Veterans Appreciation Lunch." Although dependent on the number attending the annual lunch, the budget for this item is approximately \$3,500. There is no additional impact to the Fiscal Year 2019-20 budget associated with any of the remaining items on the Work Plan or Bylaw Amendment.

Recommendations:

- 1) Receive and approve Veterans Commission Fiscal Year 2019-20 Work Plan.
- 2) Approve amended Veterans Commission Bylaws.

Attachments:

Veterans Commission Fiscal Year 2019-20 Work Plan
Amended Veterans Commission Bylaws (draft)

Veterans Advisory Commission FY 2019-20 Work Plan

Topic/Advisory Area	Tasks	Required Resources	Goal Deadline
Assist with planning of Veteran based City Sponsored Events	Work with City Staff to incorporate items to the Annual Veterans Day and Memorial Day ceremonies.	Commission, Staff	F/Y 2019-20 Event Calendar Dates 11/11/19 & 5/25/2020
Annual Veterans Recognition Lunch	Work with City staff to host the Annual Recognition Lunch, decide menu, decorations, entertainment, etc.	Commission, Staff	November 2020
Assist Milpitas Veterans in need during the holidays	Work to identify Milpitas Veterans in need during the holidays and work with the Milpitas Food Pantry and 2nd Harvest Food Bank with food drives to assist veteran families.	Commission, Food Pantry, 2 nd Harvest Food Bank, Staff, Other Veteran Agencies	Ongoing
Serve as Knowledge base for Veterans/Local Resources and Assistance	Work with Santa Clara County Veterans Service Office (SCCVSO) on all events that are sponsored/co-sponsored by the Commission. Maintain and update the Veterans webpage for the City, to include items such as: policies, burial benefits, shelter, hospitals, programs, resources and events.	Commission, Staff, Other Veteran Agencies	Ongoing
Adopt-A-Vet	Work with Milpitas schools to teach students on how to properly raise and lower the flag: provide education sessions for elementary age students; work directly with the Milpitas High School NJROTC on mentorship and involvement with special events.	Commission, MUSD, Staff	FY 2019-20
Honoring Milpitas Veterans Memorial	Work with Milpitas staff to research the implementation of a permanent Memorial honoring Milpitas Veterans in the form of pavers in the Veteran s Plaza Area.	Commission, Staff	Ongoing

CITY OF MILPITAS
STANDARD COMMISSION
BYLAWS
Addendum: Veterans Commission

The Veterans Commission was established by City Council on December 1, 2009.

Advisory Area

This Commission will advise the Council on services and programs affecting Milpitas veterans.

Membership

All members and alternates shall be Milpitas residents who are honorably discharged U.S. veterans or are actively serving members in any branch of the U.S. military.

Terms of Service

Due to the specialized nature of the Commissions Membership, Commissioners may be reappointed for more than three consecutive terms.

Meetings

The Veterans Commission shall hold meetings the 1st Wednesday of February, April, June, August, October, and December, at 5:30 PM at the Committee Conference Room in City Hall, or another designated location.

PASSED AND ADOPTED APRIL 16, 2019.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve the Milpitas Youth Advisory Commission Work Plan for Fiscal Year 2019-20 (Staff Contact: Anthony Teschera, 408-586-3231)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	12/17/2019
Staff Contact:	Anthony Teschera, 408-586-3231
Recommendation:	Approve proposed Youth Advisory Commission Fiscal Year 2019-20 Work Plan.

Background:

The Milpitas Youth Advisory Commission was established in April of 1996, with the purpose of advising City Council on matters pertaining to youth and teens in Milpitas. The Commission's Fiscal Year 2019-20 Work Plan identifies goals, projects and ongoing tasks that the Commission plans to accomplish in this fiscal year.

At its November 14, 2019 meeting, Commissioners discussed and voted to forward their 2019-20 Work Plan to the City Council for final approval.

Analysis:

The Youth Advisory Commission advisory area and Work Plan goals are in support and alignment with the City Council Priority Area "Community Wellness and Open Space."

Key proposed tasks are:

Volunteerism

1. Establish Subcommittee to coordinate volunteer opportunities at City Events
 - Pumpkins in the Park
 - Tree Lighting
 - Milk and Cookies with Santa
2. Research administering a Community Service Scholarship

Teen Center

1. Partner with CASSY to host mental health awareness workshops
2. Advise on Inter-generational programming for teens and seniors
3. Assist in hosting an Interview Workshop at a Teen Job Faire

Engaging Youth and Teens

Research the following tasks/initiatives for future work plan adoption:

1. Career Day
2. Film Competition
3. Social Media/Website presence
4. Youth Voice Live 2020

Vaping Epidemic

1. Create subcommittee
2. Receive presentations from local health experts
3. Receive information on Department of Justice Grants for Tobacco Prevention
4. Advise City Council on potential policy adoption related to Youth Tobacco prevention strategies

Fiscal Impact:

There is no additional fiscal impact to the Fiscal Year 2019-20 budget associated with any of the items on the Work Plan.

Recommendation:

Receive and approve proposed Youth Advisory Commission 2019-20 Work Plan.

Attachment

Draft Youth Advisory Commission Fiscal Year 2019-20 Work Plan

**Youth Advisory Commission
Work Plan FY 2019-2020**

DRAFT

Work Plan Goals:

Advises the Council on matters pertaining to youth and teens in Milpitas.

<u>Topic/Advisory Area</u>	<u>Tasks</u>	<u>Required Resources</u>	<u>Deadline</u>
Volunteerism	1. Establish Subcommittee	Commission	Oct-19
	2. Pumpkins in the Park	Commission	Oct-19
	3. Tree Lighting	Commission	12/1/2019
	4. Milk and Cookies with Santa	Commission	12/7/2019
	5. Community Service Scholarship	Commission , Staff	On Going
Teen Center	1. Partner with CASSY host mental health awareness workshops	Commission, Staff	On Going
	2. Inter-generational programming for teens and seniors	Commission, Staff	On Going
	3. Interview Workshop	Commission, Staff, Outside Agency	12/13/2019
Engage youth and Teens	1. Career Day	Commission , Staff, Outside Agency	12/13/2019
	2. Film Competition	Commission , Staff, Outside Agency	12/13/2019
	3. Social Media/Website Involvement	Commission , Staff, Outside Agency	12/13/2019
	4. Youth Voice Live 2020	Commission , Staff, Outside Agency	12/13/2019
	5. Vaping	Commission , Staff	12/13/2019

**Youth Advisory Commission
Work Plan FY 2019-2020**

DRAFT

**Youth Advisory Commission
Work Plan FY 2019-2020**

DRAFT



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution approving a Conditional Use Permit Amendment and Major Tentative Map to allow the subdivision of a previously approved residential complex located at 91 Montague Expressway into 72 condominium units (Staff Contact: Michael Fossati, 408-586-3274)
Category:	Public Hearings-Community Development
Meeting Date:	12/17/2019
Staff Contact:	Michael Fossati, Senior Planner, 408-586-3274
Recommendations:	1) Conduct a public hearing and move to close the hearing following comments. 2) Adopt a Resolution approving Conditional Use Permit Amendment (UA19-0018) and Major Tentative Map (MT19-0001) to allow the subdivision of a previously approved residential complex located at 91 Montague Expressway into 72 residential condominium units.

Background:

In September 2016, the City Council approved a 72-unit residential condominium project at 91 Montague Expressway. The approved entitlements expired in September 2018 before site development could begin, and the applicant subsequently re-submitted plans in February 2019.

To expedite the overall development process, the developer requested initial review of the Site Development Permit by the Planning Commission prior to the subdivision map (for condominium purposes), which requires review and approval by both Planning Commission and City Council.

On May 8, 2019, the Planning Commission approved the Site Development Permit for the 72-unit residential complex as an apartment building. On October 23, 2019, the Planning Commission subsequently recommended the City Council approve the following additional entitlements:

1. Conditional Use Permit (CUP) Amendment UA19-0018: To allow conversion of the previously approved residential complex into 72 for-sale condominium units.
2. Major Tentative Map MT19-0001: To establish 72 residential condominium units, associated easements, and recordation of such easements.

Timeline:

Table 1 below outlines the timeline of approved actions related to this project:

Table 1: Timeline of Actions by the City Council

DATE	ACTION
September 20, 2016	The City Council approves an application from Manou Movassate (previous applicant) to allow the development of a 72-unit residential complex at 91 Montague.
June 19, 2018	The City Council adopts Ordinance No. 297, enacting Affordable Housing requirements for residential development.

September 20, 2018	The approved entitlement expires.
February 25, 2019	The City receives a resubmittal of plans from Mary Li (current applicant) to allow the development of the previously approved 72-unit residential complex at 91 Montague.
May 8, 2019	The Planning Commission approves a Site Development Permit and Conditional Use Permit to allow the development of a 72-unit residential building as an apartment complex.
October 23, 2019	The Planning Commission recommends City Council approval of a Conditional Use Permit Amendment and Major Tentative Map to subdivide residential complex into 72 residential condominium units.
December 17, 2019	The City Council is scheduled to review the proposed Conditional Use Permit Amendment and Major Tentative Map.

Analysis:

The City of Milpitas requires approval of a CUP to allow a condominium project in the Multi-family Very High Density Residential (R4) Zoning District. Since the Planning Commission already approved a CUP for this project on May 8, 2019 (to allow tandem parking and an extended front setback), the applicant is now requesting a CUP Amendment to allow the subdivision of the previously-approved residential complex for condominium purposes. No other changes to the project are proposed.

The CUP amendment may be approved if the following findings are made:

- a. The proposed use, at the proposed location will not be detrimental or injurious to property or improvements in the vicinity nor to the public health, safety and general welfare.
- b. The proposed use is consistent with the Milpitas General Plan.
- c. The proposed use is consistent with the Milpitas Zoning Ordinance
- d. The proposed use is consistent with the Midtown Specific Plan

As outlined in the attached Resolution, the proposed CUP Amendment meets the required findings for a condominium conversion project, and staff recommends approval. Findings have also been made in support of the proposed Major Tentative Map in that the project is consistent with the development standards and goals of the Milpitas Midtown Specific Plan and the Multi-family Very High Density (R4) Zoning District. The project also complies with those provisions of the Milpitas Municipal Code (MMC) and California Government Code associated with the Subdivision Map Act.

In addition to the findings required for approval of a CUP Amendment and Major Tentative Map, all applicants associated with residential development projects must demonstrate compliance with the following section of Milpitas Municipal Code:

1. Public Park and Open Space Ordinance (MMC Section XI-1-9.02)
2. Public Art Ordinance (MMC Section XI-10-14.03)
3. Affordable Housing Ordinance (MMC Section XII-1-3)

The applicant has demonstrated compliance with Public Park and Open Space and Public Art Ordinance by agreeing to pay approximately \$913,000 in park in-lieu fee and \$123,000 in public art fees. The applicant has also agreed to provide inclusionary affordable housing on-site, as discussed in detail below.

Affordable Housing

Per the Affordable Housing Ordinance, the applicant is required to provide 10.8 affordable units on the project site. The applicant will provide 12 affordable units (six one-bedroom units and six two-bedroom units), ranging in size from 910 square feet to 1,247 square feet. Ten of the 12 units will be designated to moderate incomes

households, while two units will be designated for low-income households, as permitted by the Affordable Housing Ordinance. Attachment E shows the distribution of affordable units throughout the project.

Policy Alternative:

Alternative: Deny the application by not adopting the findings associated with the Conditional Use Permit Amendment and Major Tentative Map.

Pros: None

Cons: The applicant may not wish to move forward with the development of rental apartments, and the property may remain vacant. The City would not receive the benefit of additional affordable and market-rate housing units.

Reasons not recommended: Approval of a CUP and Tentative Map to create condominium units at this site is consistent with the Milpitas Midtown Specific Plan, General Plan, and affordable housing policies of the City.

Fiscal Impact:

No fiscal impacts to the City. The City will benefit from the availability of 12 additional affordable housing units.

California Environmental Quality Act:

The Project is consistent with existing CEQA findings associated with the previously adopted Addendum to the Midtown Specific Plan EIR, adopted on September 20, 2016. In addition, the Project is categorically exempt from further environmental review pursuant to CEQA Section 15183 (Projects Consistent with Community Plan, General Plan or Zoning) and Section 15182 (Residential Projects Pursuant to a Specific Plan), in that the Project is a condominium subdivision of a previously approved apartment complex with no physical changes to the structure or number of units.

Recommendations:

1. Conduct a public hearing and move to close the hearing following comments.
2. Adopt a Resolution approving Conditional Use Permit Amendment (UA19-0018) and Major Tentative Map (MT19-0001) to allow the subdivision of a previously approved residential complex located at 91 Montague Expressway into 72 residential condominium units.

Attachments:

- A: Resolution Approving Conditional Use Permit Amendment and Major Tentative Map
- B: Planning Commission Staff Report - dated October 23, 2019
- C: Planning Commission Resolution No. 19-032
- D: Project Plans
- E: Diagrams showing distribution of affordable units throughout the project

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF MILPITAS CITY COUNCIL APPROVING CONDITIONAL USE PERMIT AMENDMENT NO. UA19-0018 AND MAJOR TENTATIVE MAP NO. MT19-0001 TO SUBDIVIDE A PREVIOUSLY APPROVED RESIDENTIAL STRUCTURE INTO 72 RESIDENTIAL CONDOMINIUM UNITS, ON 1.79 ACRES PARCEL LOCATED IN THE MULTI-FAMILY, VERY HIGH DENSITY RESIDENTIAL (R4) ZONING DISTRICT AT 91 MONTAGUE EXPRESSWAY, AND RELYING ON A PREVIOUSLY ADOPTED ADDENDUM AND THE MIDTOWN SPECIFIC PLAN EIR AND CEQA GUIDELINES SECTIONS 15182 AND 15813

WHEREAS, on March 19, 2002, the City Council of the City of Milpitas certified an Environmental Impact Report (“EIR”) prepared to analyze the environmental impacts associated with the Milpitas Midtown Specific Plan (the “Midtown EIR,” State Clearinghouse No.2000092027), and subsequently adopted the Milpitas Midtown Specific Plan (“Midtown”); and

WHEREAS, on November 16, 2010, the City Council adopted a revised Milpitas Midtown Specific Plan and determined the specific plan to be categorically exempt from the California Environmental Quality Act (“CEQA”) pursuant to State CEQA Guidelines § 15061(b)(3), 15307, 15308, 15162(b), and 15168; and

WHEREAS, 91 Montague Expressway is currently located within the Milpitas Midtown Specific Plan and in the Multi-Family Very High Density (“R4”) Zoning District with a Site and Architectural (“-S”) Overlay; and

WHEREAS, pursuant to CEQA, when taking subsequent discretionary actions in furtherance of a project for which an EIR has been certified and has been adopted, the lead agency is required to review the project and its surrounding circumstances to determine whether any of the circumstances under Public Resources Code § 21166 and State CEQA Guidelines § 15162 require additional environmental review; and

WHEREAS, on May 8, 2019, the City of Milpitas Planning Commission approved Resolution No. 19-015 approving a Site Development Permit No. SD19-0003 and Conditional Use Permit No. UP19-0002 for the development of a four story, 48 foot tall, 180,267 square foot residential structure and underground parking garage (“Adimar Place”), located at 91 Montague Expressway and found it is consistent with the Addendum to the Midtown EIR previously adopted on September 20, 2016, in accordance with the CEQA, including, without limitation, CEQA Guidelines § 15168 *et seq.*; and

WHEREAS, following the aforementioned approval, the developer (“99 Homes, LLC”) submitted an application for Conditional Use Permit Amendment No. UA19-0018 and Major Tentative Map Subdivision No. MT19-0001, for the subdivision of 180,267 square foot residential structure into 72 residential condominium units at 91 Montague Expressway (APN: 083-42-002) (“Project”); and

WHEREAS, a Conditional Use Amendment Permit is required in the Multi-Family Very High Density (R4) Zoning District to allow condominium development; and

WHEREAS, a Major Tentative Map Subdivision is required to subdivide 180,267 square foot residential structure into 72 residential condominiums as demonstrated within the Project plans; and

WHEREAS, the Planning Commission is an advisory body to the City Council with regard to the project application pursuant to Milpitas Municipal Code (“MMC”) Section XI-10-64.03 (Consideration of Concurrent Applications), where, as here, due to the application for Major Tentative Map pursuant to MMC Section XI-1-4.03 the City Council is the highest review authority for the Project. Accordingly, all review by other bodies with approval authority over the application shall be in the form of a recommendation to City Council.

WHEREAS, Milpitas City Staff conducted a full analysis of the Project to ensure compliance with the City’s General Plan, Midtown Specific Plan, Zoning Ordinance, Engineering Design Requirements and other applicable State and local regulations, as detailed in the staff report prepared for the Planning Commission; and

WHEREAS, on October 23, 2019, the Planning Commission held a duly-noticed public hearing, where the Planning Commission considered the application for a Conditional Use Permit Amendment No. UA19-0018 and Major Tentative Subdivision No. MT19-0001, and heard a presentation from staff, and had the opportunity to hear from members of the public; and

WHEREAS, by adoption of Resolution No. 19-032, the Planning Commission recommended City Council approve Conditional Use Permit Amendment No. UA19-0018 and Major Tentative Map No. MT19-0001; and

WHEREAS, the documents and other materials which constitute the record of proceedings upon which the City Council bases the findings contained within this Resolution are available and may be reviewed at Milpitas City Hall, located at 455 E. Calaveras Boulevard, Milpitas, California 95035; and

WHEREAS, on December 17, 2019, the City Council held a duly-noticed public hearing, during which the City Council considered the application for Conditional Use Permit Amendment No. UA19-0018 and Major Tentative Map No. MT19-0001, heard a presentation from staff and had the opportunity to hear from members of the public; and

WHEREAS, the findings and conclusions made by the City Council pursuant to this Resolution are based upon the oral and written evidence before it as a whole; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, the City Council of the City of Milpitas hereby finds, determines and resolves as follows:

SECTION 1. Recitals

The City Council has considered the full record before it, which may include, but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2: California Environmental Quality Act

The City Council in adopting this resolution, is relying on the previously adopted Addendum to the Midtown Specific Plan EIR adopted on September 20, 2016. The City Council finds that the previously adopted Addendum along with the Midtown Specific Plan EIR adequately analyzed the environmental impacts under the CEQA associated with the project as a whole as well as the new request for an amended CUP and Tentative Map. In addition, the City Council finds that the Project is categorically exempt from further environmental review pursuant to CEQA Section 15183 (Projects Consistent with Community Plan, General Plan or Zoning) and Section 15182 (Residential Projects Pursuant to a Specific Plan), in that the Project is a condominium subdivision of a previously approved apartment complex with no physical changes to the structure or number of units.

SECTION 3: Conditional Use Permit Amendment (Section XI-1-4.01-5 and Table XI-10-4.02-1)

The City Council makes the following findings based on the evidence in the public record in support of Conditional Use Permit Amendment No. UA19-0018:

- 1. The proposed use, at the proposed location will not be detrimental or injurious to property or improvements in the vicinity nor to the public health, safety, and general welfare.*

A Conditional Use Permit Amendment is required to allow approval of a Major Tentative Map for condominium conversion at the subject site. The conversion of 72-unit residential project from rental units to condominiums will not be detrimental or injurious to property or improvements in the vicinity because the site is surrounded by for-sale townhomes. As proposed, the residential density of 40 du/ac will remain consistent with the neighboring properties.

2. *The project is consistent with the Milpitas General Plan.*

The General Plan land use designation for the subject site is Multi-Family Residential, Very High Density (VHD). This designation allows a density range of 31 to 40 du/ac to accommodate a variety of housing types ranging from row houses and townhouses to lofts and stacked flats with structured parking. The proposed Conditional Use Permit Amendment would allow a condominium conversion that is consistent with the Milpitas General Plan in that the previously approved density of 40 du/ac is within the allowed density range and would remain unchanged. Based on staff's analysis, the Conditional Use Permit Amendment is in conformance with applicable General plan policies, as demonstrated in Table 1 below:

Table 1: General Plan Consistency

GP Policy	Conformance
<i>2.a I-1 – New developments should not exceed the building intensity established in the General Plan</i>	Consistent: The Conditional Use Permit Amendment will allow a previously approved residential structure with a density of 40 units / acre, be converted into condominiums that can be sold to future homeowners. The previously approved residential structure was designed without exceeding the building intensity of the General Plan. The Amendment will not change the design of the structure, and therefore not exceed the building intensity, as required by the General Plan.
<i>2.a I-2 – Promote development within the incorporated limits which acts to fill-in the urban fabric rather than providing costly expansion of urban services into outlying areas.</i>	Consistent: The proposed Amendment will promote and support development and home ownership within the incorporated limits of the City, where utilities and infrastructure are already in place, and without the need for investment onto outlying areas.

3. *The project is consistent with the Milpitas Zoning Ordinance.*

The Milpitas Zoning Ordinance requires approval of a Conditional Use Permit to allow a condominium project in the R4 Zoning District. Since the City has already approved a Conditional Use Permit for development of a 72-unit residential complex on the subject site, the applicant has applied for a Conditional Use Permit Amendment to allow the proposed subdivision of the site for condominium purposes. Based on staff's analysis, the Conditional Use Permit Amendment is in conformance with the Milpitas Zoning Ordinance, as demonstrated in Table 2 below:

Table 2: Zoning Conformance

Standard	Requirement	Subdivision Specifications	Compliance
Lot Area, Minimum	None	1.79 acres	Yes
Lot Width, Minimum	None	Approximately 158'	Yes
Density (min-max)	31 - 40 du/ac in TOD	40 du/ac	Yes

4. *The project is consistent with the Milpitas Midtown Specific Plan*

The Conditional Use Permit Amendment is in conformance with the Milpitas Midtown Specific Plan, as demonstrated in Table 3 below:

Table 3: Midtown Specific Plan Consistency

Policy	Consistency Finding
<i>Policy 3.1 – Allow for up to 1,104 New Housing Units in Milpitas Midtown.</i>	Consistent: Although the Conditional Use Permit Amendment will not develop 1,104 new housing units, it will support such development by providing 72 brand new housing units to be developed within Midtown. Furthermore, these new units can be purchased rather than leased, which will give existing and future Milpitas households the option of owning or renting their residence.
<i>Policy 3.4 Establish a minimum density of 31 units/gross acre in the multifamily, very high-density area and a maximum of 40 units/gross acre.</i>	Consistent: The Conditional Use Permit Amendment would achieve 40 units per acre, the maximum allowable residential density within Midtown, which was previously approved via the Site Development Permit of the apartment complex.
<i>Policy 3.5 Provide housing for all income levels throughout the Midtown area.</i>	Consistent: The Conditional Use Permit Amendment includes a variety of housing sizes, including one-, two-, and three- bedroom residential units, with units ranging from 838 square feet to 1,800 square feet in size. Furthermore, the Amendment includes both market rate and below-market rate housing, addressing the need to provide housing for all income levels.

SECTION 4: Major Subdivision – Tentative Map (Section XI-1-20.01)

The City Council makes the following findings based on the evidence in the public record in support of Major Tentative Map No. MT19-0001:

1. *The tentative subdivision map is consistent with the General Plan.*

The Major Tentative Map is consistent with the Milpitas General Plan, as demonstrated and outlined in Table 1 above.

2. *Furthermore, none of the conditions identified in California Government Code Section 66474 exist, to wit:*

- A. *That the proposed map is not consistent with applicable general and specific plans as specified in Government Code Section 65451.*

The Major Tentative Map is consistent with the Milpitas General Plan and Milpitas Midtown Specific Plan, as discussed in Table 1 and Table 3, above.

- B. *That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.*

The Major Tentative Map will allow a previously approved 71-unit residential project to be subdivided into condominium units. The design of the previously approved project conforms with both the Milpitas General Plan and Midtown Specific Plan, and the conversion to condominium units will not change the approved design of the project. The Tentative Map is consistent with both the General Plan and Midtown Specific Plan as discuss above.

C. That the site is not physically suitable for the type of development.

The site is physically suitable for development of the previously approved 71-unit apartment complex. The Major Tentative Map will have no physical effect on the structure or associated density of the apartment complex. The subject site is currently vacant and underutilized within a fully urbanized area with high demand for housing units.

D. The site is not physical suitable for the proposed density of development.

The General Plan and Midtown Specific Plan land use designations for the subject site allow a density range of 31 to 40 du/ac. The proposed Tentative Map Amendment would allow a previously approved residential project to convert from rental units to for-sale units with no change in the approved density of 40 du/ac on a 1.79-acre site.

E. That design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidable injure fish or wildlife or their habitat.

The design of the subdivision and the proposed improvements are not likely to cause substantial environmental damage or substantially or avoidably injure fish or wildlife or their habitat given that the site is currently an underutilized vacant lot and does not provide fish or wildlife habitat which will be displaced by its development. The proposed project is not located within wetlands or waterways (including Penitencia Creek) where substantial environmental damage or avoidable injure to fish or wildlife or their habitat can occur.

F. The design of the subdivision or type of improvements is not likely to cause serious public health problems.

The design and type of improvements associated with the subdivision are not likely to cause serious public health problems given that fire access is subject to review and approval by the City, as are pedestrian and vehicular egress and ingress. In addition, compliance with the conditions of approval set forth within the resolution hereto will ensure conformance with applicable sanitary sewer, water, and other utility regulations to protect the public and project residents.

G. The design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.

The design and type of subdivision improvements proposed by the developer will not conflict with any easements acquired by the public at large for access through or use of, property within the proposed subdivision. As conditioned, the applicant will dedicate necessary emergency vehicle access easements, public service utility easements, street easements, public access easement and other public easements deemed necessary for the project.

SECTION 6: Severability

If any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held incorrect, invalid, illegal, or unenforceable, such decision shall not affect the validity of the remaining portions of this Resolution. The City Council hereby declares that it would have passed each section, subsection, phrase, or clause thereof irrespective of the fact that any one or more sections, subsections, phrases or clauses be declared incorrect, invalid, illegal, or unenforceable.

SECTION 7: City Council Approval

The City Council of the City of Milpitas hereby approves Conditional Use Permit Amendment No. UA19-0018 and Major Tentative Map Subdivision No. MT19-0001 and subject to the Conditions of Approval, based on the above findings.

PASSED AND ADOPTED this ____ day of _____ 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney

EXHIBIT 1
CONDITIONS OF APPROVAL
ADIMAR PLACE, UA19-0018, MT19-0001
91 MONTAGUE EXPRESSWAY (APN 083-42-0002)

General Conditions

1. General Compliance. The applicant and owner, including all successors in interest (collectively "Permittee") shall comply with each and every condition set forth in this Permit. This Conditional Use Permit Amendment No. UA19-0018 and Major Tentative Map Subdivision No. MT19-0001 (collectively "Permit") shall have no force or effect and no building permit shall be issued unless and until all things required by the below-enumerated precedent conditions have been performed or caused to be performed. **(P)**
2. Effective Date. Unless there is a timely appeal filed in accordance with the Milpitas Zoning Code, the date of approval of this Permit is the date on which the decision-making body approved this Permit. **(P)**
3. Acceptance of Permit. Should Permittee fail to file a timely appeal within twelve (12) calendar days of the date of approval of this Permit, inaction by Permittee shall be deemed to constitute each of the following:
 - a. Acceptance of this Permit by Permittee; and
 - b. Agreement by the Permittee to be bound by, comply with, and to do all things required of or by Permittee pursuant to all of the terms, obligations, and conditions of this Permit. **(P)**
4. Permit Expiration. Pursuant to Section XI-10-64-06 of the Milpitas Zoning Code, this Permit shall become null and void if the activity permitted by this Permit is not commenced within two (2) years from the date of approval, or for a project submitted with a tentative map, within the time limits of the approved tentative map. Pursuant to Section XI-10-64.06(B) of the Milpitas Zoning Code, an activity permitted by this Permit shall be deemed to have commenced when the project:
 - a. Completes a foundation associated with the project; or
 - b. Dedicates any land or easement as required from the zoning action; or
 - c. Complies with all legal requirements to commence the use, or obtains an occupancy permit, whichever is sooner **(P)**
5. Time Extension. Pursuant to Section XI-10-64.07 of the Milpitas Zoning Code, unless otherwise provided by State law, Permittee shall have the right to request a one-time extension of the Permit if the request is made in writing to the Planning Division prior to the expiration date of the approval. **(P)**
6. Project Job Account. If Permittee's project job account is at any time delinquent or below the required deposit amount, City will not continue to review or process the application until Permittee's private job account is paid in full and the required deposit has been made. Additionally, prior to the issuance of any building permit or occupancy permit, as applicable, Permittee shall pay in full the project account balance and establish a remaining balance of at least twenty-five percent (25%) of the required initial deposit. **(P/E)**
7. Notice. Pursuant to California Government Code Section 66020, any protest filed in court relating to the imposition of fees, dedication, reservations, or other exactions to be imposed on the development project shall be filed within ninety (90) days after the date of the adoption of this Resolution. This provision serves as notice from the local agency to the Permittee that the ninety (90) day period in which the applicant may file a protest has begun under California Government Code Section 66020(d)(1). **(CA)**
8. Cost and Approval. Permittee shall fully complete and satisfy each and every condition set forth in this Resolution and any other condition applicable to the project to the sole satisfaction of the City. Additionally, Permittee shall be solely responsible and liable for the cost to satisfy each and every condition. Permittee shall pay all required fees and charges to the City at the rate in effect at time of building permit issuance, or, the rate in effect when the fees and charges are due and paid in full to the City. There is no vesting of any fees or charges with the adoption of this Resolution. **(ALL)**
9. Conditions. Each and every condition set forth in this Exhibit shall apply to the project and continue to apply to the

project so long as the Permittee is operating the project under the permits and approvals in this Resolution. **(ALL)**

10. Compliance with Laws. The construction, use, and all related activity authorized under this Permit shall comply with all applicable local, state, and federal laws, rules, regulations, guidelines, requirements, and policies. **(CA/P)**
11. Previous Approvals. Permittee shall abide and continue to comply with all previous City approvals, permits, or requirements relating to the subject property, unless explicitly superseded or revised by this Permit. **(P)**
12. Indemnification. To the fullest extent permitted by law, Permittee shall indemnify, defend with counsel of the City's choosing, and hold harmless City, its City Council, its boards and commissions, officials, officers, employees, and agents from and against any and all claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including without limitation, attorney's fees, disbursements and court costs) of every kind and nature whatsoever which may arise from or in any manner relate (directly or indirectly) to (i) City's approval of the project, including but not limited to, the approval of the discretionary permits, maps under the Subdivision Map Act, and/or the City's related determinations or actions under the California Environmental Quality Act, and (ii) Permittee's construction, operation, use, or related activity under this Permit. This indemnification shall include, but not be limited to, damages awarded against the City, if any, costs of suit, attorneys' fees, and other expenses incurred in connection with such claim, action, causes of action, suit or proceeding whether incurred by applicant, City, and/or the parties initiating or bringing such proceeding. Permittee shall indemnify the City for all of City's costs, attorneys' fees, and damages which City incurs in enforcing the indemnification provisions set forth in this condition. Permittee shall pay to the City upon demand or, as applicable, to counsel of City's choosing, any amount owed pursuant to the indemnification requirements prescribed in this condition. **(CA)**
13. Certificate of Insurance: Permittee shall provide certificate of insurance and name City as an additional insured in its insurance policies for the Project. **(CA)**
14. Revocation, Suspension, Modification. This Permit may be suspended, revoked, or modified in accordance with Section XI-10-63.06 of the Milpitas Zoning Code. **(P)**
15. Severability. If any term, provision, or condition of this Permit is held to be illegal or unenforceable by the Court, such term, provision, or condition shall be severed and shall be inoperative, and the remainder of this Permit shall remain operative, binding, and fully enforceable. **(CA)**
16. Development in Conformance with Approved Plans: Permittee shall develop the approved project in conformance with the approved plans approved by the Planning Commission on May 8, 2019, in accordance with these Conditions of Approval. Any deviation from the approved site plan, elevations, materials, colors, landscape plan or other approved submittal shall require that, prior to the issuance of building permits, the Permittee shall submit modified plans and any other applicable materials as required by the City for review, and obtain the approval of the Planning Director or Designee. If the Planning Director or designee determines that the deviation is significant, the owner or designee shall be required to apply for review and obtain approval of the Planning Commission or City Council, as applicable, in accordance with the Milpitas Zoning Code. **(P)**
17. Compliance with Fire Department and California Fire Code. The Project shall comply with the requirements of the Milpitas Fire Department and the California Fire Code as adopted by the City. Changes to the site plan and/or building(s) requires review and approval by the Fire Department. **(F)**
18. Compliance with Building Department. The project shall comply with the requirements of the Building Department and the International Building Code. **(B)**

PLANNING CONDITIONS

19. Signage. Prior to any building permit issuance for signage, the Permittee shall submit a Site Development Permit or Minor Site Development Permit application for any proposed signage to be located on the building or site. Sign plans shall demonstrate compliance with the Milpitas Sign Ordinance and design guidelines. **(P)**

20. Proposed Venting: The project should incorporate venting systems that have the least amount of penetrations along the exterior facades to the extent feasible. If venting is proposed through the ceiling, a parapet wall (or similar structure) shall be installed to mask the vent from the view of the public right-of-way. **(P)**
21. Equipment Screening. All rooftop equipment shall be adequately screened from the parking lot areas and the public street. All ground mounted equipment shall be adequately screened, if feasible, and subject to the Planning Division review and approval. If the screening is proven infeasible as solely determined by Planning Director, then all ground mounted equipment and surrounding bollards (if any) shall be of design and color that will minimize visual impact. **(P)**
22. Public Art Requirement. Permittee shall comply with the City's Public Art Requirements for Private Development, as set forth in Milpitas Municipal Code Section XI-10-14. The Project shall incorporate a public art or pay a required in-lieu fee to the satisfaction of the Planning Director. Public Art in-lieu fees for the project are \$123,000, and due prior to issuance of building permit. **(P)**
23. Public Park and Open Space Requirement. Permittee shall comply with the City's Public Park and Open Space Ordinance, as set forth in Milpitas Municipal Code Section XI-1-9.02. Park in-lieu fees for the project are \$913,000, and are due prior to issuance of building permit. **(P)**
24. Affordable Housing. Permittee shall comply with the City's Affordable Housing Requirements, as set forth in Milpitas Municipal Code Section XII-1-3.00. The project shall include the construction of six one-bedroom and six two-bedroom dwelling units within the development as affordable units. The affordable units shall be distributed across the development to the satisfaction of the Building, Safety and Housing Department. **(P)(B)**
25. Tandem Parking. The Permittee shall insure that all future residents are aware that space in tandem parking areas must be maintained so as to allow the parking of two (2) vehicles at all times. **(P)**
26. Bicycle Racks. A minimum of ten short-term bicycle spaces consistent with Midtown Streetscape Elements shall be installed within the Project (5% of 289 parking stalls, per MIDTOWN Chapter 5, pg. 5-61). **(P)**
27. Street Lights: Permittee shall provide street lighting along all street frontages consistent with current Transit Area Specific Plan standards subject to the review and approval of the Planning Division. Permittee shall likewise install pedestrian scale lights along all public and private street frontages. The Permittee shall submit a photometric plan to determine appropriate light levels with submittal of on-site improvement plans. Street lights per Transit Area Specific Plan (and instead of Milpitas Midtown Specific Plan standards) are required because the current and future street frontage along Montague Expressway include Transit Area Specific Plan street lights. **(P)**
28. Vehicle Sliding Gate: Location of vehicle sliding gate must be approved by the Planning Department prior to issuance of Site Improvement Permit. **(P)**

ENGINEERING CONDITIONS

PRIOR TO CONSTRUCTION PLAN SUBMITTALS

*The following conditions shall be met **prior to** any detailed construction plan check submittals (Building or Engineering, except demolition and rough grade plans), unless otherwise approved by the Director of Engineering/City Engineer. City reserves the right to reject any plan check submittal if any of the following conditions are not met. **(E)***

29. Solid Waste and Recycling Handling Plan: Permittee shall submit final Solid Waste and Recycling Handling Plan based upon City's previous comments for City's review and approval by the Engineering Department. The subject Plan shall show calculations of waste generation volumes and how materials will be transferred from the waste generation areas to the trash enclosure/external collection point; demonstrate how recycling shall have a separately maintained process from garbage handling; address other requirements such as waste generation and compactor sizing, chute shut-off and property management responsibility for bin management and litter control; and procure sufficient service frequency.

30. Stormwater Control Plan: Permittee shall submit City approved final Stormwater Control Plan (SWCP) that complies with the latest Municipal Regional Stormwater NPDES Permit, including Low Impact Development (LID) Section C3.c.i.(2)(b) measures for harvesting and reuse, infiltration, or evapo-transpiration, for City's review and approval by the Engineering Department.
31. Photometric Analysis: Permittee shall submit streetlight photometric analysis for City's review and approval by the Engineering Department along Montague Expressway project frontage that meet the Illuminating Engineering Society of North America (IESNA), RP8, for roadway and sidewalk lighting standards and City standard design guidelines.
32. Submittal Requirements: Permittee to ensure that all plan check submittals are in accordance with City's submittal check list for each permit type, including but not limited to, payment of permit fees and/or fee deposit at the time of the submittal.
33. Project Job Account/Fee Deposit: Permittee shall open a new PJ account as a deposit to cover the costs for Engineering Department's services for review and inspection of the project. The amount shall be determined based on the public improvement cost estimates as prepared by the Permittee's engineer.

PRIOR TO FINAL MAP APPROVAL/RECORDATION

*The following conditions shall be addressed during the final map plan check process and shall be met **prior to** any final approval/recording (except demolition permit and rough grade permit), unless otherwise approved by the Director of Engineering/City Engineer. (E)*

34. Dedication on the Final Map: Permittee shall dedicate necessary emergency vehicle access easements, public service utility easements, street easements, public access easement and other public easements deemed necessary for the project.
35. Abandonment/Quitclaim Easements: Permittee shall abandon/quit claim existing easements that conflict with or unnecessary for the project.
36. Easements on the Final Map: Permittee shall depict all existing easements to remain based upon current (less than three months old) preliminary title report and depict new easements on the final map.
37. Concurrent off-site plan reviews: Permittee shall submit separate off-site improvement plans for City's review and approval by the Engineering Department.
38. Utility Company Approval: Permittee shall obtain approval letters from utility companies (PG&E, AT&T, AT&T Broadband, Comcast) for abandonment of existing and dedication of new public service utilities easements.
39. Subdivision Improvement Agreement and Securities: Permittee shall execute a Subdivision Improvement Agreement and provide improvement securities in accordance with MMC Title XI, Section 17, and submit all other supplemental documents as stipulated in the Improvement Agreement (such as Certificate of Insurance).
40. Annexation to the Community Facilities District: Permittee shall submit an executed petition to annex the subject property to the Community Facilities District (CFD) 2005-1, and agree to pay the special taxes levied by the CFD 2005-1 for the purpose of maintaining the public services. The petition to annex into the CFD shall be finalized concurrently with any building permit issuance. Permittee shall comply with all rules, regulations, policies and practices established by the State Law and/or by the City with respect to the CFD including, without limitation, requirements for notice and disclosure to future owners and/or residents. This condition of approval is nonseverable from the Permit and invalidation or limitation of this condition invalidates the Permit, Condition 15 notwithstanding.
41. Homeowners Association (HOA): If a Homeowners Association will be created, Permittee shall submit a preliminary draft of the proposed conditions, covenants, and restrictions (CC&Rs) for City's review and approval. Membership of the HOA shall include all owners of the residential units. The HOA shall be responsible for the

maintenance of the landscaping, walls, buildings, private street lights, common area and private streets, and shall have assessment power. The HOA shall manage and maintain the onsite water, recycled water, irrigation, storm, water quality treatment, and sewer systems and implement the Solid Waste Handling Plan. The information shall be clearly included in the CC&Rs to be recorded with the Santa Clara Recorder's Office.

PRIOR TO OFF-SITE PLAN APPROVAL/ENCROACHMENT PERMIT ISSUANCE

*The following conditions shall be addressed as part of the off-site improvement plan review and shall be met **prior to** encroachment permit issuance, unless otherwise approved by the Director of Engineering/City Engineer. (E)*

42. Public Improvement Design Standards: All public improvements shall be designed and constructed in accordance with all applicable public improvement design standards, including but not limited to:
- Milpitas Design Guidelines:
(<http://www.ci.milpitas.ca.gov/milpitas/departments/engineering/design-guidelines/>);
 - Standard details and specifications:
(<http://www.ci.milpitas.ca.gov/milpitas/departments/engineering/standard-details-and-specifications/>);
 - Transit Area Specific Plan design guidelines:
(http://www.ci.milpitas.ca.gov/_pdfs/engDesignGuidelines/en_dg_vi_transitAreaSpecific.pdf);
 - Midtown Specific Plan design guidelines:
(<http://www.ci.milpitas.ca.gov/planning-documents/midtown-specific-plan/>)
(http://www.ci.milpitas.ca.gov/_pdfs/plan_plan_midtown.pdf); and
 - Americans with Disabilities Act (ADA) requirements, where applicable.
43. Sanitary Sewer Calculations: Permittee shall submit a completed "Sewer Needs Questionnaire" form and sanitary sewer calculations to justify lateral size design, allocation of discharge for each of the lateral, and impact to the existing main. Permittee shall be responsible to implement any necessary improvements if there is any identified deficiency to the existing main as a result of the project.
44. Storm Drain Design: Permittee shall submit storm drain hydrology and hydraulic calculations based upon a 10-year storm event to justify the size of the storm drain lateral flowing full, without surcharging the main line pipe, and to be reviewed and approved by the Engineering Department.
45. Domestic Water and Fire Service Calculations: Permittee shall submit potable water and fire service calculations to confirm adequacy of lateral size, pressure and flow, to be reviewed and approved by the Engineering Department and Fire Department. Hydraulic modeling analysis by the City and paid by the Permittee may be required as needed. Permittee shall be responsible to implement any necessary improvements if there is any identified deficiency to the existing main as a result of the project.
46. Utility Protection: All existing public utilities, to the extent any are present on the project site, shall be protected in place, or if necessary, relocated as approved by the City Engineer. No permanent structure is permitted within any City easement and no trees or deep-rooted shrubs are permitted within City utility easements, where the easement is located within the landscape areas.
47. Specific Improvements: In addition to standard public improvements required under Milpitas Municipal Code (MMC) Title XI, Chapter 1, Section 7, Permittee shall install other specific improvements listed below including incidental improvements as required by the City as part of the encroachment permit.
- Installation of separate water service tap and meter for each of the following services: residential, non-residential, irrigation, and fire.
 - Installation of separate utility service lines (domestic water, fire service, sanitary sewer) for residential and non-residential
 - Installation of radio-transmitted water meters with a meter antenna, any repeaters or transmitters as needed with dedicated power supplies at no cost to the City at locations acceptable to the City to ensure accurate and timely reception of meter readings. Permittee shall execute a recorded instrument providing dedicated space, access rights and dedicated power supplies to the City for operation/maintenance/repair/replacement of

subject radio antenna.

- d. Installation of new street tree wells along the project frontage. The locations, spacing of tree wells and tree species shall be in compliance with applicable City standards and details.
- e. Installation of new curb, gutter and sidewalk along the project frontage to match the existing sidewalk fronting the Harmony project (located at Building 13, also known as 1848-1884 Snell Place, Milpitas, CA)
- f. Installation of Type II slurry seal along the project frontage to the median islands.

- 48. Abandonment of Existing City Utilities: Permittee shall cap, abandon or remove any unused existing public utilities based upon City's Abandonment Notes and to the City's satisfaction.
- 49. Relocation and Adjustment of Existing Public Utilities: Permittee shall relocate and/or adjust existing public utilities as needed that are in conflict with the proposed improvements.
- 50. Water Service Agreement: Permittee shall complete a water service agreement to obtain water service.
- 51. Encroachment Permit: Prior to any work in the public right-of-way and/or public easement, obtain an encroachment permit with insurance requirements for all public improvements including a traffic control plan per the latest California Manual on Uniform Traffic Control Devices (MUTCD) standards to be reviewed and approved by the Engineering Department.
- 52. Pothole Encroachment Permit: Due to public storm drain and sanitary sewer facilities near the proposed stormwater treatment area, Permittee shall pothole and verify all potential utility crossing conflict as part of the construction drawings during the design stage.
- 53. Other Agency Approvals: Permittee shall obtain permits from other affected agencies and private parties, including but not limited to, Pacific Gas and Electric, AT&T, Comcast, Santa Clara Valley Water District, Santa Clara County Roads and Airport Departments, and Southern Pacific Railroad Company. Copies of any approvals or permits shall be submitted to the Engineering Department.
- 54. Backflow Devices: All backflow devices shall be located outside of city easements throughout the site.

PRIOR TO BUILDING PERMIT ISSUANCE

*The following conditions shall be addressed during the building plan check process and shall be met **prior to** any building permit issuance (except demolition permit and rough grade permit), unless otherwise approved by the Director of Engineering/City Engineer. (E)*

- 55. Final Map Recordation: Permittee shall record the final map.
- 56. Bioretention Location: Permittee shall verify that proposed bioretention area along frontage, within public right-of-way easement, has been approved by the County of Santa Clara.
- 57. Building Foundations: Building foundations adjacent to public utility easements shall be designed to be self-supporting such that the building weight is not required to be supported during shoring and excavation for the purposes of maintenance or installation of new utilities within the easement.
- 58. Public Easement Dedication: Permittee shall dedicate necessary emergency vehicle access easements, public service utility easements, street easements, public access easement and other public easements deemed necessary for the project.
- 59. Abandonment/Quitclaim Easements: Permittee shall abandon/quit claim existing private easement(s) that are in conflict with or unnecessary for the project.

60. Concurrent Off-site Plan Reviews: Permittee shall submit separate off-site improvement plans for City's review and approval by the Engineering Department.
61. Utility Company Approval: Permittee shall obtain approval letters from utility companies (PG&E, AT&T, Comcast) for abandonment of existing and dedication of new public service utilities easements.
62. Easements on the Building Permit Plans: Permittee shall depict all existing easements to remain based upon current preliminary title report and depict new easements on applicable building permit plans.
63. Stormwater Facility Operation & Maintenance Plan: Permittee shall incorporate design details into applicable construction plans in accordance with City approved Storm Water Control Plan (SWCP). Permittee shall also submit Stormwater Facility Operation & Maintenance Plan that describes operation and maintenance procedures needed to ensure that treatment Best Management Practices (BMPs) and other storm water control measures continue to work as intended and do not create a nuisance (including vector control).
64. Water Supply and Force Majeure. The City reserves the right to suspend the issuance of building permits in case of an emergency declaration of water supply in the case of a major catastrophic event that restricts City's assurance to provide water supply.
65. Water Efficient Landscapes: Permittee shall comply with Milpitas Municipal Code Title VIII, Chapter 5 Water Efficient Landscapes for landscape design, including but not limited to, providing separate water meters for domestic water service and irrigation service and providing applicable landscape documentation package.
66. Solid Waste and Recycling Facility Design: Permittee shall comply with all applicable City design guidelines/details associated with haul route, turning radius, vertical and horizontal clearance, trash enclosure, staging area, storage area, etc.
67. Recycling Report Prior to Demolition Permit Issuance: Permittee shall submit Part I of a Recycling Report on business letterhead to the Building Department, for forwarding to the Engineering Department for review and approval. The report shall describe the following resource recovery activities:
- What materials will be salvaged.
 - How materials will be processed during demolition.
 - Intended locations or businesses for reuse or recycling.
 - Quantity estimates in tons (both recyclable and for landfill disposal). Estimates for recycling and disposal tonnage amounts by material type shall be included as separate items in all reports to the Building Division before demolition begins.
- Permittee shall make every effort to salvage materials for reuse and recycling and shall comply with the City's demolition and construction debris recycling ordinance.
68. Recycling Report Prior to Building Permit Issuance: Permittee shall submit Part II of the Recycling Report to the Building Department, for forwarding to the Engineering Department. Part II of the Recycling Report shall be supported by copies of weight tags and/or receipts of "end dumps." Actual reuse, recycling and disposal tonnage amounts (and estimates for "end dumps") shall be submitted to the Building Department for approval by the Engineering Department prior to inspection by the Building Department.
69. Development Fees. Permittee shall pay the following development fees. The information listed in items "a" through "f" are based upon current fee rates; however, those fee rates are subject to change. The exact fee amount shall be determined at the time of building permit fee payment.
- Storm water connection fee at \$16,771/acre for residential and \$21,562/acre for commercial.
 - Water, sewer and treatment plant fees will be calculated at the time of building plan check submittal.
 - Water connection fee at \$1,164/unit for residential and \$5.97/gpd for commercial, based upon increased water usage.
 - Sewer connection fee at \$1,406/unit for residential and \$8.52/gpd for commercial, based upon increased

- average wastewater flow.
- e. 2.5% of applicable fees in accordance with City Resolution No. 7590 as Permitting Automation Fee.
- f. FEMA Flood Zone Designation Letter fee in the amount of \$100.00 each
- g. Calaveras Boulevard Widening Traffic Impact Fee at \$275/unit for residential subject to adjustment by ENR CCI at the time of payment.

The following condition does not include any required Building Permit Fees, Park in-Lieu Fees, and Public Art in-Lieu Fees.

DURING CONSTRUCTION

*The following conditions shall be complied with at all times **during** the construction phase of the project, unless otherwise approved by the Director of Engineering/City Engineer. (E)*

- 70. Dewatering: If dewatering is needed during construction, Permittee shall obtain a Short-Term Industrial Wastewater Permit from the San Jose/Santa Clara Water Pollution Control Plant for discharging the groundwater to a sanitary sewer system.
- 71. Prohibition of Potable Water Usage: Permittee shall use recycled water for construction purposes, including dust control and compaction. Permittee shall comply with MMC VIII-6-5.00 and 6-6.00 where potable water usage is prohibited, unless otherwise approved by the City Council.
- 72. Construction Staging and Employee Parking: Permittee shall place all construction related materials, equipment, and arrange construction workers parking on-site and not located in the public rights-of-way or public easements.
- 73. Water Shut-down Plan: Permittee shall provide a water shut-down plan at least seven days in advance of the shut-down in coordination with the Engineering Inspector and notify affected property owners/tenants when cut-in tee(s) is/are required.

PRIOR TO FIRST OCCUPANCY

*The following conditions shall be met **prior to** first building occupancy on either lot, unless otherwise approved the Director of Engineering/City Engineer. (E)*

- 74. Water Shut-down Plan: Permittee shall provide a water shut-down plan at least seven days in advance of the shut-down in coordination with the Engineering Inspector and notify affected property owners/tenants when cut-in tee(s) is/are required.
- 75. Completion of Public Improvements: Permittee shall complete all public improvements, including but not limited to Montague Expressway, and frontage improvements along Watson Court, as shown on City approved plans.
- 76. Stormwater Management Facilities O&M Agreement: Permittee shall execute and record a Stormwater Management Facilities Operation and Maintenance (O&M) Agreement associated with the SWCP O&M Plan, including perpetual maintenance of treatment areas/units, as reviewed and accepted by the Engineering Department. The subject O&M Agreement shall be referenced in the CC&Rs, if applicable.
- 77. Landscape Certificate of Completion: Permittee shall submit a Certificate of Substantial Completion that complies with the Milpitas Municipal Code Water Efficient Landscapes ordinance.
- 78. Record Drawings: Permittee shall submit record drawings in AutoCAD, Tiff, and PDF formats for City records. Record drawings shall include all public improvements. Additionally, if the project uses recycled water, the permittee shall also submit record drawings of on-site irrigation facilities.
- 79. Private Job (PJ) Balance: Permittee shall pay for any remaining balance from the Private Job deposit.

(P) = Planning

(B) = Building

(E) = Engineering
(F) = Fire Prevention
(CA) = City Attorney

NOTICE OF RIGHT TO PROTEST

The Conditions of Project Approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code Section 66020(d)(1), these Conditions constitute written notice of a statement of the amount of such fees, and a description of the dedications, reservations, and other exactions. You are hereby further notified that the 90-day approval period in which you may protest these fees, dedications, reservations, and other exactions, pursuant to Government Code Section 66020(a), began on date of adoption of this resolution. If you fail to file a protest within this 90-day period complying with all of the requirements of Section 66020, you will be legally barred from later challenging such exactions.

AGREEMENT

Permittee/Property Owner

The undersigned agrees to each and every condition of approval and acknowledges the NOTICE OF RIGHT TO PROTEST and hereby agrees to use the Project property on the terms and conditions set forth in this resolution.

Dated: _____ Signature of Permittee: _____



MILPITAS PLANNING COMMISSION STAFF REPORT OCTOBER 23, 2019

APPLICATION:	Major Tentative Map for Condominiums – 91 Montague Expressway - Conditional Use Permit Amendment (UA19-0018) and Major Tentative Map (MT19-0001) - A Conditional Use Permit Amendment and Major Tentative Map to subdivide a previously approved residential complex into 72 condominium units on a 1.79-acre site located at 91 Montague Expressway.
RECOMMENDATION:	Staff recommends that the Planning Commission consider the exceptions from environmental review under the California Environmental Quality Act (CEQA) and adopt Resolution No. 19-032 recommending City Council approval of Conditional Use Permit Amendment No. UA19-0018 and Major Tentative Map No. MT19-0001, subject to the attached Conditions of Approval
LOCATION:	
Address/APN:	91 Montague Expressway (APN 083-42-002)
Area of City:	South of Great Mall Parkway, north of Montague Expressway and east of South Main Street
PEOPLE:	
Project Applicant:	99 Homes, LLC
Property Owner:	99 Homes, LLC
Project Planner:	Michael Fossati, Senior Planner
LAND USE:	
GP Designation:	Multi-Family Residential, Very High Density (VHD)
Midtown SP Designation:	Multi-Family Residential, Very High Density (VHD)
Zoning District:	High Density Residential (R4)
Overlay District:	Site and Architectural Overlay District (-S)
Site Area:	1.79 acres
ENVIRONMENTAL:	The proposed Project is exempt from environmental review under the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan or Zoning) and Section 15182 (Residential Projects Pursuant to a Specific Plan).

PROJECT OVERVIEW

On May 8, 2019, the Milpitas Planning Commission approved a Site Development Permit (SD19-0003) and Conditional Use Permit (UP19-0002) to allow development of a four-story, 72-unit

residential project on a 1.79-acre site located at 91 Montague Expressway. The developer is now requesting a Major Tentative Map (MT19-0001) to allow the previously approved project to be subdivided into condominium units. A tentative map for condominium conversion at this location also requires approval of a Conditional Use Permit Amendment (UA19-0018) in accordance with Section XI-1-4.01-5 and Table XI-10-4.02-1 of the Milpitas Municipal Code.

Figure 1 is a rendering of the approved project as viewed from Montague Expressway:

Figure 1: Project Rendering



PROJECT LOCATION AND CONTEXT

The previously approved 72-unit residential project is located on Montague Expressway in the southern portion of the Milpitas Midtown Specific Plan area. Under the Midtown Specific Plan and the Milpitas General Plan Land Use, the subject site is designated Multi-Family Residential, Very High Density (VHD) with a density range of 31-40 units per acre. The site is zoned Multi-Family Very High Density Residential (R4), and surrounding uses include multi-family residential to the north, east, and west and industrial to the south in the City of San Jose.

Table 1: Project Site Context

General Plan/Specific Plan Designation:		Multi-Family Residential, Very High Density (VHD)
Zoning:		Multi-Family Very High Density Residential (R4)
Surrounding Zoning and Uses	North:	Multi-Family Residential, Very High Density Residential;
	South:	Industrial, City of San Jose
	East:	Railroad; Multi-Family Residential, Very High Density
	West:	Multi-Family Residential, Very High Density
Current Use:		Vacant

Figure 2 below is a satellite image of the project location, and Figure 3 shows existing zoning:

Figure 2: Project Location

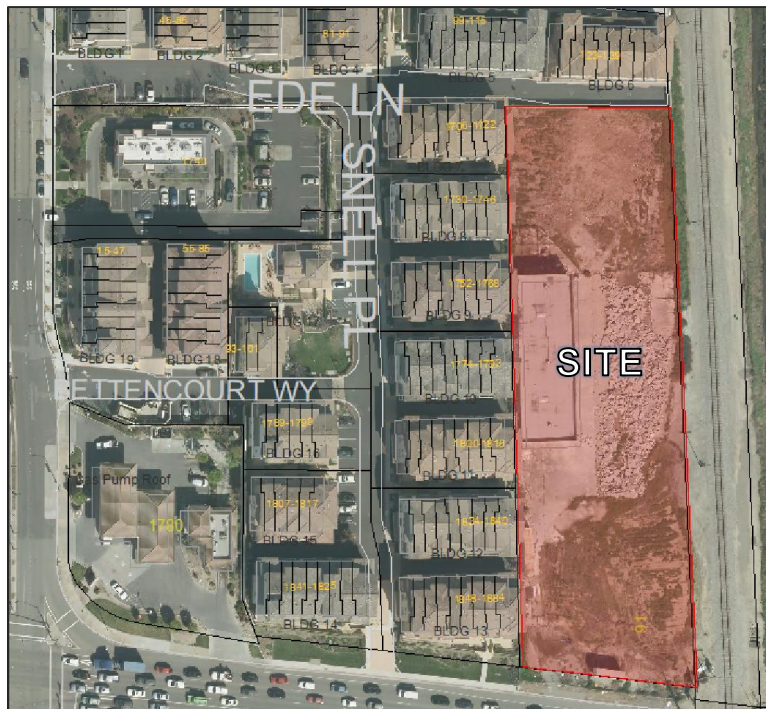
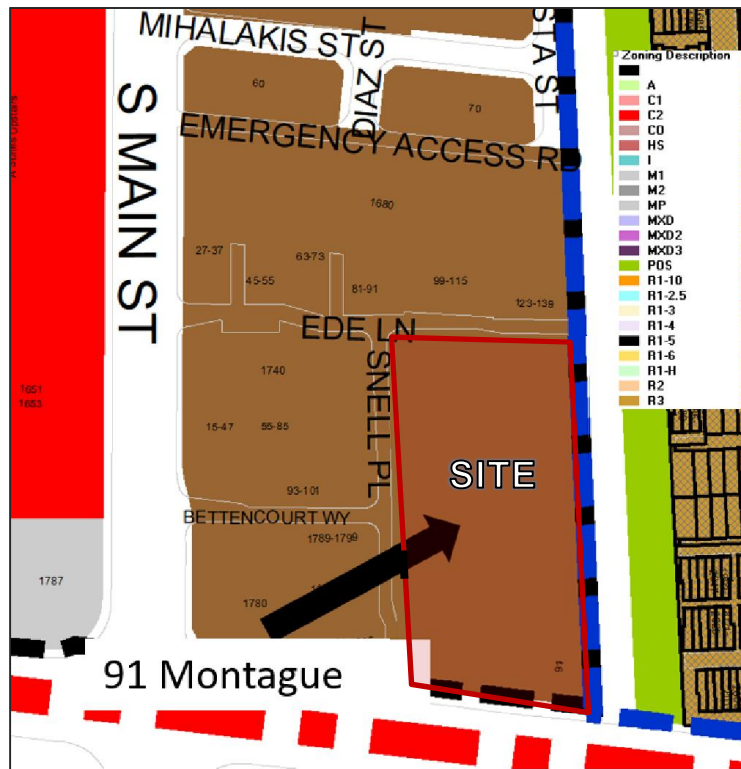


Figure 3: Project Zoning Map



PROJECT ANALYSIS

Conditional Use Permit Amendment

The City of Milpitas requires approval of a CUP to allow a condominium project in the R4 Zoning District. Since the City has already approved a CUP for development of a 72-unit residential complex on the subject site, the applicant has applied for a CUP Amendment to allow the proposed subdivision of the site for condominium purposes.

Approval of the CUP amendment may be granted if the following findings are made:

- The proposed use, at the proposed location will not be detrimental or injurious to property or improvements in the vicinity nor to the public health, safety and general welfare.
- The proposed use is consistent with the Milpitas General Plan.
- The proposed use is consistent with the Milpitas Zoning Ordinance
- The proposed use is consistent with the Midtown Specific Plan

As outlined in the Findings section of the staff report, the proposed condominium conversion at this location will not be detrimental or injurious to property or improvements in the vicinity because for-sale residential units will be consistent with the existing townhomes surrounding the site. The proposed condominium use will not change the approved density for this site (40 units/acre), which conforms with the 31-40 du/ac density range allowed within the VHD land use

designation under the Milpitas General Plan and Midtown Specific Plan. Additionally, the Zoning Ordinance allows both condominiums and condo conversions within the R4 zoning district with approval of a Conditional Use Permit (Amendment). Lastly, the proposed use amendment is consistent with various Midtown Specific Plan land use policies, including Policy 3.1 (allow up to 1,104 new housing units in Midtown) and Policy 3.5 (provide housing for all income levels).

Major Tentative Map

The subdivision of the previously approved 72-unit residential project for condominium purposes requires approval of a “Major Tentative Map” by both the Planning Commission and City Council. Approval of the Major Tentative Map must be based on findings of consistency with the Milpitas General Plan and applicable provisions of Section 66474 of the State of California Government Code. As discussed in the Findings section of the staff report, the proposed subdivision for condominium purposes is consistent with the land use designation of Multi-Family Residential, Very High Density (VHD) at the subject site as well as various land policies of the Milpitas General Plan and Midtown Specific Plan. The site is in an urbanized area and suitable for the approved residential density of 40 du/ac. The site is currently vacant and underutilized.

Affordable Housing

In accordance with Section XII-1-3.00 of the Milpitas Municipal Code, all development projects of ten units or more are required to reserve 15 percent of the total number of dwelling units within the development as affordable units. The previously approved Site Development Permit (SD19-0003) and Conditional Use Permit (UP19-0002) included conditions of approval that require the developer to reserve eleven units within the 72-unit project as affordable units. The affordability levels have not yet been determined, but the unit mix will include studios, one-bedroom, two-bedroom, and three-bedroom units.

FINDINGS FOR APPROVAL

A finding is a statement of fact relating to the information that the Planning Commission has considered in making a decision. Findings explain the rationale behind the decision being made.

Conditional Use Permit Amendment

To approve the CUP Amendment, the following findings must be made pursuant to Milpitas Municipal Code Table XI-10-4-05(D)(b) and Section XI-10-57.04(F)(1):

- 1. The proposed use, at the proposed location will not be detrimental or injurious to property or improvements in the vicinity nor to the public health, safety, and general welfare*

A CUP Amendment is required to allow approval of a Major Tentative Map for condominium conversion at the subject site. The conversion of 72-unit residential project from rental units to condominiums will not be detrimental or injurious to property or improvements in the vicinity because the site is surrounded by for-sale townhomes. As proposed, the residential density of 40 du/ac will remain consistent with the neighboring properties.

2. *The proposed use is consistent with the Milpitas General Plan*

The General Plan land use designation for the subject site is Multi-Family Residential, Very High Density (VHD). This designation allows a density range of 31 to 40 du/ac to accommodate a variety of housing types ranging from row houses and townhouses to lofts and stacked flats with structured parking. The proposed Conditional Use Permit Amendment would allow a condominium conversion that is consistent with the Milpitas General Plan in that the previously approved density of 40 du/ac is within the allowed density range and would remain unchanged. Based on staff's analysis, the Conditional Use Permit Amendment is in conformance with applicable General plan policies, as demonstrated in Table 2 below:

Table 2: General Plan Consistency

GP Policy	Conformance
<i>2.a I-1 – New developments should not exceed the building intensity established in the General Plan</i>	Consistent: The Conditional Use Permit Amendment will allow a previously approved residential structure with a density of 40 units / acre, be converted into condominiums that can be sold to future homeowners. The previously approved residential structure was designed without exceeding the building intensity of the General Plan. The Amendment will not change the design of the structure, and therefore not exceed the building intensity, as required by the General Plan.
<i>2.a I-2 – Promote development within the incorporated limits which acts to fill-in the urban fabric rather than providing costly expansion of urban services into outlying areas.</i>	Consistent: The proposed Amendment will promote and support development and home ownership within the incorporated limits of the City, where utilities and infrastructure are already in place, and without the need for investment onto outlying areas.

3. *The proposed use is consistent with the Milpitas Zoning Ordinance*

The Milpitas Zoning Ordinance requires approval of a Conditional Use Permit to allow a condominium project in the R4 Zoning District. Since the City has already approved a Conditional Use Permit for development of a 72-unit residential complex on the subject site, the applicant has applied for a Conditional Use Permit Amendment to allow the proposed subdivision of the site for condominium purposes. Based on staff's analysis, the Conditional Use Permit Amendment is in conformance with the Milpitas Zoning Ordinance, as demonstrated in Table 3 below:

Table 3: R4 Zoning Development Standards

Standard	Requirement	Subdivision Specifications	Compliance
Lot Area, Minimum	None	1.79 acres	Yes
Lot Width, Minimum	None	Approximately 158'	Yes
Density (min-max)	31 - 40 du/ac in TOD	40 du/ac	Yes

4. *The proposed use is consistent with the Milpitas Midtown Specific Plan.*

The Conditional Use Permit Amendment is in conformance with the Milpitas Midtown Specific Plan, as demonstrated in Table 4 below:

Table 4: Midtown Specific Plan Consistency

Policy	Consistency Finding
<i>Policy 3.1 – Allow for up to 1,104 New Housing Units in Milpitas Midtown.</i>	Consistent: The Conditional Use Permit Amendment will support the development of 72 new housing units within the Midtown Specific Plan area and contribute to the overall implementation of the Plan. The CUP will allow the new units will be for-sale units.
<i>Policy 3.4 Establish a minimum density of 31 units/gross acre in the multifamily, very high-density area and a maximum of 40 units/gross acre.</i>	Consistent: The Conditional Use Permit Amendment would achieve 40 units per acre, the maximum allowable residential density within Midtown, which was previously approved via the Site Development Permit of the apartment complex.
<i>Policy 3.5 Provide housing for all income levels throughout the Midtown area.</i>	Consistent: The Conditional Use Permit Amendment includes a variety of housing sizes, including one-, two-, and three- bedroom residential units, with units ranging from 838 square feet to 1,800 square feet in size. Furthermore, the Amendment includes both market rate and below-market rate housing, addressing the need to provide housing for all income levels.

Major Tentative Map

To approve the Major Tentative Map, the following findings must be made pursuant to Milpitas Municipal Code Section XI-1-20.01:

1. *The tentative subdivision map is consistent with the General Plan.*

The Major Tentative Map is consistent with the Milpitas General Plan, as demonstrated and outlined in Table 2 above.

2. *None of the conditions identified in California Government Code Section 66474 exist, to wit:*

- A. *That the proposed map is not consistent with applicable general and specific plans as specified in Government Code Section 65451.*

The Major Tentative Map is consistent with the Milpitas General Plan and Milpitas Midtown Specific Plan, as discussed in Table 2 and Table 4, above.

- B. *That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.*

The Major Tentative Map will allow a previously approved 71-unit residential project to be subdivided into condominium units. The design of the previously approved project conforms with both the Milpitas General Plan and Midtown Specific Plan, and the conversion to condominium units will not change the approved design of the project. The Tentative Map is consistent with both the General Plan and Midtown Specific Plan as discuss above.

- C. *That the site is not physically suitable for the type of development.*

The site is physically suitable for development of the previously approved 71-unit apartment complex. The Major Tentative Map will have no physical effect on the structure or associated density of the apartment complex. The subject site is currently vacant and underutilized within a fully urbanized area with high demand for housing units.

- D. *The site is not physically suitable for the proposed density of development.*

The General Plan and Midtown Specific Plan land use designations for the subject site allow a density range of 31 to 40 du/ac. The proposed Tentative Map Amendment would allow a previously approved residential project to convert from rental units to for-sale units with no change in the approved density of 40 du/ac on a 1.79-acre site.

- E. *The design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.*

The design of the subdivision and the proposed improvements are not likely to cause substantial environmental damage or substantially or avoidably injure fish or wildlife or their habitat given that the site is currently an underutilized vacant lot and does not provide fish or wildlife habitat which will be displaced by its development. The proposed project is not located within wetlands or waterways (including Penitencia Creek) where substantial environmental damage or avoidable injure to fish or wildlife or their habitat can occur.

- F. *The design of the subdivision or type of improvements is not likely to cause serious public health problems.*

The design and type of improvements associated with the subdivision are not likely to cause serious public health problems given that fire access is subject to review and approval by the City, as are pedestrian and vehicular egress and ingress. In addition, compliance with the conditions of approval set forth within the resolution hereto will ensure conformance with applicable sanitary sewer, water, and other utility regulations to protect the public and project residents.

- G. *The design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.*

The design and type of subdivision improvements proposed by the developer will not conflict with any easements acquired by the public at large for access through or use of, property within the proposed subdivision. As conditioned, the applicant will dedicate necessary emergency vehicle access easements, public service utility easements, street easements, public access easement and other public easements deemed necessary for the project.

ENVIRONMENTAL REVIEW

The project is exempt from further environmental review under CEQA pursuant to CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan or Zoning) and CEQA Guidelines Section 15182 (Residential Projects Pursuant to a Specific Plan).

PUBLIC COMMENT/OUTREACH

Staff provided public notice of the application in accordance with City and State public noticing requirements. At the time of publishing this report, one comment was received. A question was posed by a property owner adjacent to the project property. They requested the distance between their residential townhome and then residential condominium building. The information was provided to the property owner. The distance was between 20 – 25 feet.

A notice was published in the Milpitas Post on September 27th, 2019. Notices were sent to owners and residents within 1,000 feet of the project site, and a public notice was posted on the project site, on the City's website, www.ci.milpitas.ca.gov, and at City Hall. The meeting was previously scheduled for October 9th, 2019, but was continued to a date certain, October 23rd, 2019.

RECOMMENDATION

STAFF RECOMMENDS THAT the Planning Commission:

1. Open and close the Public Hearing;
2. Adopt Resolution 19-032 recommending City Council approve Conditional Use Permit Amendment No. UA19-0018 and Major Tentative Map No. MT19-0001, based on the findings and subject to the conditions of approval.

RESOLUTION NO. 19-032

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MILPITAS
RECOMMENDING CITY COUNCIL APPROVE CONDITIONAL USE
PERMIT AMENDMENT NO. UA19-0018 AND MAJOR TENTATIVE MAP NO. MT19-
0001 TO SUBDIVIDE AN APPROVED 180,267 SQUARE FOOT RESIDENTIAL
STRUCTURE INTO 72 RESIDENTIAL CONDOMINIUM UNITS, WITHIN A 1.794
ACRES, LOCATED AT 91 MONTAGUE EXPRESSWAY (APN 083-42-002).**

WHEREAS, on March 19, 2002, the City Council of the City of Milpitas certified an Environmental Impact Report ("EIR") prepared to analyze the environmental impacts associated with the Milpitas Midtown Specific Plan (the "Midtown EIR," State Clearinghouse No. 2000092027), and subsequently adopted the Milpitas Midtown Specific Plan ("Midtown"); and

WHEREAS, on November 16, 2010, the City Council adopted a revised Milpitas Midtown Specific Plan and determined the specific plan to be categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines § 15061(b)(3), 15307, 15308, 15162(b), and 15168; and

WHEREAS, 91 Montague Expressway is currently located within the Milpitas Midtown Specific Plan and in the Multi-Family Very High Density ("R4") Zoning District with a Site and Architectural ("-S") Overlay; and

WHEREAS, pursuant to CEQA, when taking subsequent discretionary actions in furtherance of a project for which an EIR has been certified and has been adopted, the lead agency is required to review the Project and its surrounding circumstances to determine whether any of the circumstances under Public Resources Code § 21166 and State CEQA Guidelines § 15162 require additional environmental review; and

WHEREAS, on May 8, 2019, the City of Milpitas Planning Commission approved a Site Development Permit No. SD19-0003 and Conditional Use Permit No. UP19-0002 for the development of a four story, 48 foot tall, 180,267 square foot residential structure and underground parking garage, located at 91 Montague Expressway; and found of consistency with the Addendum to the Milpitas Midtown Specific Plan Environmental Impact Report in accordance with the CEQA, including, without limitation, CEQA Guidelines § 15168 *et seq.*; and

WHEREAS, following the aforementioned approval, the developer ("99 Homes, LLC") submitted an application for a Conditional Use Permit Amendment No. UA19-0018 and Major Tentative Subdivision No. MT19-0001, for the subdivision of 180,267 square foot residential structure into 72 residential condominium units ("Project"); and

WHEREAS, Conditional Use Amendment Permit is required in the Multi-Family Very High Density (R4) Zoning District to allow condominium development; and

WHEREAS, Major Tentative Map Subdivision is required to subdivide 180,267 square foot residential structure into 72 residential condominiums as demonstrated within the project plans; and

WHEREAS, Milpitas City Staff also conducted a full analysis of the Project to ensure compliance with the City's General Plan, Midtown Specific Plan, Zoning Ordinance, Engineering Design Requirements and other applicable state and local regulations, as detailed in the staff report prepared for the Planning Commission; and

WHEREAS, the Planning Commission has considered all of the written and oral testimony presented at the public hearing in making its decision; and

WHEREAS, the Project was found to be consistent with the goals, policies and regulations of the Milpitas General Plan, Milpitas Midtown Specific Plan, and Zoning Ordinance, as analyzed and documented in the staff report for this Project;

NOW THEREFORE, the Planning Commission of the City of Milpitas hereby finds, determines and resolves as follows:

SECTION 1. Recitals

The Planning Commission has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the Planning Commission. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2: California Environmental Quality Act

The Planning Commission finds that the Project is categorically exempt from further environmental review pursuant to CEQA Section 15183 (Projects Consistent with Community Plan, General Plan or Zoning) and Section 15182 (Residential Projects Pursuant to a Specific Plan), in that the Project is a condominium subdivision of a previously approved apartment complex with no physical changes to the structure or number of units.

SECTION 3: Conditional Use Permit Amendment (Section XI-1-4.01-5 and Table XI-10-4.02-1)

The Planning Commission makes the following findings based on the evidence in the public record in support of Conditional Use Permit No. UA19-0018:

- 1. The proposed use, at the proposed location will not be detrimental or injurious to property or improvements in the vicinity nor to the public health, safety, and general welfare.*

A Conditional Use Permit Amendment is required to allow approval of a Major Tentative Map for condominium conversion at the subject site. The conversion of 72-unit residential project from rental units to condominiums will not be detrimental or injurious to property or improvements in the vicinity because the site is surrounded by for-sale townhomes. As proposed, the residential density of 40 du/ac will remain consistent with the neighboring properties.

2. *The project is consistent with the Milpitas General Plan.*

The General Plan land use designation for the subject site is Multi-Family Residential, Very High Density (VHD). This designation allows a density range of 31 to 40 du/ac to accommodate a variety of housing types ranging from row houses and townhouses to lofts and stacked flats with structured parking. The proposed Conditional Use Permit Amendment would allow a condominium conversion that is consistent with the Milpitas General Plan in that the previously approved density of 40 du/ac is within the allowed density range and would remain unchanged. Based on staff's analysis, the Conditional Use Permit Amendment is in conformance with applicable General plan policies, as demonstrated in Table 1 below:

Table 1: General Plan Consistency

GP Policy	Conformance
<i>2.a I-1 – New developments should not exceed the building intensity established in the General Plan</i>	Consistent: The Conditional Use Permit Amendment will allow a previously approved residential structure with a density of 40 units / acre, be converted into condominiums that can be sold to future homeowners. The previously approved residential structure was designed without exceeding the building intensity of the General Plan. The Amendment will not change the design of the structure, and therefore not exceed the building intensity, as required by the General Plan.
<i>2.a I-2 – Promote development within the incorporated limits which acts to fill-in the urban fabric rather than providing costly expansion of urban services into outlying areas.</i>	Consistent: The proposed Amendment will promote and support development and home ownership within the incorporated limits of the City, where utilities and infrastructure are already in place, and without the need for investment onto outlying areas.

3. *The project is consistent with the Milpitas Zoning Ordinance.*

The Milpitas Zoning Ordinance requires approval of a Conditional Use Permit to allow a condominium project in the R4 Zoning District. Since the City has already approved a Conditional Use Permit for development of a 72-unit residential complex on the subject site, the applicant has applied for a Conditional Use Permit Amendment to allow the proposed subdivision of the site for condominium purposes. Based on staff's analysis, the Conditional Use Permit Amendment is in conformance with the Milpitas Zoning Ordinance, as demonstrated in Table 2 below:

Table 2: Zoning Conformance

Standard	Requirement	Subdivision Specifications	Compliance
Lot Area, Minimum	None	1.79 acres	Yes
Lot Width, Minimum	None	Approximately 158'	Yes
Density (min-max)	31 - 40 du/ac in TOD	40 du/ac	Yes

4. *The project is consistent with the Milpitas Midtown Specific Plan*

The Conditional Use Permit Amendment is in conformance with the Milpitas Midtown Specific Plan, as demonstrated in Table 3 below:

Table 3: Midtown Specific Plan Consistency

Policy	Consistency Finding
<i>Policy 3.1 – Allow for up to 1,104 New Housing Units in Milpitas Midtown.</i>	Consistent: Although the Conditional Use Permit Amendment will not develop 1,104 new housing units, it will support such development by providing 72 brand new housing units to be developed within Midtown. Furthermore, these new units can be purchased rather than leased, which will give existing and future Milpitas households the option of owning or renting their residence.
<i>Policy 3.4 Establish a minimum density of 31 units/gross acre in the multifamily, very high-density area and a maximum of 40 units/gross acre.</i>	Consistent: The Conditional Use Permit Amendment would achieve 40 units per acre, the maximum allowable residential density within Midtown, which was previously approved via the Site Development Permit of the apartment complex.
<i>Policy 3.5 Provide housing for all income levels throughout the Midtown area.</i>	Consistent: The Conditional Use Permit Amendment includes a variety of housing sizes, including one-, two-, and three- bedroom residential units, with units ranging from 838 square feet to 1,800 square feet in size. Furthermore, the Amendment includes both market rate and below-market rate housing, addressing the need to provide housing for all income levels.

SECTION 4: Major Subdivision – Tentative Map (Section XI-1-20.01)

The Planning Commission makes the following findings based on the evidence in the public record in support of Major Tentative Map No. MT19-0001:

1. *The tentative subdivision map is consistent with the General Plan.*

The Major Tentative Map is consistent with the Milpitas General Plan, as demonstrated and outlined in Table 1 above.

2. *Furthermore, none of the conditions identified in California Government Code Section 66474 exist, to wit:*

- A. *That the proposed map is not consistent with applicable general and specific plans as specified in Government Code Section 65451.*

The Major Tentative Map is consistent with the Milpitas General Plan and Milpitas Midtown Specific Plan, as discussed in Table 1 and Table 3, above.

- B. *That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.*

The Major Tentative Map will allow a previously approved 71-unit residential project to be subdivided into condominium units. The design of the previously approved project conforms with both the Milpitas General Plan and Midtown Specific Plan, and the conversion to condominium units will not change the approved design of the project. The Tentative Map is consistent with both the General Plan and Midtown Specific Plan as discuss above.

- C. *That the site is not physically suitable for the type of development.*

The site is physically suitable for development of the previously approved 71-unit apartment complex. The Major Tentative Map will have no physical effect on the structure or associated density of the apartment complex. The subject site is currently vacant and underutilized within a fully urbanized area with high demand for housing units.

- D. *The site is not physical suitable for the proposed density of development.*

The General Plan and Midtown Specific Plan land use designations for the subject site allow a density range of 31 to 40 du/ac. The proposed Tentative Map Amendment would allow a previously approved residential project to convert from rental units to for-sale units with no change in the approved density of 40 du/ac on a 1.79-acre site.

- E. That design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidable injure fish or wildlife or their habitat.*

The design of the subdivision and the proposed improvements are not likely to cause substantial environmental damage or substantially or avoidably injure fish or wildlife or their habitat given that the site is currently an underutilized vacant lot and does not provide fish or wildlife habitat which will be displaced by its development. The proposed project is not located within wetlands or waterways (including Penitencia Creek) where substantial environmental damage or avoidable injure to fish or wildlife or their habitat can occur.

- F. The design of the subdivision or type of improvements is not likely to cause serious public health problems.*

The design and type of improvements associated with the subdivision are not likely to cause serious public health problems given that fire access is subject to review and approval by the City, as are pedestrian and vehicular egress and ingress. In addition, compliance with the conditions of approval set forth within the resolution hereto will ensure conformance with applicable sanitary sewer, water, and other utility regulations to protect the public and project residents.

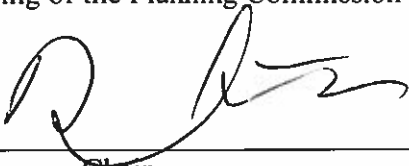
- G. The design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.*

The design and type of subdivision improvements proposed by the developer will not conflict with any easements acquired by the public at large for access through or use of, property within the proposed subdivision. As conditioned, the applicant will dedicate necessary emergency vehicle access easements, public service utility easements, street easements, public access easement and other public easements deemed necessary for the project.

SECTION 5: Planning Commission Action

The Planning Commission of the City of Milpitas hereby adopts Resolution No. 19-032 recommending City Council approve Conditional Use Permit Amendment No. UA19-0018 and Major Tentative Map Subdivision No. MT19-0001, based on the above findings and subject to the conditions of approval.

PASSED AND ADOPTED at a regular meeting of the Planning Commission of the City of Milpitas on October 23, 2019.



Chair

TO WIT:

I HEREBY CERTIFY that the following resolution was duly adopted at a regular meeting of the Planning Commission of the City of Milpitas on October 23, 2019 and carried by the following roll call vote:

COMMISSIONER	AYES	NOES	ABSENT	ABSTAIN
Tim Alcorn	✓			
Ricky Ablaza				✓
Evelyn Chua	✓			
Bill Chuan	✓			
Sudhir Mandal			✓	
Demetress Morris	✓			
Steve Tao	✓			

**CONDITIONS OF APPROVAL
ADIMAR PLACE
UA19-0018, MT19-0001
91 MONTAGUE EXPRESSWAY
(APN 083-42-0002)**

General Conditions

1. General Compliance. The applicant and owner, including all successors in interest (collectively "Permittee") shall comply with each and every condition set forth in this Permit. This Conditional Use Permit Amendment No. UA19-0018 and Major Tentative Map Subdivision No. MT19-0001 (collectively "Permit") shall have no force or effect and no building permit shall be issued unless and until all things required by the below-enumerated precedent conditions have been performed or caused to be performed. **(P)**
2. Effective Date. Unless there is a timely appeal filed in accordance with the Milpitas Zoning Code, the date of approval of this Permit is the date on which the decision-making body approved this Permit. **(P)**
3. Acceptance of Permit. Should Permittee fail to file a timely appeal within twelve (12) calendar days of the date of approval of this Permit, inaction by Permittee shall be deemed to constitute each of the following:
 - a. Acceptance of this Permit by Permittee; and
 - b. Agreement by the Permittee to be bound by, comply with, and to do all things required of or by Permittee pursuant to all of the terms, obligations, and conditions of this Permit. **(P)**
4. Permit Expiration. Pursuant to Section XI-10-64-06 of the Milpitas Zoning Code, this Permit shall become null and void if the activity permitted by this Permit is not commenced within two (2) years from the date of approval, or for a project submitted with a tentative map, within the time limits of the approved tentative map. Pursuant to Section XI-10-64.06(B) of the Milpitas Zoning Code, an activity permitted by this Permit shall be deemed to have commenced when the project:
 - a. Completes a foundation associated with the project; or
 - b. Dedicates any land or easement as required from the zoning action; or
 - c. Complies with all legal requirements to commence the use, or obtains an occupancy permit, whichever is sooner **(P)**
5. Time Extension. Pursuant to Section XI-10-64.07 of the Milpitas Zoning Code, unless otherwise provided by State law, Permittee shall have the right to request a one-time extension of the Permit if the request is made in writing to the Planning Division prior to the expiration date of the approval. **(P)**

6. Project Job Account. If Permittee's project job account is at any time delinquent or below the required deposit amount, City will not continue to review or process the application until Permittee's private job account is paid in full and the required deposit has been made. Additionally, prior to the issuance of any building permit or occupancy permit, as applicable, Permittee shall pay in full the project account balance and establish a remaining balance of at least twenty-five percent (25%) of the required initial deposit. **(P/E)**
7. Notice. Pursuant to California Government Code Section 66020, any protest filed in court relating to the imposition of fees, dedication, reservations, or other exactions to be imposed on the development project shall be filed within ninety (90) days after the date of the adoption of this Resolution. This provision serves as notice from the local agency to the Permittee that the ninety (90) day period in which the applicant may file a protest has begun under California Government Code Section 66020(d)(1). **(CA)**
8. Cost and Approval. Permittee shall fully complete and satisfy each and every condition set forth in this Resolution and any other condition applicable to the project to the sole satisfaction of the City. Additionally, Permittee shall be solely responsible and liable for the cost to satisfy each and every condition. Permittee shall pay all required fees and charges to the City at the rate in effect at time of building permit issuance, or, the rate in effect when the fees and charges are due and paid in full to the City. There is no vesting of any fees or charges with the adoption of this Resolution. **(ALL)**
9. Conditions. Each and every condition set forth in this Exhibit shall apply to the project and continue to apply to the project so long as the Permittee is operating the project under the permits and approvals in this Resolution. **(ALL)**
10. Compliance with Laws. The construction, use, and all related activity authorized under this Permit shall comply with all applicable local, state, and federal laws, rules, regulations, guidelines, requirements, and policies. **(CA/P)**
11. Previous Approvals. Permittee shall abide and continue to comply with all previous City approvals, permits, or requirements relating to the subject property, unless explicitly superseded or revised by this Permit. **(P)**
12. Indemnification. To the fullest extent permitted by law, Permittee shall indemnify, defend with counsel of the City's choosing, and hold harmless City, its City Council, its boards and commissions, officials, officers, employees, and agents from and against any and all claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including without limitation, attorney's fees, disbursements and court costs) of every kind and nature whatsoever which may arise from or in any manner relate (directly or indirectly) to (i) City's approval of the project, including but not limited to, the approval of the discretionary permits, maps under the Subdivision Map Act, and/or the City's related determinations or actions under the California Environmental Quality

Act, and (ii) Permittee's construction, operation, use, or related activity under this Permit. This indemnification shall include, but not be limited to, damages awarded against the City, if any, costs of suit, attorneys' fees, and other expenses incurred in connection with such claim, action, causes of action, suit or proceeding whether incurred by applicant, City, and/or the parties initiating or bringing such proceeding. Permittee shall indemnify the City for all of City's costs, attorneys' fees, and damages which City incurs in enforcing the indemnification provisions set forth in this condition. Permittee shall pay to the City upon demand or, as applicable, to counsel of City's choosing, any amount owed pursuant to the indemnification requirements prescribed in this condition. **(CA)**

13. **Certificate of Insurance:** Permittee shall provide certificate of insurance and name City as an additional insured in its insurance policies for the Project. **(CA)**
14. **Revocation, Suspension, Modification.** This Permit may be suspended, revoked, or modified in accordance with Section XI-10-63.06 of the Milpitas Zoning Code. **(P)**
15. **Severability.** If any term, provision, or condition of this Permit is held to be illegal or unenforceable by the Court, such term, provision, or condition shall be severed and shall be inoperative, and the remainder of this Permit shall remain operative, binding, and fully enforceable. **(CA)**
16. **Development in Conformance with Approved Plans:** Permittee shall develop the approved project in conformance with the approved plans approved by the Planning Commission on May 8, 2019, in accordance with these Conditions of Approval. Any deviation from the approved site plan, elevations, materials, colors, landscape plan or other approved submittal shall require that, prior to the issuance of building permits, the Permittee shall submit modified plans and any other applicable materials as required by the City for review, and obtain the approval of the Planning Director or Designee. If the Planning Director or designee determines that the deviation is significant, the owner or designee shall be required to apply for review and obtain approval of the Planning Commission or City Council, as applicable, in accordance with the Milpitas Zoning Code. **(P)**
17. **Compliance with Fire Department and California Fire Code.** The Project shall comply with the requirements of the Milpitas Fire Department and the California Fire Code as adopted by the City. Changes to the site plan and/or building(s) requires review and approval by the Fire Department. **(F)**
18. **Compliance with Building Department.** The project shall comply with the requirements of the Building Department and the International Building Code. **(B)**

PLANNING CONDITIONS

19. **Signage.** Prior to any building permit issuance for signage, the Permittee shall submit a Site Development Permit or Minor Site Development Permit application for any proposed signage to be located on the building or site. Sign plans shall demonstrate compliance with the Milpitas Sign Ordinance and design guidelines. **(P)**

20. Proposed Venting: The project should incorporate venting systems that have the least amount of penetrations along the exterior facades to the extent feasible. If venting is proposed through the ceiling, a parapet wall (or similar structure) shall be installed to mask the vent from the view of the public right-of-way. (P)
21. Equipment Screening. All rooftop equipment shall be adequately screened from the parking lot areas and the public street. All ground mounted equipment shall be adequately screened, if feasible, and subject to the Planning Division review and approval. If the screening is proven infeasible as solely determined by Planning Director, then all ground mounted equipment and surrounding bollards (if any) shall be of design and color that will minimize visual impact. (P)
22. Public Art Requirement. Permittee shall comply with the City's Public Art Requirements for Private Development, as set forth in Milpitas Municipal Code Section XI-10-14. The Project shall incorporate a public art or pay a required in-lieu fee to the satisfaction of the Planning Director. (P)
23. Affordable Housing. Permittee shall comply with the City's Affordable Housing Requirements, as set forth in Milpitas Municipal Code Section XII-1-3.00. The project shall construct 15 percent of the total number of dwelling units within any development as affordable units, unless subject to an exception obtained in accordance with the procedures set forth in this Section 3 - *Minimum Residential Development General Requirements*, of the Milpitas Municipal Code. Any exception must be considered and approved in accordance with the requirements of the Milpitas Municipal Code and shall require City Council approval, which shall be obtained at or prior to the last discretionary approval for development of the project. (P)
24. Tandem Parking. The Permittee shall insure that all future residents are aware that space in tandem parking areas must be maintained so as to allow the parking of two (2) vehicles at all times. (P)
25. Bicycle Racks. A minimum of ten short-term bicycle spaces consistent with Midtown Streetscape Elements shall be installed within the Project (5% of 289 parking stalls, per MIDTOWN Chapter 5, pg. 5-61). (P)
26. Street Lights: Permittee shall provide street lighting along all street frontages consistent with current Transit Area Specific Plan standards subject to the review and approval of the Planning Division. Permittee shall likewise install pedestrian scale lights along all public and private street frontages. The Permittee shall submit a photometric plan to determine appropriate light levels with submittal of on-site improvement plans. Street lights per Transit Area Specific Plan (and instead of Milpitas Midtown Specific Plan standards) are required because the current and future street frontage along Montague Expressway include Transit Area Specific Plan street lights. (P)

ENGINEERING CONDITIONS

PRIOR TO CONSTRUCTION PLAN SUBMITTALS

*The following conditions shall be met **prior to** any detailed construction plan check submittals (Building or Engineering, except demolition and rough grade plans), unless otherwise approved by the Director of Engineering/City Engineer. City reserves the right to reject any plan check submittal if any of the following conditions are not met. (E)*

27. **Solid Waste and Recycling Handling Plan:** Permittee shall submit final Solid Waste and Recycling Handling Plan based upon City's previous comments for City's review and approval by the Engineering Department. The subject Plan shall show calculations of waste generation volumes and how materials will be transferred from the waste generation areas to the trash enclosure/external collection point; demonstrate how recycling shall have a separately maintained process from garbage handling; address other requirements such as waste generation and compactor sizing, chute shut-off and property management responsibility for bin management and litter control; and procure sufficient service frequency.
28. **Stormwater Control Plan:** Permittee shall submit City approved final Stormwater Control Plan (SWCP) that complies with the latest Municipal Regional Stormwater NPDES Permit, including Low Impact Development (LID) Section C3.c.i.(2)(b) measures for harvesting and reuse, infiltration, or evapo-transpiration, for City's review and approval by the Engineering Department.
29. **Photometric Analysis:** Permittee shall submit streetlight photometric analysis for City's review and approval by the Engineering Department along Montague Expressway project frontage that meet the Illuminating Engineering Society of North America (IESNA), RP8, for roadway and sidewalk lighting standards and City standard design guidelines.
30. **Submittal Requirements:** Permittee to ensure that all plan check submittals are in accordance with City's submittal check list for each permit type, including but not limited to, payment of permit fees and/or fee deposit at the time of the submittal.
31. **Project Job Account/Fee Deposit:** Permittee shall open a new PJ account as a deposit to cover the costs for Engineering Department's services for review and inspection of the project. The amount shall be determined based on the public improvement cost estimates as prepared by the Permittee's engineer.

PRIOR TO FINAL MAP APPROVAL/RECORDATION

*The following conditions shall be addressed during the final map plan check process and shall be met **prior to** any final approval/recordation (except demolition permit and rough grade permit), unless otherwise approved by the Director of Engineering/City Engineer. (E)*

32. **Dedication on the Final Map:** Permittee shall dedicate necessary emergency vehicle access easements, public service utility easements, street easements, public access easement and other public easements deemed necessary for the project.
33. **Abandonment/Quitclaim Easements:** Permittee shall abandon/quit claim existing easements

that conflict with or unnecessary for the project.

34. Easements on the Final Map: Permittee shall depict all existing easements to remain based upon current (less than three months old) preliminary title report and depict new easements on the final map.
35. Concurrent off-site plan reviews: Permittee shall submit separate off-site improvement plans for City's review and approval by the Engineering Department.
36. Utility Company Approval: Permittee shall obtain approval letters from utility companies (PG&E, AT&T, AT&T Broadband, Comcast) for abandonment of existing and dedication of new public service utilities easements.
37. Subdivision Improvement Agreement and Securities: Permittee shall execute a Subdivision Improvement Agreement and provide improvement securities in accordance with MMC Title XI, Section 17, and submit all other supplemental documents as stipulated in the Improvement Agreement (such as Certificate of Insurance).
38. Annexation to the Community Facilities District. Permittee shall submit an executed petition to annex the subject property to the Community Facilities District (CFD) 2005-1, and agree to play the special taxes levied by the CFD 2005-1 for the purpose of maintaining the public services. The petition to annex into the CFD shall be finalized concurrently with any building permit issuance. Permittee shall comply with all rules, regulations, policies and practices established by the State Law and/or by the City with respect to the CFD including, without limitation, requirements for notice and disclosure to future owners and/or residents. This condition of approval is nonseverable from the Permit and invalidation or limitation of this condition invalidates the Permit, Condition 15 notwithstanding.
39. Homeowners Association (HOA): If a Homeowners Association will be created, Permittee shall submit a preliminary draft of the proposed conditions, covenants, and restrictions (CC&Rs) for City's review and approval. Membership of the HOA shall include all owners of the residential units. The HOA shall be responsible for the maintenance of the landscaping, walls, buildings, private street lights, common area and private streets, and shall have assessment power. The HOA shall manage and maintain the onsite water, recycled water, irrigation, storm, water quality treatment, and sewer systems and implement the Solid Waste Handling Plan. The information shall be clearly included in the CC&Rs to be recorded with the Santa Clara Recorder's Office.

PRIOR TO OFF-SITE PLAN APPROVAL/ENCROACHMENT PERMIT ISSUANCE

*The following conditions shall be addressed as part of the off-site improvement plan review and shall be met **prior to** encroachment permit issuance, unless otherwise approved by the Director of Engineering/City Engineer. (E)*

40. Public Improvement Design Standards: All public improvements shall be designed and constructed in accordance with all applicable public improvement design standards, including but not limited to:
- a. Milpitas Design Guidelines:
(<http://www.ci.milpitas.ca.gov/milpitas/departments/engineering/design-guidelines/>);
 - b. Standard details and specifications:
(<http://www.ci.milpitas.ca.gov/milpitas/departments/engineering/standard-details-and-specifications/>);
 - c. Transit Area Specific Plan design guidelines:
(http://www.ci.milpitas.ca.gov/_pdfs/engDesignGuidelines/en_dg_vi_transitAreaSpecific.pdf);
 - d. Midtown Specific Plan design guidelines:
(<http://www.ci.milpitas.ca.gov/planning-documents/midtown-specific-plan/>) (http://www.ci.milpitas.ca.gov/_pdfs/plan_plan_midtown.pdf); and
 - e. Americans with Disabilities Act (ADA) requirements, where applicable.
41. Sanitary Sewer Calculations: Permittee shall submit a completed "Sewer Needs Questionnaire" form and sanitary sewer calculations to justify lateral size design, allocation of discharge for each of the lateral, and impact to the existing main. Permittee shall be responsible to implement any necessary improvements if there is any identified deficiency to the existing main as a result of the project.
42. Storm Drain Design: Permittee shall submit storm drain hydrology and hydraulic calculations based upon a 10-year storm event to justify the size of the storm drain lateral flowing full, without surcharging the main line pipe, and to be reviewed and approved by the Engineering Department.
43. Domestic Water and Fire Service Calculations: Permittee shall submit potable water and fire service calculations to confirm adequacy of lateral size, pressure and flow, to be reviewed and approved by the Engineering Department and Fire Department. Hydraulic modeling analysis by the City and paid by the Permittee may be required as needed. Permittee shall be responsible to implement any necessary improvements if there is any identified deficiency to the existing main as a result of the project.
44. Utility Protection: All existing public utilities, to the extent any are present on the project site, shall be protected in place, or if necessary, relocated as approved by the City Engineer. No permanent structure is permitted within any City easement and no trees or deep-rooted shrubs are permitted within City utility easements, where the easement is located within the landscape areas.
45. Specific Improvements: In addition to standard public improvements required under Milpitas Municipal Code (MMC) Title XI, Chapter 1, Section 7, Permittee shall install other specific improvements listed below including incidental improvements as required by the City as part of the encroachment permit.
- a. Installation of separate water service tap and meter for each of the following services: residential, non-residential, irrigation, and fire.

- b. Installation of separate utility service lines (domestic water, fire service, sanitary sewer) for residential and non-residential
 - c. Installation of radio-transmitted water meters with a meter antenna, any repeaters or transmitters as needed with dedicated power supplies at no cost to the City at locations acceptable to the City to ensure accurate and timely reception of meter readings. Permittee shall execute a recorded instrument providing dedicated space, access rights and dedicated power supplies to the City for operation/maintenance/repair/replacement of subject radio antenna.
 - d. Installation of new street tree wells along the project frontage. The locations, spacing of tree wells and tree species shall be in compliance with applicable City standards and details.
 - e. Installation of new curb, gutter and sidewalk along the project frontage to match the existing sidewalk fronting the Harmony project (located at Building 13, also known as 1848-1884 Snell Place, Milpitas, CA)
 - f. Installation of Type II slurry seal along the project frontage to the median islands.
46. Abandonment of Existing City Utilities: Permittee shall cap, abandon or remove any unused existing public utilities based upon City's Abandonment Notes and to the City's satisfaction.
47. Relocation and Adjustment of Existing Public Utilities: Permittee shall relocate and/or adjust existing public utilities as needed that are in conflict with the proposed improvements.
48. Water Service Agreement: Permittee shall complete a water service agreement to obtain water service.
49. Encroachment Permit: Prior to any work in the public right-of-way and/or public easement, obtain an encroachment permit with insurance requirements for all public improvements including a traffic control plan per the latest California Manual on Uniform Traffic Control Devices (MUTCD) standards to be reviewed and approved by the Engineering Department.
50. Pothole Encroachment Permit: Due to public storm drain and sanitary sewer facilities near the proposed stormwater treatment area, Permittee shall pothole and verify all potential utility crossing conflict as part of the construction drawings during the design stage.
51. Other Agency Approvals: Permittee shall obtain permits from other affected agencies and private parties, including but not limited to, Pacific Gas and Electric, AT&T, Comcast, Santa Clara Valley Water District, Santa Clara County Roads and Airport Departments, and Southern Pacific Railroad Company. Copies of any approvals or permits shall be submitted to the Engineering Department.
52. Backflow Devices: All backflow devices shall be located outside of city easements throughout the site.

PRIOR TO BUILDING PERMIT ISSUANCE

*The following conditions shall be addressed during the building plan check process and shall be met **prior to** any building permit issuance (except demolition permit and rough grade permit), unless otherwise approved by the Director of Engineering/City Engineer. (E)*

53. Final Map Recordation: Permittee shall record the final map.
54. Bioretention Location: Permittee shall verify that proposed bioretention area along frontage, within public right-of-way easement, has been approved by the County of Santa Clara.
55. Building Foundations: Building foundations adjacent to public utility easements shall be designed to be self-supporting such that the building weight is not required to be supported during shoring and excavation for the purposes of maintenance or installation of new utilities within the easement.
56. Public Easement Dedication: Permittee shall dedicate necessary emergency vehicle access easements, public service utility easements, street easements, public access easement and other public easements deemed necessary for the project.
57. Abandonment/Quitclaim Easements: Permittee shall abandon/quit claim existing private easement(s) that are in conflict with or unnecessary for the project.
58. Concurrent Off-site Plan Reviews: Permittee shall submit separate off-site improvement plans for City's review and approval by the Engineering Department.
59. Utility Company Approval: Permittee shall obtain approval letters from utility companies (PG&E, AT&T, Comcast) for abandonment of existing and dedication of new public service utilities easements.
60. Easements on the Building Permit Plans: Permittee shall depict all existing easements to remain based upon current preliminary title report and depict new easements on applicable building permit plans.
61. Stormwater Facility Operation & Maintenance Plan: Permittee shall incorporate design details into applicable construction plans in accordance with City approved Storm Water Control Plan (SWCP). Permittee shall also submit Stormwater Facility Operation & Maintenance Plan that describes operation and maintenance procedures needed to ensure that treatment Best Management Practices (BMPs) and other storm water control measures continue to work as intended and do not create a nuisance (including vector control).
62. Water Supply and Force Majeure: The City reserves the right to suspend the issuance of building permits in case of an emergency declaration of water supply in the case of a major catastrophic event that restricts City's assurance to provide water supply.
63. Water Efficient Landscapes: Permittee shall comply with Milpitas Municipal Code Title VIII, Chapter 5 Water Efficient Landscapes for landscape design, including but not limited to, providing separate water meters for domestic water service and irrigation service and providing applicable landscape documentation package.
64. Solid Waste and Recycling Facility Design: Permittee shall comply with all applicable City design guidelines/details associated with haul route, turning radius, vertical and horizontal clearance, trash enclosure, staging area, storage area, etc.

65. Recycling Report Prior to Demolition Permit Issuance: Permittee shall submit Part I of a Recycling Report on business letterhead to the Building Department, for forwarding to the Engineering Department for review and approval. The report shall describe the following resource recovery activities:

- a. What materials will be salvaged.
- b. How materials will be processed during demolition.
- c. Intended locations or businesses for reuse or recycling.
- d. Quantity estimates in tons (both recyclable and for landfill disposal). Estimates for recycling and disposal tonnage amounts by material type shall be included as separate items in all reports to the Building Division before demolition begins.

Permittee shall make every effort to salvage materials for reuse and recycling and shall comply with the City's demolition and construction debris recycling ordinance.

66. Recycling Report Prior to Building Permit Issuance: Permittee shall submit Part II of the Recycling Report to the Building Department, for forwarding to the Engineering Department. Part II of the Recycling Report shall be supported by copies of weight tags and/or receipts of "end dumps." Actual reuse, recycling and disposal tonnage amounts (and estimates for "end dumps") shall be submitted to the Building Department for approval by the Engineering Department prior to inspection by the Building Department.

67. Development Fees. Permittee shall pay the following development fees. The information listed in items "a" through "f" are based upon current fee rates; however, those fee rates are subject to change. The exact fee amount shall be determined at the time of building permit fee payment.

- a. Storm water connection fee at \$16,771/acre for residential and \$21,562/acre for commercial.
- b. Water, sewer and treatment plant fees will be calculated at the time of building plan check submittal.
- c. Water connection fee at \$1,164/unit for residential and \$5.97/gpd for commercial, based upon increased water usage.
- d. Sewer connection fee at \$1,406/unit for residential and \$8.52/gpd for commercial, based upon increased average wastewater flow.
- e. 2.5% of applicable fees in accordance with City Resolution No. 7590 as Permitting Automation Fee.
- f. FEMA Flood Zone Designation Letter fee in the amount of \$100.00 each
- g. Calaveras Boulevard Widening Traffic Impact Fee at \$275/unit for residential subject to adjustment by ENR CCI at the time of payment.

The following condition does not include any required Building Permit Fees, Park in-Lieu Fees, Affordable Housing Fee and Public Art in-Lieu Fees.

DURING CONSTRUCTION

*The following conditions shall be complied with at all times **during** the construction phase of the project, unless otherwise approved by the Director of Engineering/City Engineer. (E)*

68. Dewatering. If dewatering is needed during construction, Permittee shall obtain a Short-Term Industrial Wastewater Permit from the San Jose/Santa Clara Water Pollution Control Plant for discharging the groundwater to a sanitary sewer system.
69. Prohibition of Potable Water Usage: Permittee shall use recycled water for construction purposes, including dust control and compaction. Permittee shall comply with MMC VIII-6-5.00 and 6-6.00 where potable water usage is prohibited, unless otherwise approved by the City Council.
70. Construction Staging and Employee Parking: Permittee shall place all construction related materials, equipment, and arrange construction workers parking on-site and not located in the public rights-of-way or public easements.
71. Water Shut-down Plan: Permittee shall provide a water shut-down plan at least seven days in advance of the shut-down in coordination with the Engineering Inspector and notify affected property owners/tenants when cut-in tee(s) is/are required.

PRIOR TO FIRST OCCUPANCY

*The following conditions shall be met **prior to** first building occupancy on either lot, unless otherwise approved the Director of Engineering/City Engineer. (E)*

72. Water Shut-down Plan: Permittee shall provide a water shut-down plan at least seven days in advance of the shut-down in coordination with the Engineering Inspector and notify affected property owners/tenants when cut-in tee(s) is/are required.
73. Completion of Public Improvements: Permittee shall complete all public improvements, including but not limited to Montague Expressway, and frontage improvements along Watson Court, as shown on City approved plans.
74. Stormwater Management Facilities O&M Agreement: Permittee shall execute and record a Stormwater Management Facilities Operation and Maintenance (O&M) Agreement associated with the SWCP O&M Plan, including perpetual maintenance of treatment areas/units, as reviewed and accepted by the Engineering Department. The subject O&M Agreement shall be referenced in the CC&Rs, if applicable.
75. Landscape Certificate of Completion: Permittee shall submit a Certificate of Substantial Completion that complies with the Milpitas Municipal Code Water Efficient Landscapes ordinance.
76. Record Drawings: Permittee shall submit record drawings in AutoCAD, Tiff, and PDF formats for City records. Record drawings shall include all public improvements. Additionally, if the project uses recycled water, the permittee shall also submit record drawings of on-site irrigation facilities.
77. Private Job (PJ) Balance: Permittee shall pay for any remaining balance from the Private Job deposit.

PLANNING & BUILDING PROJECT-RELATED MIDTOWN MITIGATION MEASURES & REQUIRED PROJECT DESIGN FEATURES

Biological Resources

78. Nesting Birds: To mitigate impacts on non-listed special-status nesting raptors and other nesting birds, a qualified biologist will survey the site for nesting raptors and other nesting birds within 14 days prior to any ground disturbing activity or vegetation removal. Results of the surveys will be forwarded to the U.S. Fish and Wildlife Services (USFWS) and CDFG (as appropriate) and, on a case-by-case basis, avoidance procedures adopted. These can include construction buffer areas (several hundred feet in the case of raptors) or seasonal avoidance. However, if construction activities occur only during the non-breeding season between August 31 and February 1, no surveys will be required. **(P)**
79. Noise Insulation: Prior to issuance of any building permit, Permittee shall demonstrate that the Project will meet the required 45 dBA maximum interior noise standard. **(B)**
80. Dust Control Emissions: During the construction of the Project, Permittee shall comply with all of the following:
- a. All exposed surfaces (e.g. parking areas, staging areas, soil piles, graded areas and unpaved roads) shall be watered two times per day.
 - b. All haul trucks transporting soil, sand or other loose material off the site shall be covered.
 - c. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day or more often if determined necessary by City Engineer or designee. The use of dry power sweeping is prohibited.
 - d. All vehicle speeds on unpaved roads shall be limited to 15 MPH.
 - e. All roadways, driveways and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
 - f. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to five (5) minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.
 - g. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation.
 - h. Post a publicly visible sign with the telephone number and person to contact at the City regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations. **(B)**
81. ROG Emissions: Prior to issuance of any building permit, Permittee shall develop, submit and obtain approval from the City of a plan to reduce ROG emissions by 17 percent or greater during the architectural coating phase of the construction. Acceptable measures to achieve this

goal include, but are not limited to, using paint that contains 125 grams per liter of VOC or less, the use of pre-fabricated building materials, or a combination of both. The plan shall be implemented as approved by the City. **(B)**

83. **Archeological Monitoring**: Any future ground disturbing activities, including grading, in the Transit Area shall be monitored by a qualified archaeologist to ensure that the accidental discovery of significant archaeological materials and/or human remains is handled according to CEQA Guidelines §15064.5 regarding discovery of archeological sites and burial sites, and Guidelines §15126.4(b) identifying mitigation measures for impacts on historic and cultural resources (see Public Resources Code §§21083.2, 21084.1). In the event that buried remains are encountered, work shall be halted in the immediate area and the Santa Clara County coroner and the City of Milpitas Department of Planning and Department of Building shall be immediately contacted to determine the nature of the remains and related appropriate mitigation plan. If remains are determined to be of Native American origin, the coroner will then contact the Native American Heritage Commission (NAHC), which will in turn contact the appropriate Most Likely Descendent (MLD). The MLD will then have the opportunity to make a recommendation for the respectful treatment of the Native American remains and related burial goods. **(P/B)**
84. **Paleontological Monitoring**: All grading plans for development projects involving ground displacement shall include a requirement for monitoring by a qualified paleontologist to review underground materials recovered. In the event fossils are encountered, work in the area shall be halted and the City of Milpitas Department of Planning and Department of Building shall be immediately contacted to determine the nature of the remains and related appropriate mitigation plan. A qualified paleontologist shall evaluate the fossils, and steps needed to photo-document or to recover the fossils shall be taken. **(P/B)**

(P) = Planning
(B) = Building
(E) = Engineering
(F) = Fire Prevention
(CA) = City Attorney

NOTICE OF RIGHT TO PROTEST

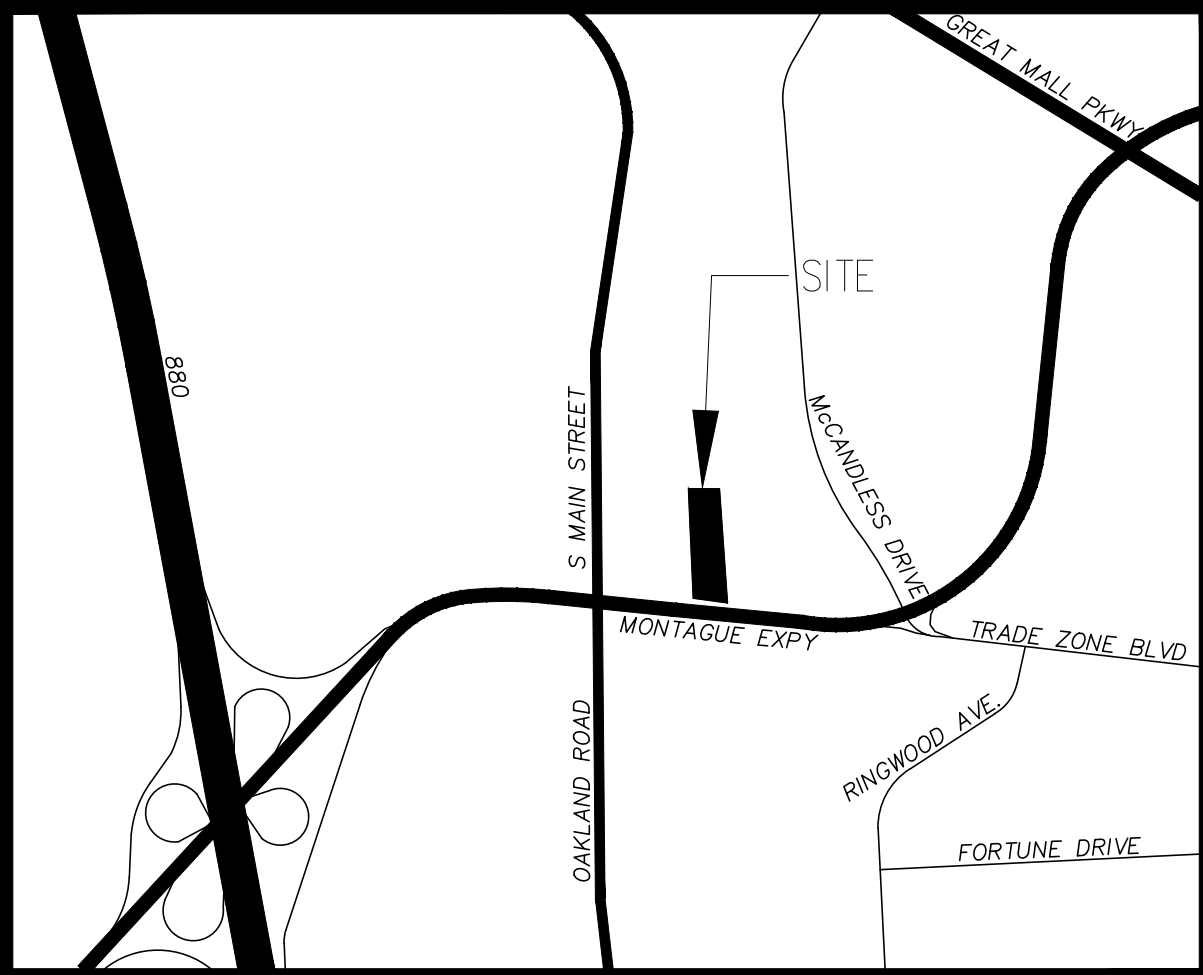
The Conditions of Project Approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code Section 66020(d)(1), these Conditions constitute written notice of a statement of the amount of such fees, and a description of the dedications, reservations, and other exactions. You are hereby further notified that the 90-day approval period in which you may protest these fees, dedications, reservations, and other exactions, pursuant to Government Code Section 66020(a), began on date of adoption of this resolution. If you fail to file a protest within this 90-day period complying with all of the requirements of Section 66020, you will be legally barred from later challenging such exactions.

AGREEMENT

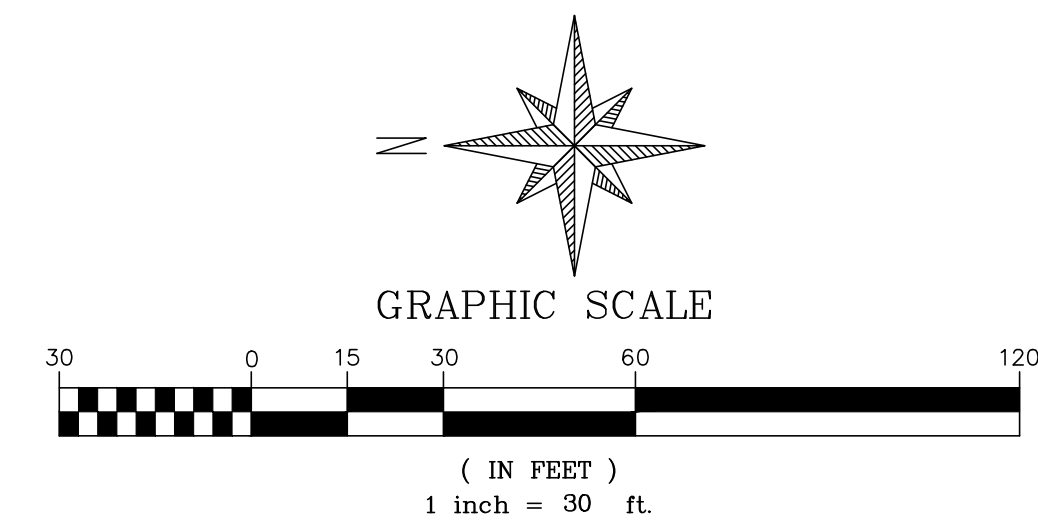
Permittee/Property Owner

The undersigned agrees to each and every condition of approval and acknowledges the NOTICE OF RIGHT TO PROTEST and hereby agrees to use the Project property on the terms and conditions set forth in this resolution.

Dated: _____ Signature of Permittee: _____



VICINITY MAP NTS



PARKING SCHEDULE

NUMBER OF UNITS	PARKING REQUIRED
1BR = 28 (39%)	X 1.5 = 42
2BR = 26 (36%)	X 2 = 52
3BR = 18 (25%)	X 2 = 36
TOTAL = 72 UNITS	TOTAL = 130 SPACES

GUEST PARKING: 15% X 130 = 20 SPACES
GRAND TOTAL 150 SPACES

BICYCLE PARKING: 5% X 130 = 7 SPACES

PARKING PROVIDED: 150 IN GARAGE + 8 ON GRADE = 158 SPACES

TENTATIVE SUBDIVISION MAP
ONE LOT SUBDIVISION FOR RESIDENTIAL
CONDOMINIUM PURPOSES
ADIMAR PLACE



MONTAGUE RESIDENTIAL DEVELOPMENT

LPMD
Architects
1288 E. Dunne Avenue, Suite 230
Morgan Hill, CA 95037
Phone: 408.962.0200
Fax: 408.962.0201

NOTES:

- ALL UTILITIES IN THE SUBDIVISION ARE PRIVATELY OWNED AND MAINTAINED BY HOA
- ALL STREET TREES INSTALLED PER CITY STANDARD NO 448, MAINTAINED BY HOA.
- ALL STREETS WITHIN THE SUBDIVISION WILL BE PRIVATE STREETS AND MAINTAINED BY HOA.
- STREET LIGHTS ON PRIVATE STREETS WILL BE MAINTAINED BY THE HOA.
- ALL WALLS WITHIN THE PROJECT SITE WILL BE PRIVATE FACILITIES AND MAINTAINED BY THE HOA.

SCOPE OF WORK:

CONSTRUCT NEW CONDOMINIUM BUILDING WITH ASSOCIATED INFRASTRUCTURE. PROJECT INCLUDES ONE FLOOR OF UNDERGROUND PARKING WITH FOUR FLOORS OF RESIDENTIAL UNITS OVER A CONCRETE PODIUM.

BENCHMARK

SCVWD # 1036 ELEV. 39.57, NAVD 88

ABBREVIATION

BW	BACK OF WALK
C	CONCRETE
EX.	EXISTING
FL	FLOW LINE
GB	GRADE BREAK
GR	GRATE
HP	HIGH POINT
INV	INVERT
P	PAVEMENT
TC	TOP OF CURB

LEGEND

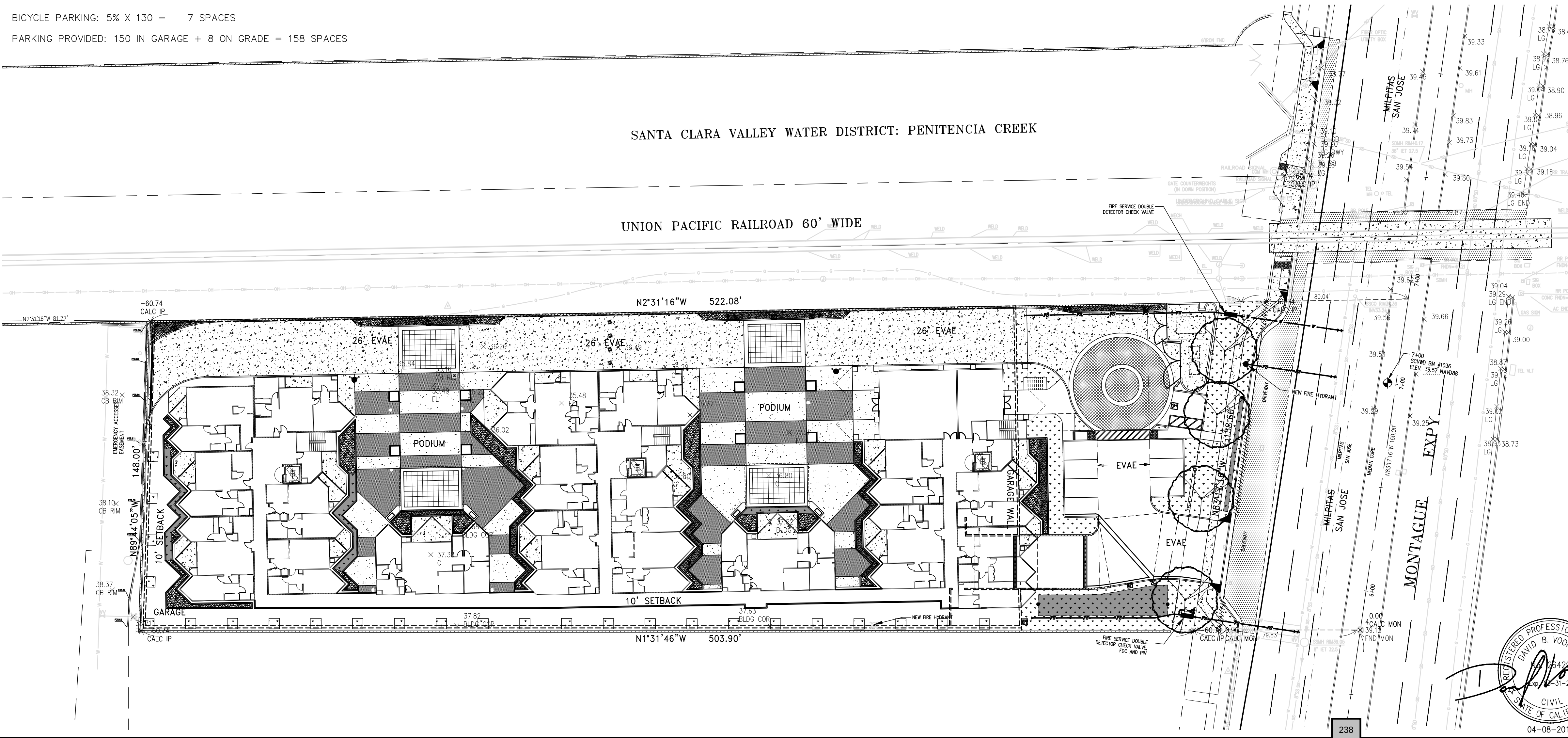
DESCRIPTION	TO BE CONST.	EXISTING	TO BE CONST.	EXISTING
PROPERTY LINE		---	PLANTER BOX	
CURB			BIO-RETENTION	
CURB AND GUTTER				
CONCRETE SIDEWALKS / WALKWAYS				
DRIVEWAY				
FLAT GRATE INLET				
CHRISTY U23 W/ 71RHD GRATE				
AREA DRAIN (HARDSCAPE AREA USE NDS #639) (LANDSCAPE AREA USE NDS #80)				
EASEMENT				
ACCESSIBLE ROUTE				

SHEET INDEX

TM0	TITLE
TM1	DEMOLITION PLAN
TM2	TOPOGRAPHIC SURVEY
TM3	ON-SITE IMPROVEMENT PLAN
TM4	GRADING AND DRAINAGE PLAN
TM5	UTILITY PLAN
TM6	STORMWATER CONTROL PLAN
TM7	SOLID WASTE HANDLING PLAN
TM8	EMERGENCY VEHICLE ACCESS PLAN
TM9	OFF-SITE IMPROVEMENT PLAN
TM10	OFF-SITE SECTIONS

GENERAL NOTES

NAME:	ADIMAR PLACE 91 MONTAGUE EXPRESSWAY, MILPITAS, CA
OWNER:	EIGHTY-EIGHT HOMES, LLC 2186 PASEO DEL ORO SAN JOSE, CA 95124
SUBDIVIDER:	EIGHTY-EIGHT HOMES, LLC 2186 PASEO DEL ORO SAN JOSE, CA 95124
CIVIL ENGINEER:	NTERRA GROUP DAVID B VOORHIES, P.E. 1295 E DUNNE AVENUE, SUITE 230 MORGAN HILL, CA95037 RCE 26429 EXPIRES 3-31-20
ASSESSORS PARCEL NUMBER:	APN 086-23-034
BOOK AND PAGE:	BOOK 86 PAGE 34
EXISTING USE:	COMMERCIAL
PROPOSED USE:	RESIDENTIAL
EXISTING ZONING:	M1S
PROPOSED ZONING:	R4
WATER:	CITY OF MILPITAS
SANITARY SEWER:	CITY OF MILPITAS
STORM DRAIN:	CITY OF MILPITAS
GAS:	PG&E
ELECTRICAL:	PG&E
TELEPHONE:	AT&T
CABLE TV:	AT&T BROADBAND
CLEAN WATER:	PROJECT IS DESIGNATED AS A REGULATED PROJECT.
EXISTING NUMBER OF LOTS:	1
PROPOSED NUMBER OF LOTS:	1
PROPOSED NUMBER OF CONDOMINIUMS:	72 RESIDENTIAL CONDOMINIUMS
TOTAL GROSS SITE ACREAGE:	1.79+ ACRES
EXISTING WELLS:	NO WELLS FOUND ON SITE
FEMA FLOOD ZONE:	FLOOD ZONE X
DENSITY:	40 UNITS PER ACRE



REGISTERED PROFESSIONAL
DAVID B. VOORHIES
RCE 26429 EXPIRES 3-31-20
CIVIL
STATE OF CALIFORNIA

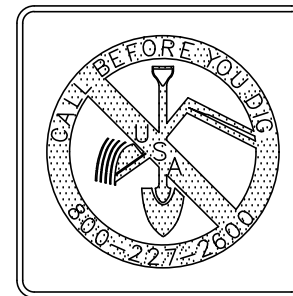
IT SHALL BE THE RESPONSIBILITY OF CONTRACTORS OR AGENTS TO IDENTIFY, LOCATE AND PROTECT ALL UTILITIES ABOVE AND UNDERGROUND, INCLUDING ANY UTILITIES NOT SHOWN. CONTRACTOR IS TO REMOVE ALL UTILITIES TO THE PROPERTY LINE. CAP UTILITIES AT PROPERTY LINE OR AT WATER MAIN (SEE PLAN). CONTRACTOR IS TO NOTIFY UTILITIES 48 HOURS PRIOR TO REMOVAL OF ANY GAS, ELECTRICAL, TELEPHONE, SEWER OR WATER LINES.

ALL CONTRACTORS SHALL CALL UNDERGROUND SERVICE ALERT (CA. 1-800-227-2600) 48 HOURS BEFORE DIGGING AND OBTAIN AN IDENTIFICATION NUMBER (SECTION 4210.1 OF THE GOVERNMENT CODE).

EXISTING UTILITIES SHOWN WERE IDENTIFIED FROM A SURFACE SURVEY. ADDITIONAL UNDERGROUND UTILITIES DO EXIST AND COULD NOT BE IDENTIFIED ON THIS MAP.

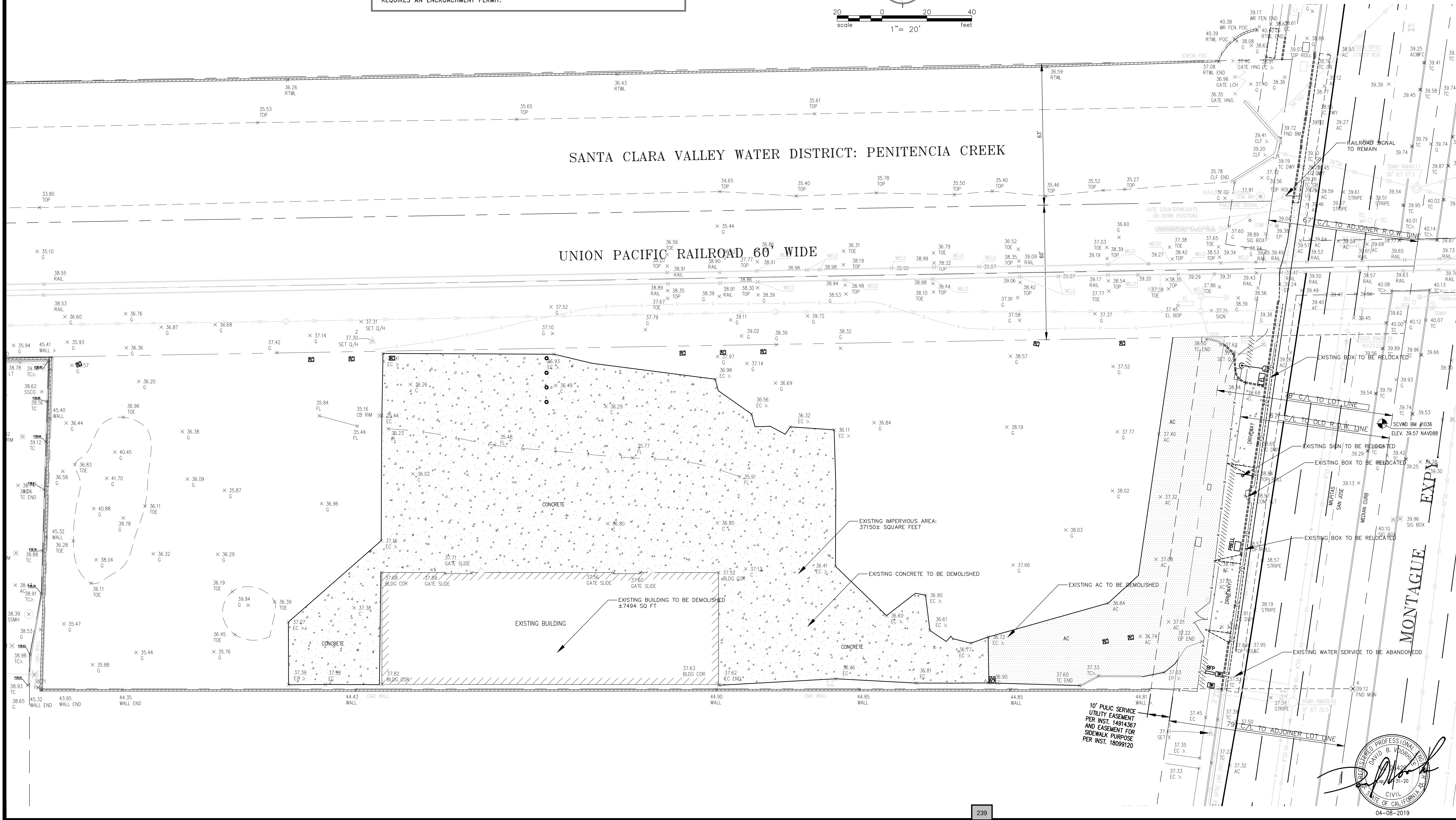
NO WORK SHALL OCCUR IN THE PUBLIC RIGHT-OF-WAY. WORK IN THE RIGHT-OF-WAY REQUIRES AN ENCROACHMENT PERMIT.

ALL CONTRACTORS SHALL CALL U.S.A. (CA. 1-800-227-2600) 48 HOURS BEFORE DIGGING AND OBTAIN AN IDENTIFICATION NUMBER (SECTION 4210.1 OF THE GOVERNMENT CODE).

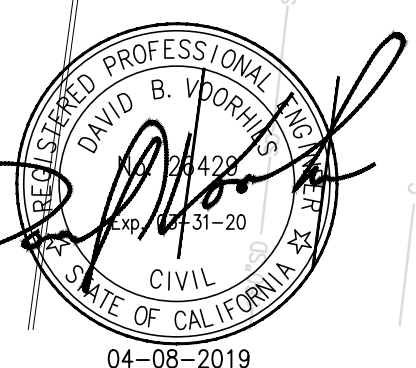


SANTA CLARA VALLEY WATER DISTRICT: PENITENCIA CREEK

UNION PACIFIC RAILROAD 60' WIDE



10' PUBLIC SERVICE UTILITY EASEMENT PER INST. 14914367 AND EASEMENT FOR SIDEWALK PURPOSE PER INST. 18099120



#	DESC.	REVISIONS	DATE

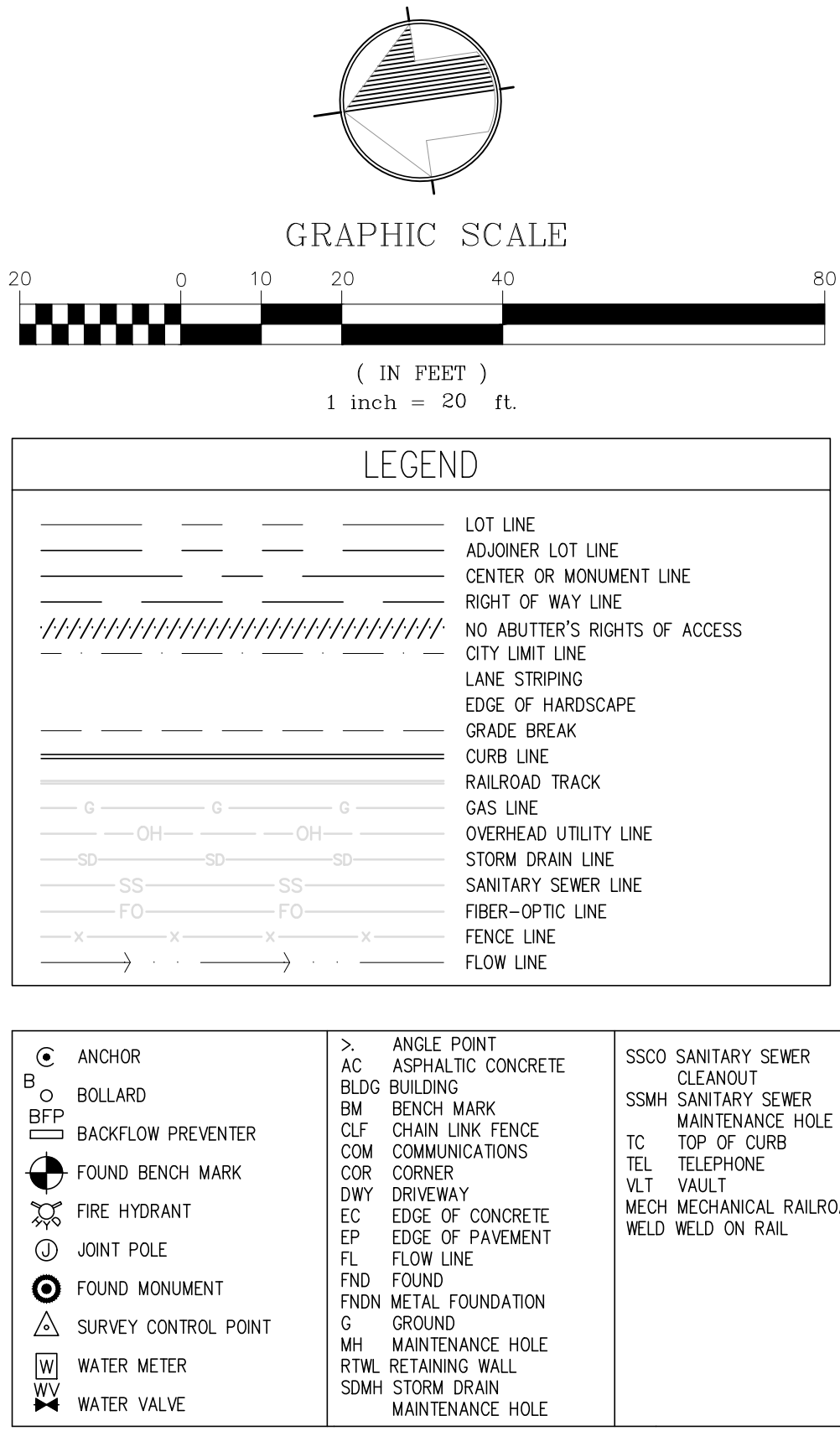
NIERRA GROUP
1295 EDUNNE AVE. SUITE 230
MORGAN HILL, CALIFORNIA 95037



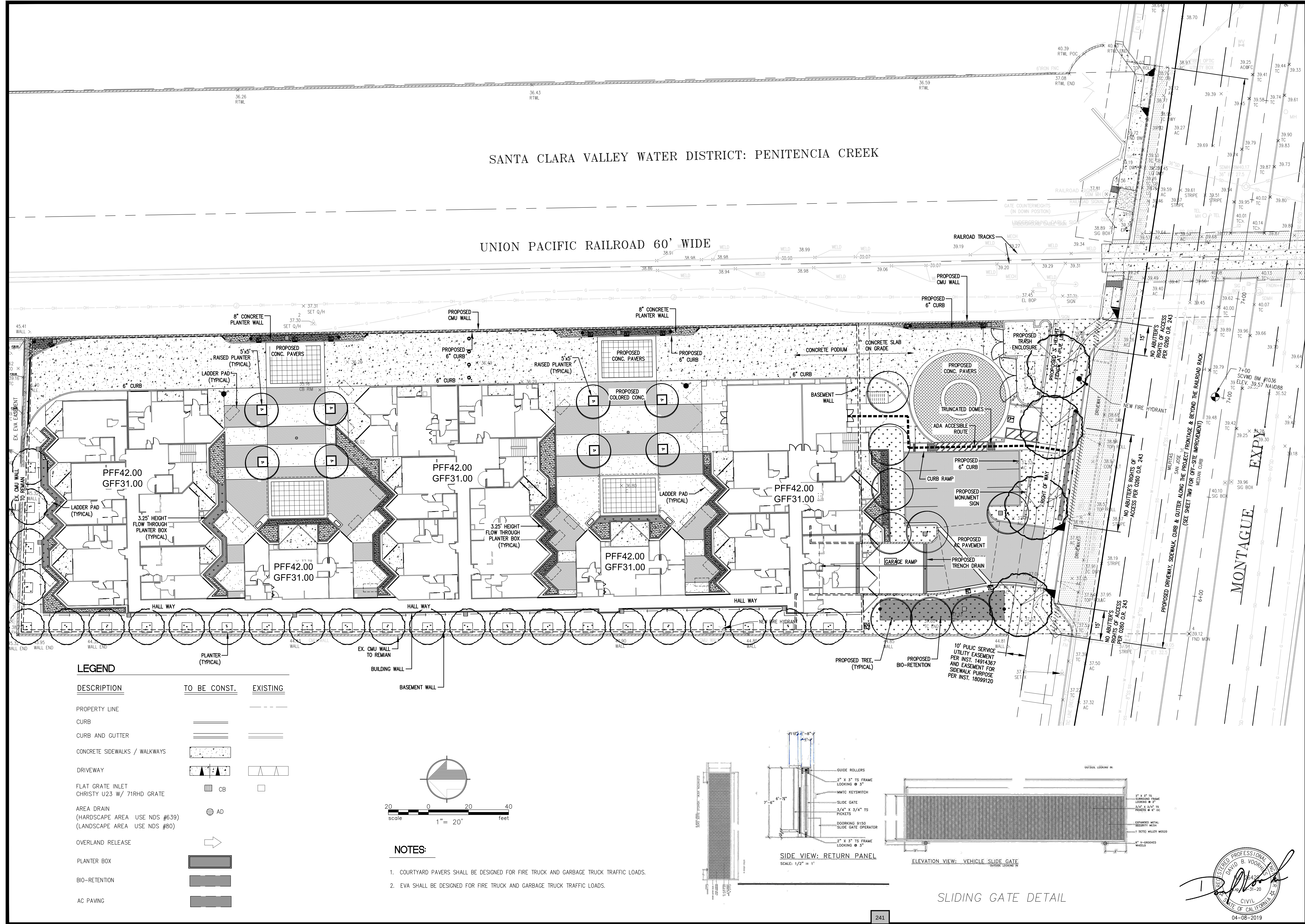
ADIMAR PLACE
RESIDENTIAL DEVELOPMENT
91 MONTAGUE EXPRESSWAY
MILPITAS, CALIFORNIA

DEMOLITION PLAN
TENTATIVE MAP

Date 04-08-2019
Scale 1"=20'
Design By: DV
Job J13084
Sheet
TM1



Date 04-08-2019
Scale 1"=20
Design By: DV
Job J13084
Sheet
TM2



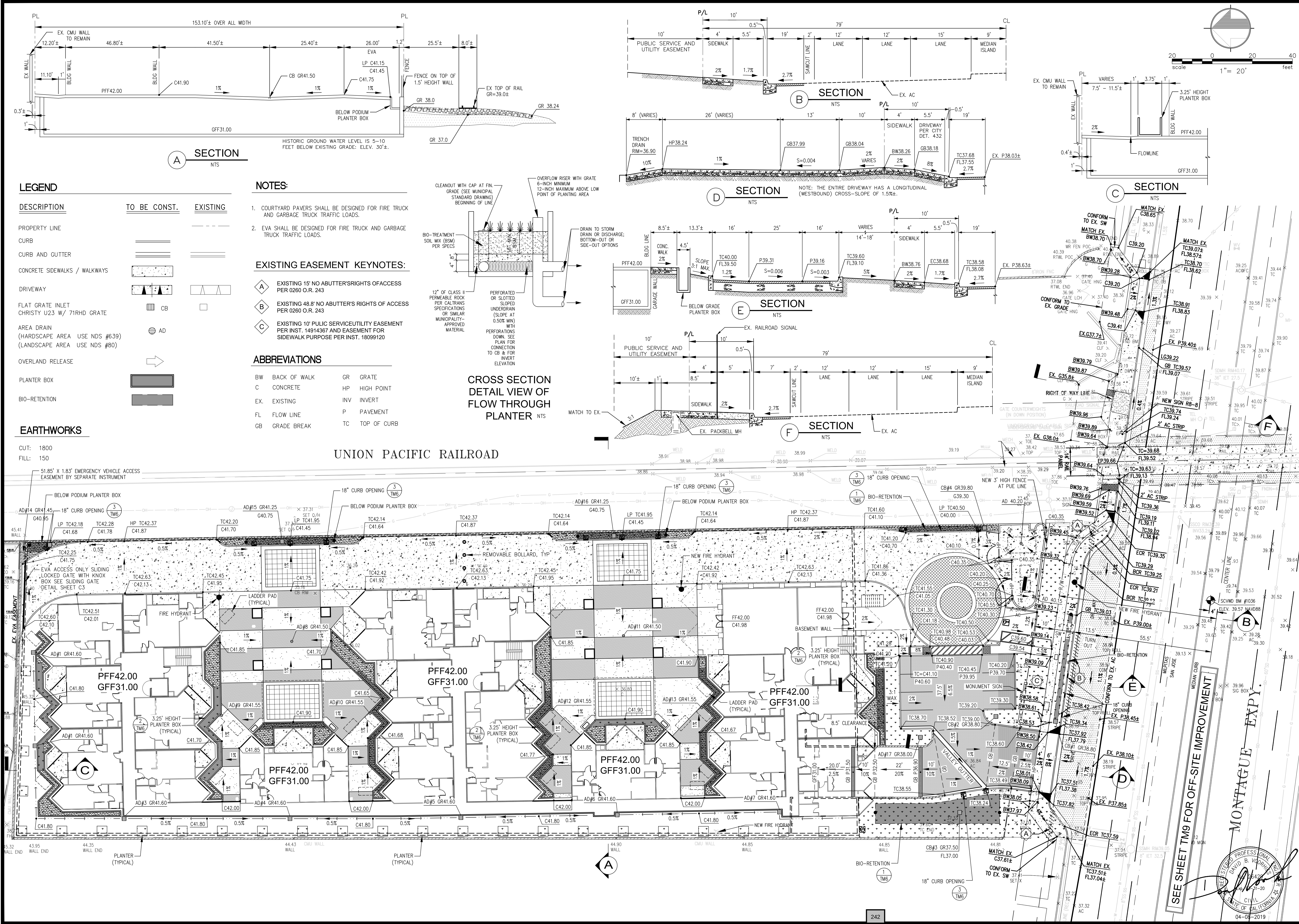
#	DESC.	REVISIONS	DATE
1			
2			
3			
4			
5			

NTERRA GROUP
1295 EDUNNE AVE. SUITE 230
MORGAN HILL, CALIFORNIA 95037

ADIMAR PLACE
RESIDENTIAL DEVELOPMENT
91 MONTAGUE EXPRESSWAY
MILPITAS, CALIFORNIA

ON-SITE IMPROVEMENT PLAN
TENTATIVE MAP

Date 04-08-2019
Scale 1"=20'
Design By: DV
Job J13084
Sheet
TM3



LEGEND

DESCRIPTION	TO BE CONST.	EXISTING
PROPERTY LINE	---	---
CURB	=====	=====
CURB AND GUTTER	=====	=====
CONCRETE SIDEWALKS / WALKWAYS	=====	=====
DRIVEWAY	=====	=====
FLAT GRATE INLET	=====	=====
CHRISTY U23 W/ 71RHD GRATE	=====	=====
AREA DRAIN (LANDSCAPE AREA USE NDS #639) (LANDSCAPE AREA USE NDS #80)	=====	=====
OVERLAND RELEASE	=====	=====
PLANTER BOX	=====	=====
BIO-RETENTION	=====	=====

EARTHWORKS

CUT: 1800
FILL: 150

NOTES:

- COURTYARD PAVERS SHALL BE DESIGNED FOR FIRE TRUCK AND GARBAGE TRUCK TRAFFIC LOADS.
- EVA SHALL BE DESIGNED FOR FIRE TRUCK AND GARBAGE TRUCK TRAFFIC LOADS.

EXISTING EASEMENT KEYNOTES:

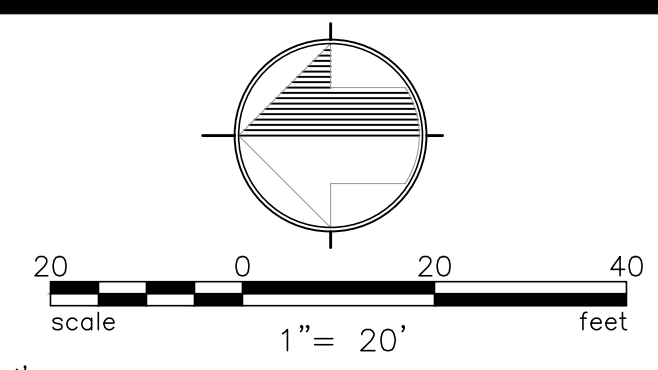
- A EXISTING 15' NO ABUTTER'S RIGHTS OF ACCESS PER 0260 O.R. 243
- B EXISTING 48.8' NO ABUTTER'S RIGHTS OF ACCESS PER 0260 O.R. 243
- C EXISTING 10' PUBLIC SERVICE/UTILITY EASEMENT PER INST. 14914367 AND EASEMENT FOR SIDEWALK PURPOSE PER INST. 18099120

ABBREVIATIONS

BW	BACK OF WALK	GR	GRATE
C	CONCRETE	HP	HIGH POINT
EX.	EXISTING	INV	INVERT
FL	FLOW LINE	P	PAVEMENT
GB	GRADE BREAK	TC	TOP OF CURB

CROSS SECTION
DETAIL VIEW OF
FLOW THROUGH
PLANTER

UNION PACIFIC RAILROAD



DATE

REVISIONS

#

DESC.

DATE

04-08-2019

Scale

1"=20'

Design By:

DV

Job

J13084

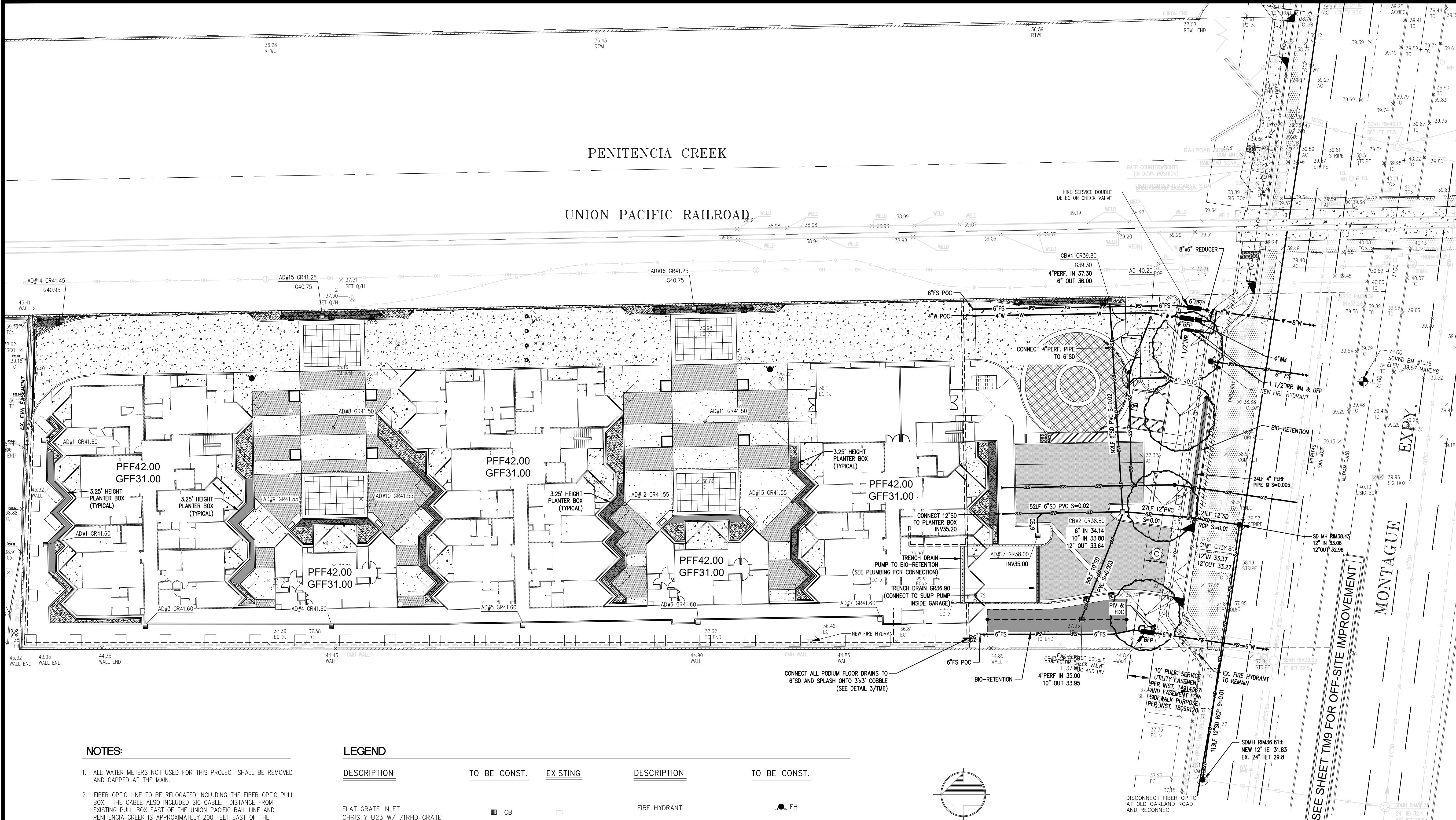
Sheet

TM4

ADIMAR PLACE
RESIDENTIAL DEVELOPMENT
91 MONTAGUE EXPRESSWAY
MILPITAS, CALIFORNIA

NITERRA GROUP

1295 EDUNNE AVE. SUITE 230
MORGAN HILL, CALIFORNIA 95037

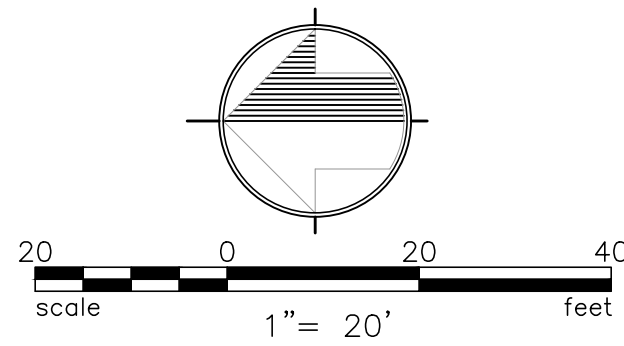


NOTES:

- ALL WATER METERS NOT USED FOR THIS PROJECT SHALL BE REMOVED AND CAPPED AT THE MAIN.
- FIBER OPTIC LINE TO BE RELOCATED INCLUDING THE FIBER OPTIC PULL BOX. THE CABLE ALSO INCLUDED SIG CABLE. DISTANCE FROM EXISTING PULL BOX EAST OF THE UNION PACIFIC RAIL LINE AND PENITENCIA CREEK IS APPROXIMATELY 200 FEET EAST OF THE CURRENT BOX.
- FINAL REALIGNMENT OF CONDUIT SHALL REDUCE THE NUMBER OF BENDS AND LENGTH BETWEEN PULL BOXES TO CONFORM TO COUNTY STANDARDS.
- BACKFILL AROUND NEW COUNTY STORM DRAINAGE MANHOLE IN MONTAGUE EXPRESSWAY SHALL BE OPEN PIT @ UTILITY CONNECTION AND SLURRY BACKFILL.
- NO OPEN TRENCH EXCAVATION SHALL BE ALLOWED IN MONTAGUE EXPRESSWAY. DIRECTIONAL BORING SHALL BE USED.
- FIBER OPTICS RELOCATION SHALL BE COORDINATED WITH THE COUNTY AND OTHER AGENCIES AS IT MAY BE RELOCATED OR REPLACED AS PART OF ANOTHER FUTURE PROJECT, (BART). IF IT MUST BE RELOCATED, IT SHALL BE DISCONNECTED IN THE FIBER PULL BOX AT MONTAGUE EXPRESSWAY/CAPITAL-GREAT MALL INTERSECTION.
- THE UTILITY HORIZONTAL AND VERTICAL SEPARATIONS MUST MEET ALL CDPH REQUIREMENTS AND THAT WAIVERS WILL NO BE ISSUED FOR THIS REQUIREMENT.

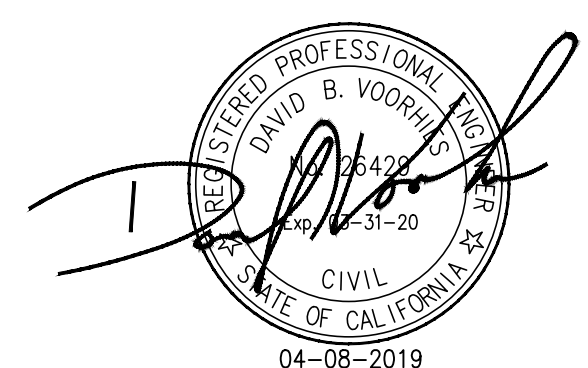
LEGEND

DESCRIPTION	TO BE CONST.	EXISTING	DESCRIPTION	TO BE CONST.
FLAT GRATE INLET CHRISTY U23 W/ 71RHD GRATE			FIRE HYDRANT	
AREA DRAIN (HARDSCAPE AREA USE NDS #639) (LANDSCAPE AREA USE NDS #80)			REDUCED PRESSURE BACKFLOW PREVENTION DEVICE	
STORM MANHOLE			GATE VALVE	
SANITARY SEWER			WATER METER	
STORM SEWER			SANITARY SEWER CLENOUT	
FIRE SERVICE LINE			STORM DRAIN CLENOUT	
FIRE HYDRANT SERVICE LINE			POST INDICATOR VALVE	
DOMESTIC WATER SERVICE			FIRE DEPARTMENT CONNECTION	
FIBER OPTIC (SIZE 6) LINE				
ELECTRICAL				
OVERHEAD UTILITY				



EXISTING EASEMENT KEYNOTES:

- EXISTING 10' PUBLIC SERVICE UTILITY EASEMENT PER INST. 14914367 AND EASEMENT FOR SIDEWALK PURPOSE PER INST. 18099120



#

DESC.

REVISIONS

DATE

ADIMAR PLACE
RESIDENTIAL DEVELOPMENT
91 MONTAGUE EXPRESSWAY
MILPITAS CALIFORNIA

NTERRA GROUP
1295 EDUNNE AVE. SUITE 230
MORGAN HILL, CALIFORNIA 95037

UTILITY PLAN
TENTATIVE MAP

TM5

Date 04-08-2019

Scale 1"=20'

Design By: DV

Job J13084

Sheet

AREA B : CALCULATOR		
A = Site Area	4,947	0.114 Acres
Amount of Impervious Surfaces in Watershed =	4,625	0.106 Acres
i = amount of impervious area/drainage area		0.93 (0-1)
Percent Impervious		93 %
Annual Mean Precipitation at Site MAP site		15.50
Map Gage San Jose		13.90
Rain Gage Correction = MAP site / MAP gage		1.12
Soil Type		
Clay Sandy Clay (D) Clay Loam (D) Silt Loam/Loam (B)		Clay
Average Slope		2 %
Figure 2A Unit Basin Volume for 80% Capture (1%)		0.56 "
Figure 3A Unit Basin Volume for 80% Capture (15%)		0.58 "
Unit Basin Storage for 2% Slope (UBSX)		
UBSX = UBSX 1% + (UBSX 15% - UBSX 1%) (x%-1%)/(15%-1%)		0.56 "
Design Volume = (Rain Gage Correction Factor) x		
(Unit Basin Storage Volume) x (Drainage Area)	=	0.0059 Acre ft
OR (0.0059 acre ft x 43.560 sft/acre)	=	258 cu ft

AREA D : CALCULATOR			
A = Site Area		5,317	0.122 Acres
Amount of Impervious Surfaces in Watershed =		4,985	0.114 Acres
i = amount of impervious area/drainage area			0.94 (0-1)
Percent Impervious			94 %
Annual Mean Precipitation at Site MAP site			15.50
Map Gage San Jose			13.90
Rain Gage Correction = MAP site / MAP gage			1.12
Soil Type			
Clay Sandy Clay (D)	Clay Loam (D)	Silt Loam/Loam (B)	Clay
Average Slope			2 %
Figure 2A Unit Basin Volume for 80% Capture (1%)			0.56 "
Figure 3A Unit Basin Volume for 80% Capture (15%)			0.58 "
Unit Basin Storage for 2% Slope (UBSX)			
UBSX = UBSX 1% + (UBSX 15% - UBSX 1%) * (x%-1%)/(15%-1%)			0.56 "
Design Volume = (Rain Gage Correction Factor) x			
(Unit Basin Storage Volume) x (Drainage Area)	=	0.0064	Acre ft
OR (0.0064 acre ft x 43.560 s/acre)	=	277	cu ft

DESC.	REVISIONS	DATE
—		—
—		—
—		—
—		—

Combination Flow and Volume Sizing:

Design Percolate Rate =		5 "hr
Adjusted Basin Storage Volume =	$1.12 \times 0.55'$	0.61 "
Rainfall Intensity =		0.2 "hr
Duration of Rain Event =	$0.61' / (0.2"/hr)$	3.07 hr
Bio-Retention Area Require =		144 sf
Volume Treated Runoff = (Bio-Retention Area) x (Duration of Rain Event)		185 cu ft
Volume Storage Required = (Volume Design) - (Volume Treated Runoff) =		72 cu ft
Ponding Depth Required = (Volume Storage) / (Bio-Retention Area) =		0.50 ft
	OR $(0.50 \text{ ft} \times 12) =$	6.0 "

SET OVERFLOW AT 6" MIN.

AREA K : CALCULATION		
A = Site Area	4,570	0.105 Acres
Amount of Impervious Surfaces in Watershed =	4,328	0.099 Acres
i = amount of impervious area/drainage area		0.95 (0-1)
Percent Impervious		95 %
Annual Mean Precipitation at Site MAP site		15.50
Map Gage San Jose		13.90
Rain Gage Correction = MAP site / MAP gage		1.12
Soil Type		
Clay Sandy Clay (D)	Clay Loam (D)	Silt Loam/Loam (B)
		Clay
Average Slope		2 %
Figure 2A Unit Basin Volume for 80% Capture (1%)		0.56 "
Figure 3A Unit Basin Volume for 80% Capture (15%)		0.58 "
Unit Basin Storage for 2% Slope (UBSx) =		
UBSx = UBSx 1% + (UBSx 15% - UBSx 1%)* ((x%-1ft)/(15%-1%))		0.56 "
Design Volume = (Rain Gage Correction Factor) x		
(Unit Basin Storage Volume) x (Drainage Area)	=	0.0055 Acre ft
OR (0.0055 acre ft x 43,560 sq/acre)	=	238 cu ft

Combination Flow and Volume Sizing:

Design Percolate Rate =		5 "hr
Adjusted Basin Storage Volume =	$1.12 \times 0.56"$	0.63 "
Rainfall Intensity =		0.2 "hr
Duration of Rain Event =	$0.63" / (0.2"/hr)$	3.13 hr
Bio-Retention Area Require =		132 sf
Volume Treated Runoff = (Bio-Retention Area) x (Design Percolate Rate)		
	x (Duration of Rain Event)	172 cu ft
Volume Storage Required = (Volume Design) - (Volume Treated Runoff)		66 cu ft
Ponding Depth Required = (Volume Storage) / (Bio-Retention Area)		0.50 ft
	OR (0.50 ft x 12)	6.0 "

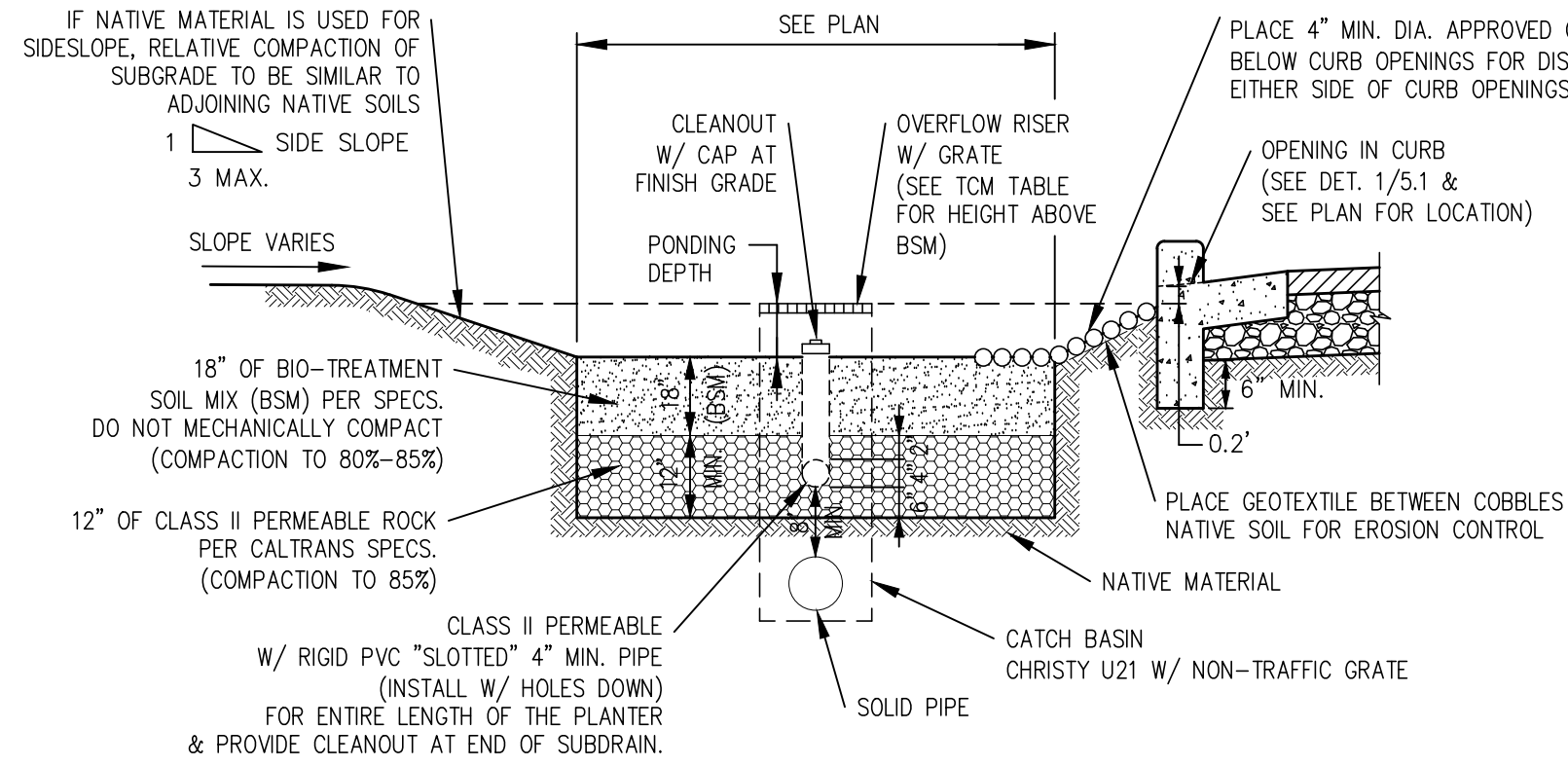
SET OVERFLOW AT 6" MIN.

AREA S : CALCULATOR		
A = Site Area	3,723	0.085 Acres
Amount of Impervious Surfaces in Watershed =	2,848	0.065 Acres
i = amount of impervious area/drainage area		0.76 (0-1)
Percent Impervious		76 %
Annual Mean Precipitation at Site MAP site		15.50
Map Gage San Jose		13.90
Rain Gage Correction = MAP site / MAP gage		1.12
Soil Type		
Clay Sandy Clay (D)	Clay Loam (D)	Silt Loam/Loam (B)
		Clay
Average Slope		2 %
Figure 2A Unit Basin Volume for 80% Capture (1%)		0.48 "
Figure 3A Unit Basin Volume for 80% Capture (15%)		0.52 "
Unit Basin Storage for 2% Slope (UBSX) =		
UBSX = UBSX 1% + (UBSX 15% - UBSX 1%) * ((x%-1%)/(15%-1%))		0.48 "
Design Volume = (Rain Gage Correction Factor) x (Unit Basin Storage Volume) x (Drainage Area)	=	0.0038 Acre ft
OR (0.0038 acre ft x 43,650 s/acre)	=	167 cu ft

Combination Flow and Volume Sizing:

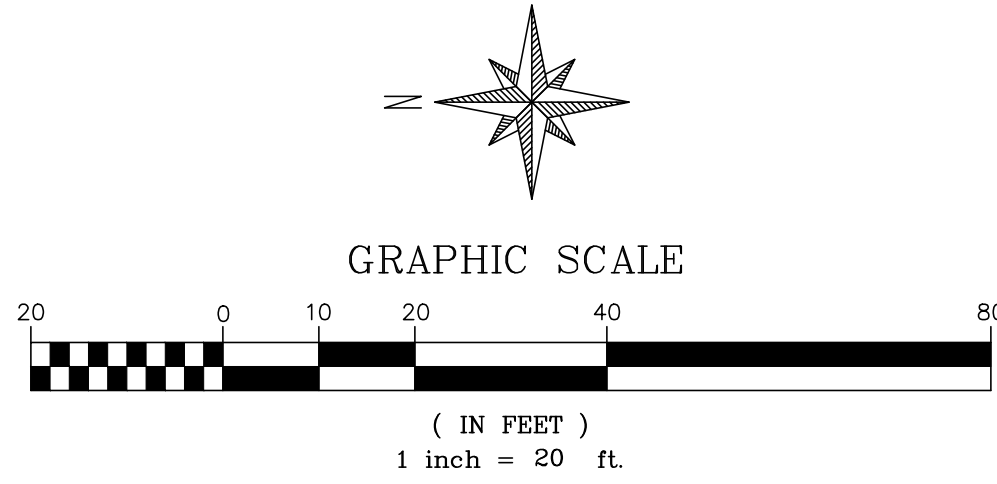
Design Percolate Rate =		5 "	/hr
Adjusted Basin Storage Volume =	$1.12 \times 0.48 "$	=	0.54 "
Rainfall Intensity =		0.2 "	/hr
Duration of Rain Event =	$0.54 " / (0.2 "/hr)$	=	2.69 hr
Bio-Retention Area Required =		103	sf
Volume Treated Runoff = (Bio-Retention Area) x (Duration of Rain Event)		=	116 cu ft
Volume Storage = $V_{\text{Storage}} = V_{\text{Volume Design}} - (\text{Volume Treated Runoff})$		=	51 cu ft
Ponding Depth Required = (Volume Storage) / (Bio-Retention Area)		=	0.50 ft
	OR	$(0.50 \text{ ft} \times 12)$	= 6.0 "

SET OVERFLOW AT 6" MIN.



1 BIO-RETENTION DETAIL
NTS

SOIL CONSIDERATIONS:
BIORETENTION SOIL MIX SHALL MEET THE REQUIREMENTS AS OUTLINED IN APPENDIX C OF THE C.3 STORM WATER HANDBOOK AND SHALL BE A MIXTURE OF FINE SAND AND COMPOST MEASURED ON A VOLUME BASIS OF 60-70% SAND AND 30-40% COMPOST. CONTRACTOR TO REFER TO APPENDIX C FOR SAND AND COMPOST MATERIAL SPECIFICATIONS. CONTRACTOR MAY OBTAIN A COPY OF THE C3 HANDBOOK AT : www.scurppp-w2k.com/c3_handbook_2012.shtml

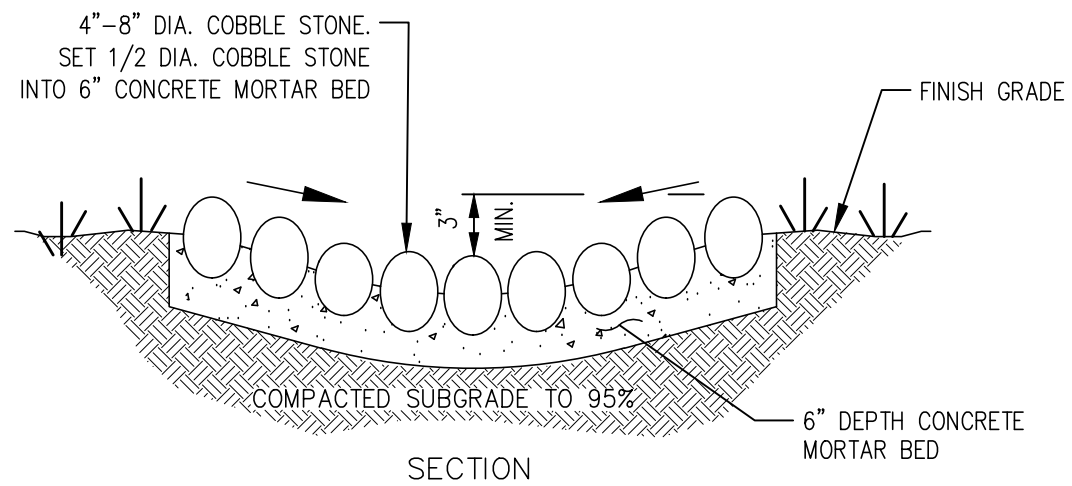


TREATMENT CONTROL MEASURE SUMMARY TABLE								
Area	TCM#	Type	Drainage Area (s.f.)	Impervious Area (s.f.)	Pervious Area (s.f.)	Bioretention Area Required (s.f.)	Bioretention Area Provided (s.f.)	Overflow Riser Height (in)
A	1	Planter Box	4,571	4,219	352	131 *	140	6
B	2	Planter Box	4,947	4,625	322	143 *	150	6
C	3	Planter Box	2,559	2,377	182	74 *	75	6
D	4	Planter Box	5,317	4,985	332	154 *	155	6
E	5	Planter Box	5,015	4,675	340	144 *	150	6
F	6	Planter Box	2,540	2,357	183	73 *	75	6
G	7	Planter Box	5,141	4,953	188	149 *	152	6
H	8	Planter Box	4,545	4,295	250	131 *	131	6
I	9	Planter Box	1,572	1,472	100	45 *	50	0
J	10	Planter Box	4,570	4,328	242	132 *	140	6
K	11	Planter Box	4,577	4,335	242	132 *	140	6
M	12	Bioretention	3,382	3,249	133	98 *	100	6
N		Self-Retaining	1,459	451	1,008	SEE NOTE #1		2
O		Self-Treating	1,946	0	1,946	0	0	6
I & P	13	Bioretention	24,158	21,618	2,540	692 *	710	6
Q		Self-Retaining	1,145	473	672	SEE NOTE #2		2
R		Self-Treating	691	0	691	0	0	0
S	14	Road Project	3,723	2,848	875	103 *	110	6
T		Maintenance	863	863	0	0	0	0
TOTAL			82,721	72,123	10,598	2,201	2,278	

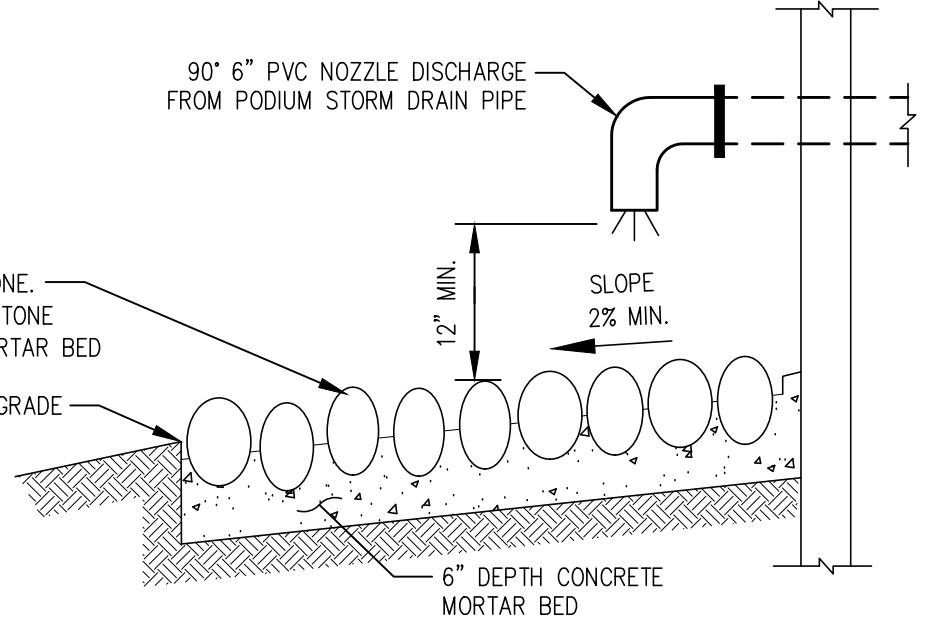
* REQUIRED BIORETENTION SQUARE FOOTAGE OF BASE ON COMBINATION FLOW AND VOLUME CALCULATION ON SHEET TM6.1.

SELF RETAINING NOTES:

- AREA N: 500 SF OF LANDSCAPE WITH 2" DEPRESSION FOR SELF RETAINING.
- AREA Q: 500 SF OF LANDSCAPE WITH 2" DEPRESSION FOR SELF RETAINING.



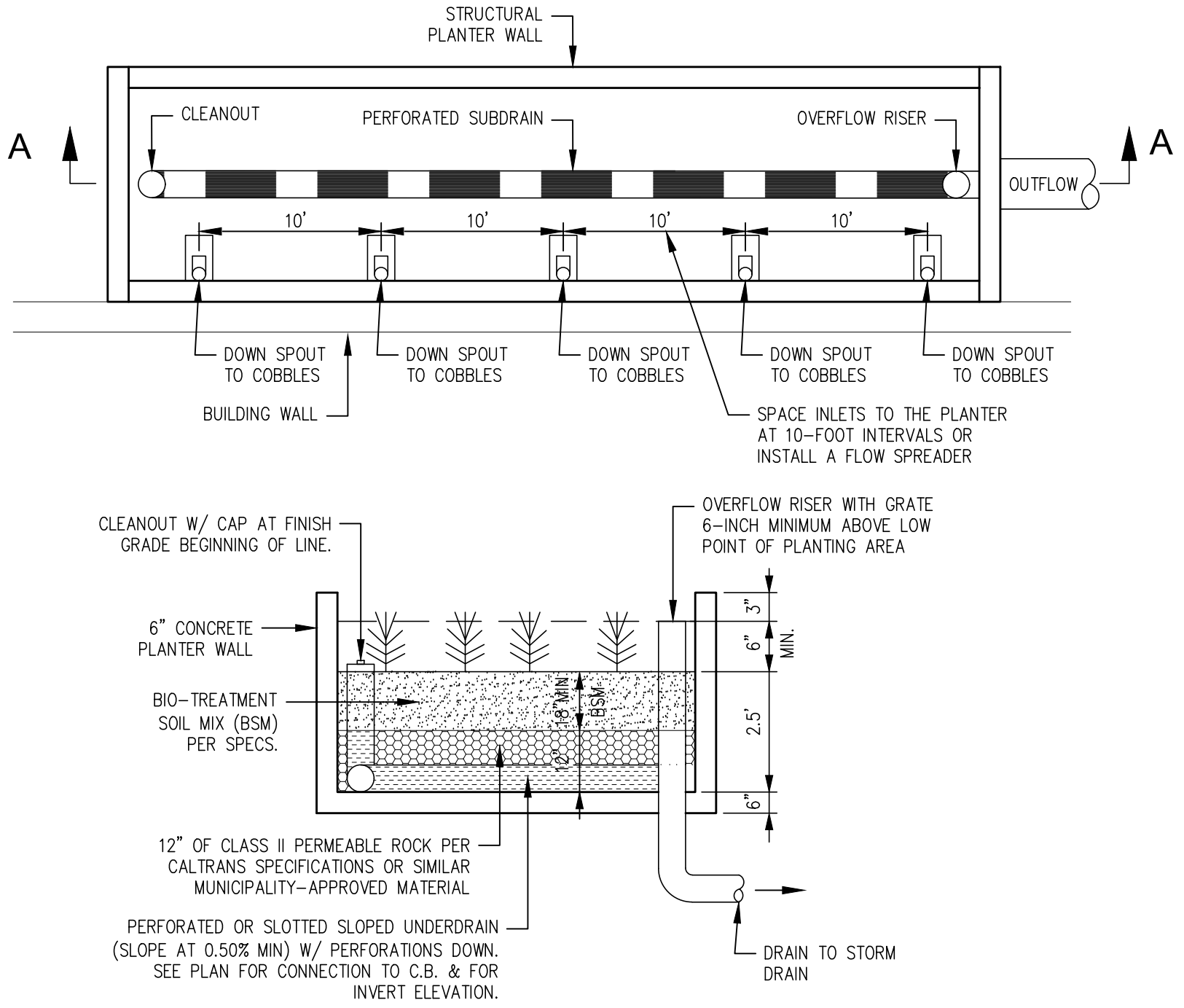
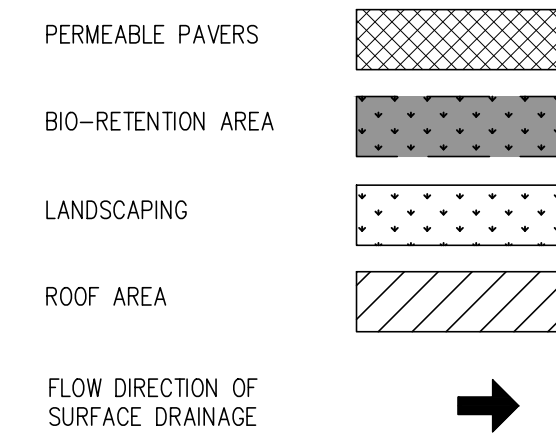
3 PODIUM DRAINAGE ENERGY DISSIPATER DETAIL
NTS



4 CURB OPENING DETAIL
NTS

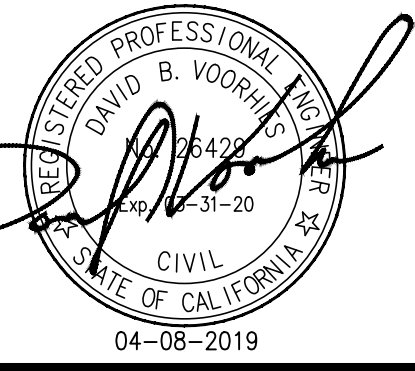
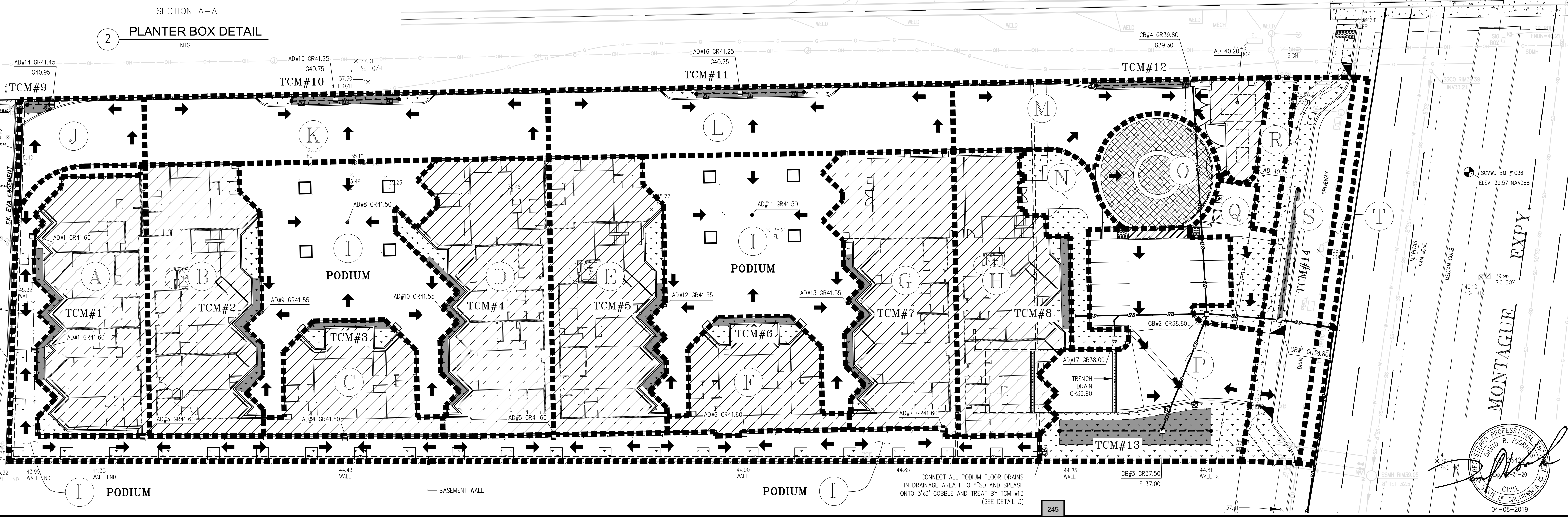
PERVIOUS/IMPERVIOUS SITE	
EXISTING	
PERVIOUS	37,100
IMPERVIOUS	41,035
TOTAL	78,135
PROPOSED	
PERVIOUS	68,412
IMPERVIOUS	9,723
TOTAL	78,135

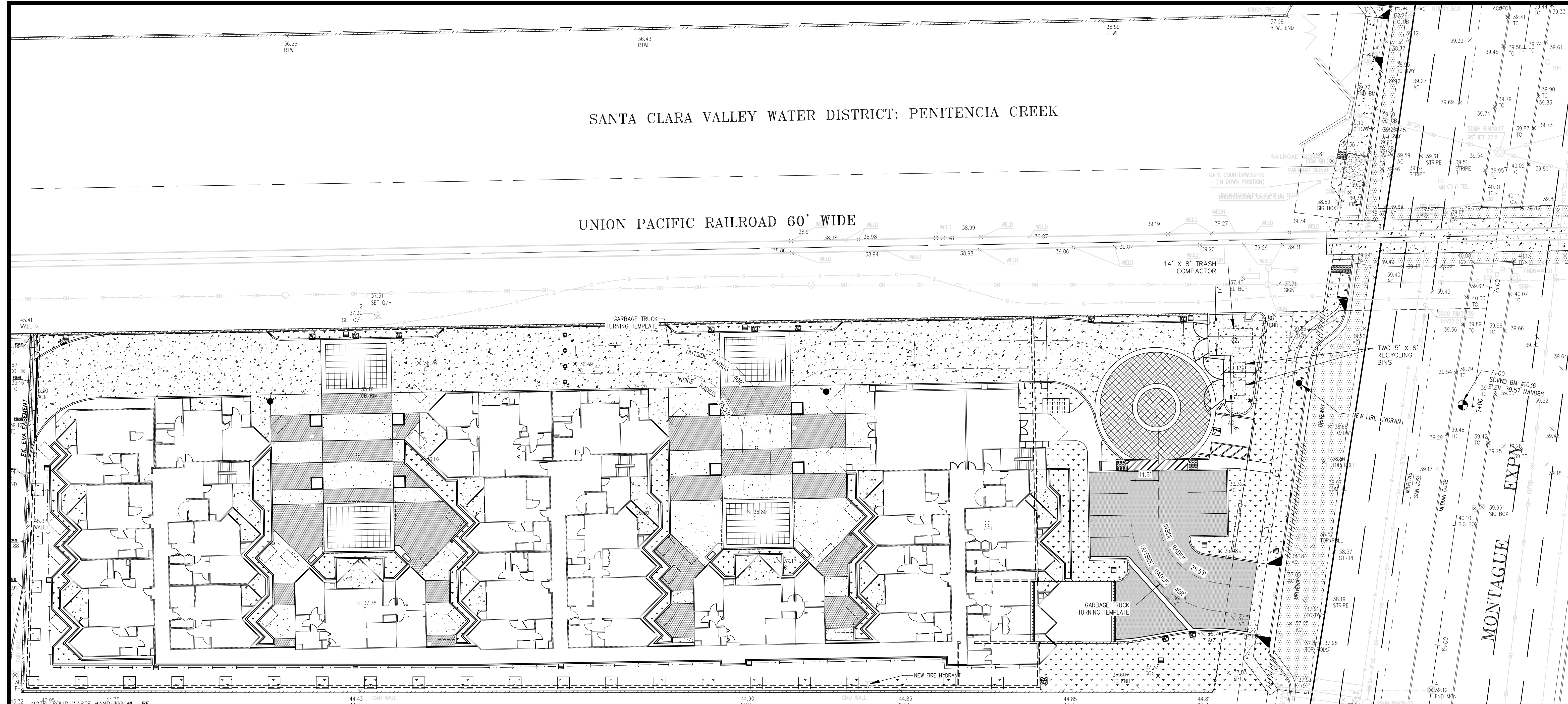
LEGEND



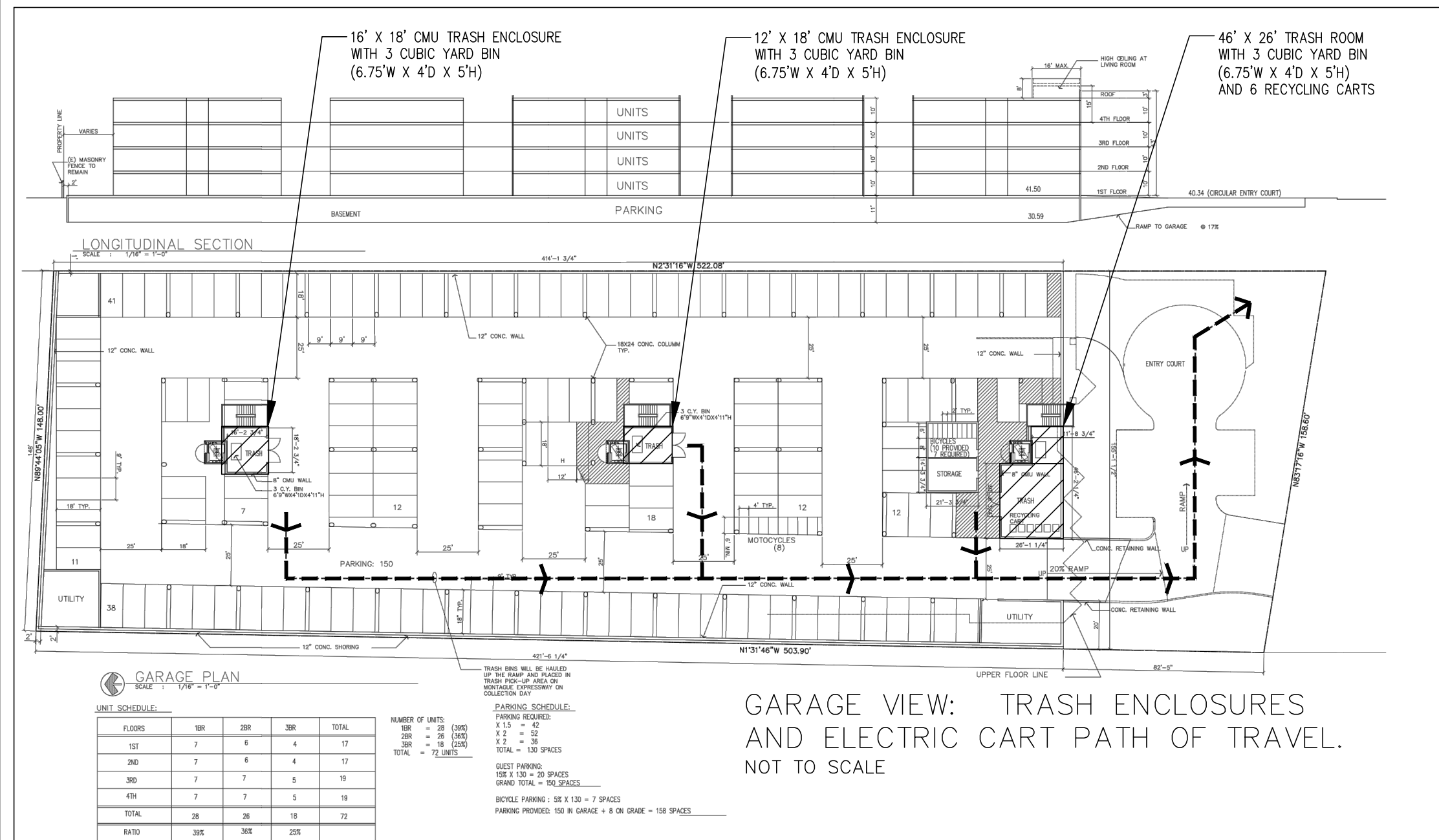
2 PLANTER BOX DETAIL
NTS

UNION PACIFIC RAILROAD 60' WIDE





NOTES: SOLID WASTE HANDLING WILL BE CONSISTENT WITH CITY OF MILPITAS SECTION XXI, DEVELOPMENT GUIDELINE FOR SOLID WASTE SERVICES.



GARAGE VIEW: TRASH ENCLOSURES AND ELECTRIC CART PATH OF TRAVEL. NOT TO SCALE

91 Montague Expressway Solid Waste Handling Plan

Summary:

- 72 units on podium, with trash being compaction service and recycles being front-load service

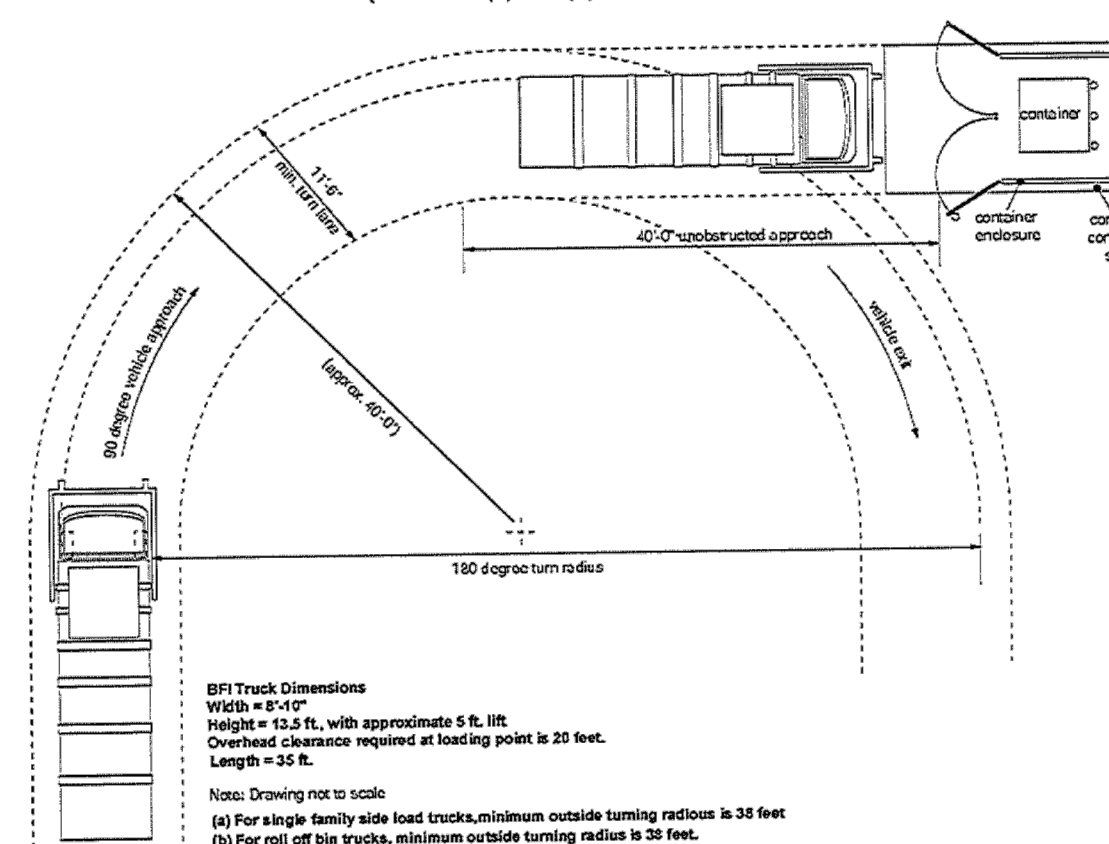
Waste Generation:

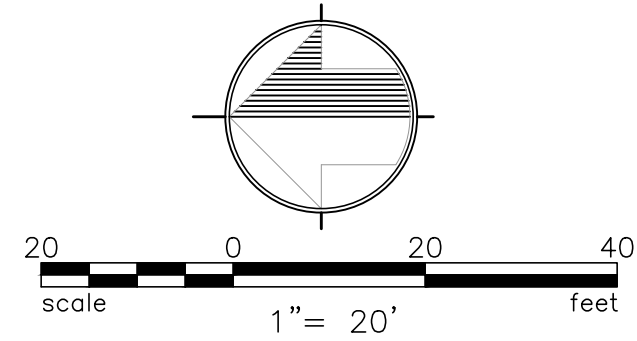
- Solid waste = 0.34 cyd/unit x 72 units = 24.48 cyd before compaction
= 8 cyd bin after compaction
- Recycles = 0.156 cyd/unit x 72 units = 11.23 cyd
= (2) 6-cyd bins once a week

Pick-up's:

- Residences take trash and recycles to chute. There will be separate chutes for trash and recycles
- H.O.A. shall be responsible to move out filled-up bins, and replace with empty ones. H.O.A. shall be responsible for maintaining the frequency of changing bins and keeping the area sanitary.
- Manager from H.O.A. will use electric cart to haul the bins up the garage ramp
- Trash will be compacted at grade level during pick-up
- Garbage truck will enter site, make a right turn, then a left turn, and back up to the trash enclosure
- After pick-up, garbage truck will drive into the closest courtyard to turnaround, then leave
- Recycle trucks will also use the courtyard to turnaround, so that they head in facing recycle enclosure (front-load service.)

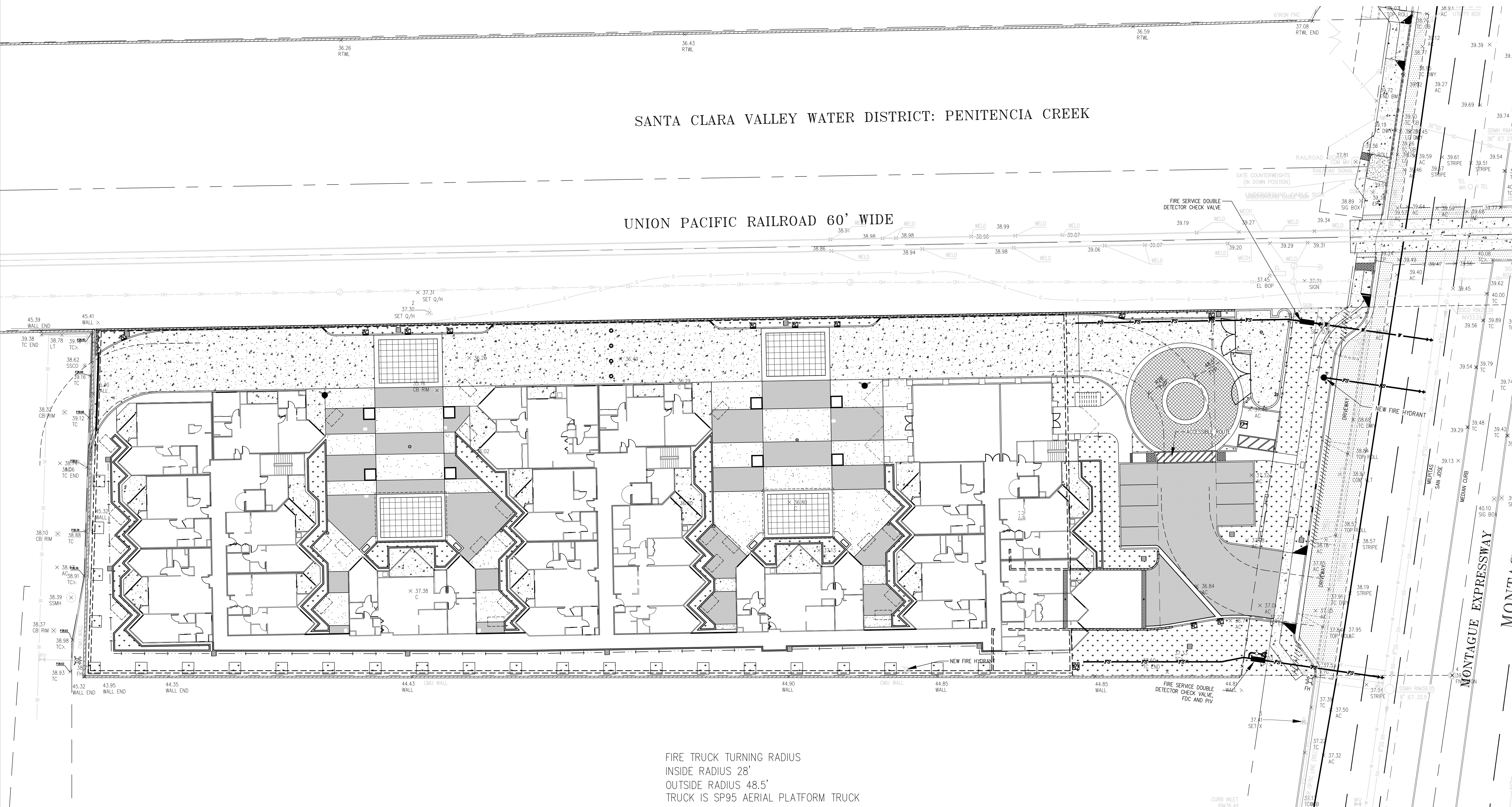
Figure 3
Front End Load Collection Truck Access
(see notes (a) and (b) for side load and roll off trucks)



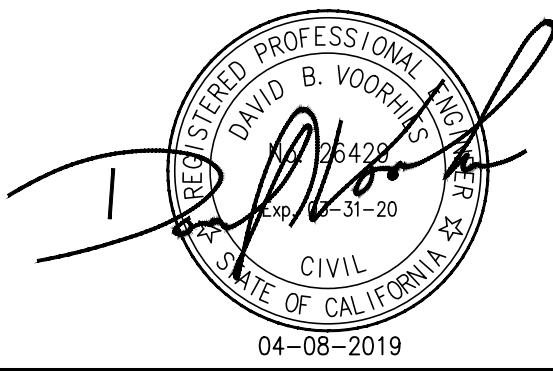


SANTA CLARA VALLEY WATER DISTRICT: PENITENCIA CREEK

UNION PACIFIC RAILROAD 60' WIDE



FIRE TRUCK TURNING RADIUS
INSIDE RADIUS 28'
OUTSIDE RADIUS 48.5'
TRUCK IS SP95 AERIAL PLATFORM TRUCK



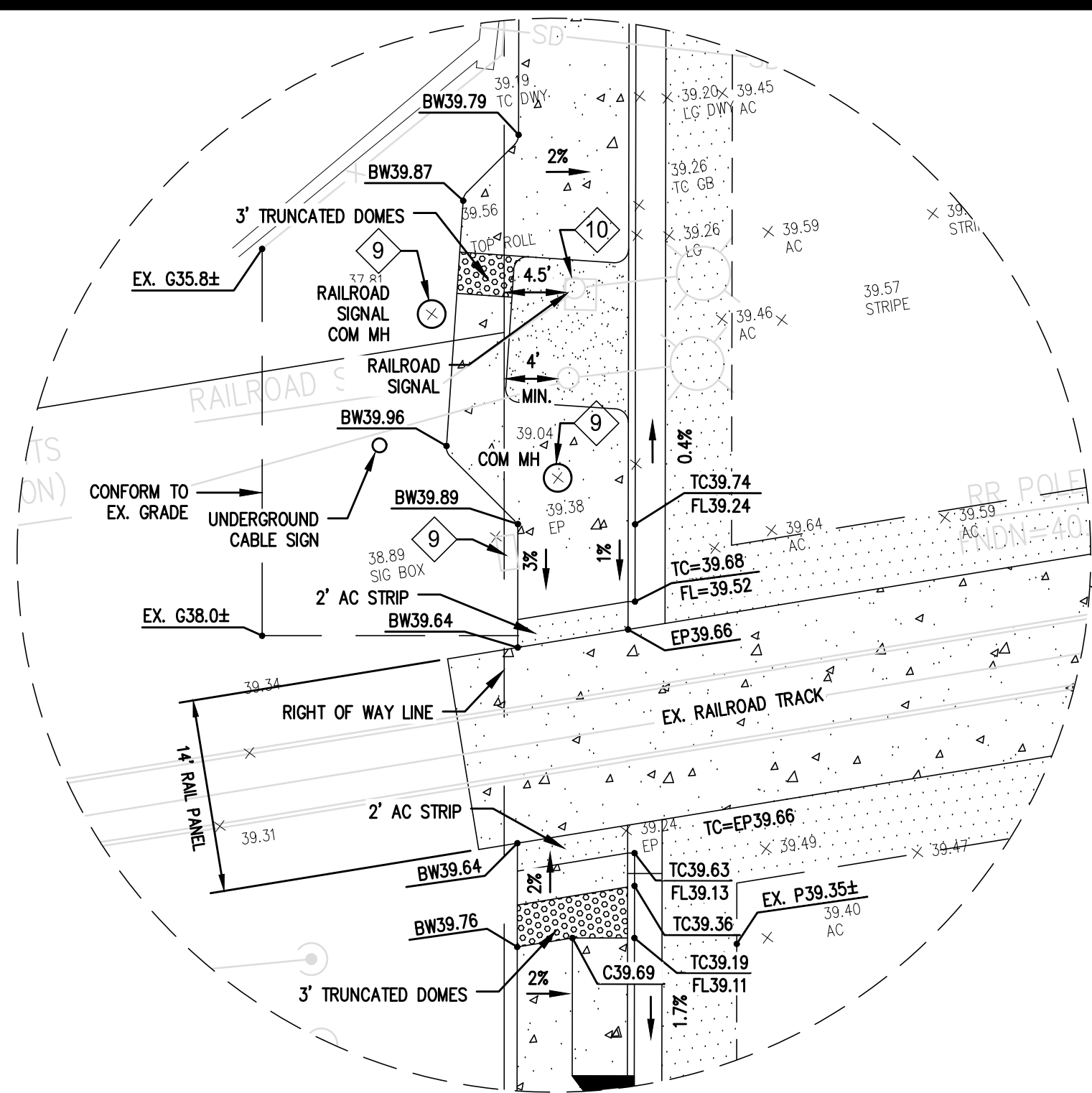
REVISIONS		DATE
#	DESC.	

NTERRA GROUP
1295 EDUNNE AVE. SUITE 230
MORGAN HILL, CALIFORNIA 95037

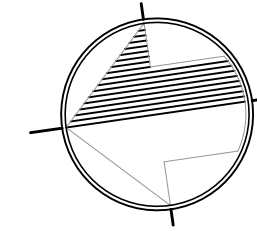
ADIMAR PLACE
RESIDENTIAL DEVELOPMENT
91 MONTAGUE EXPRESSWAY
MILPITAS, CALIFORNIA

EMERGENCY VEHICLE ACCESS PLAN
TENTATIVE MAP

Date 04-08-2019
Scale 1"=20'
Design By: DV
Job J13084
Sheet
TM8



Scale: 1"=10'



scale 1" = 20' feet

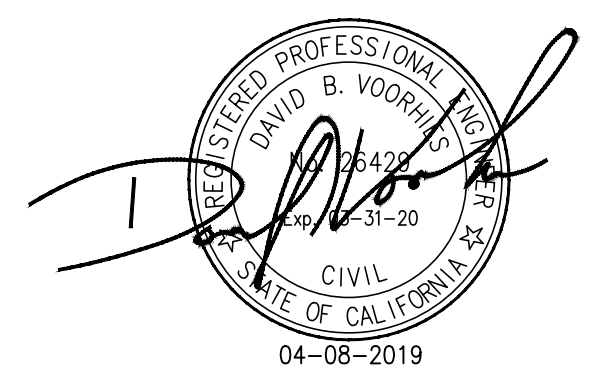
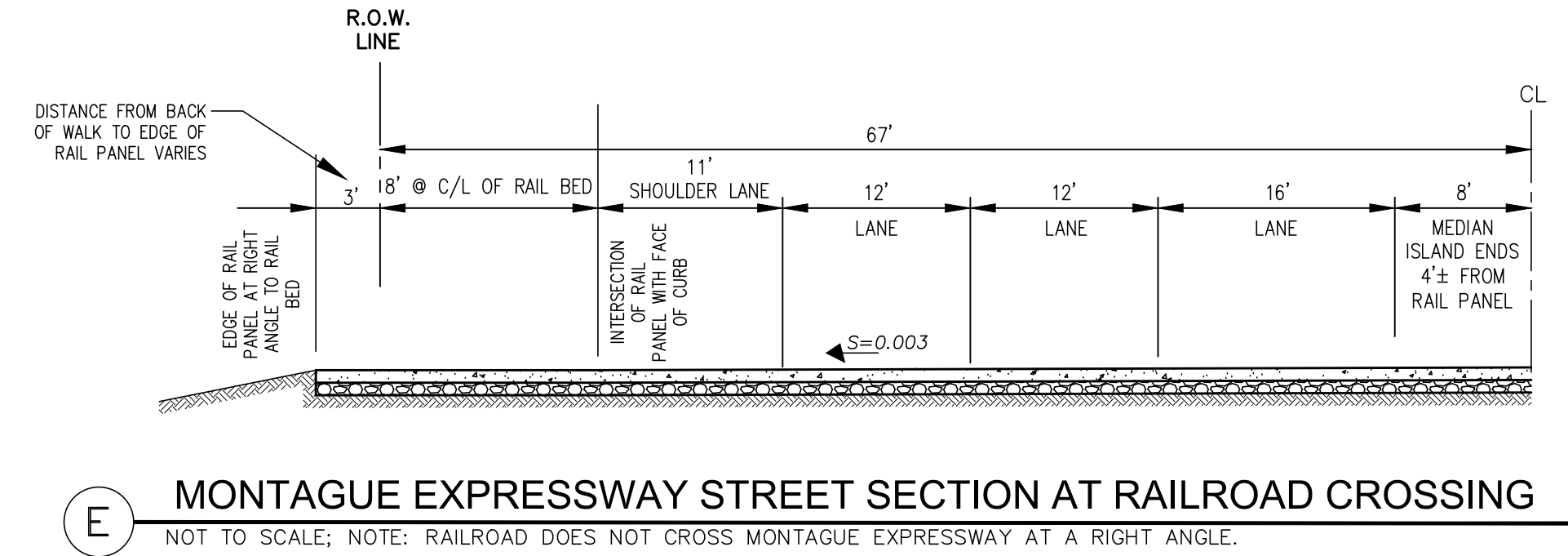
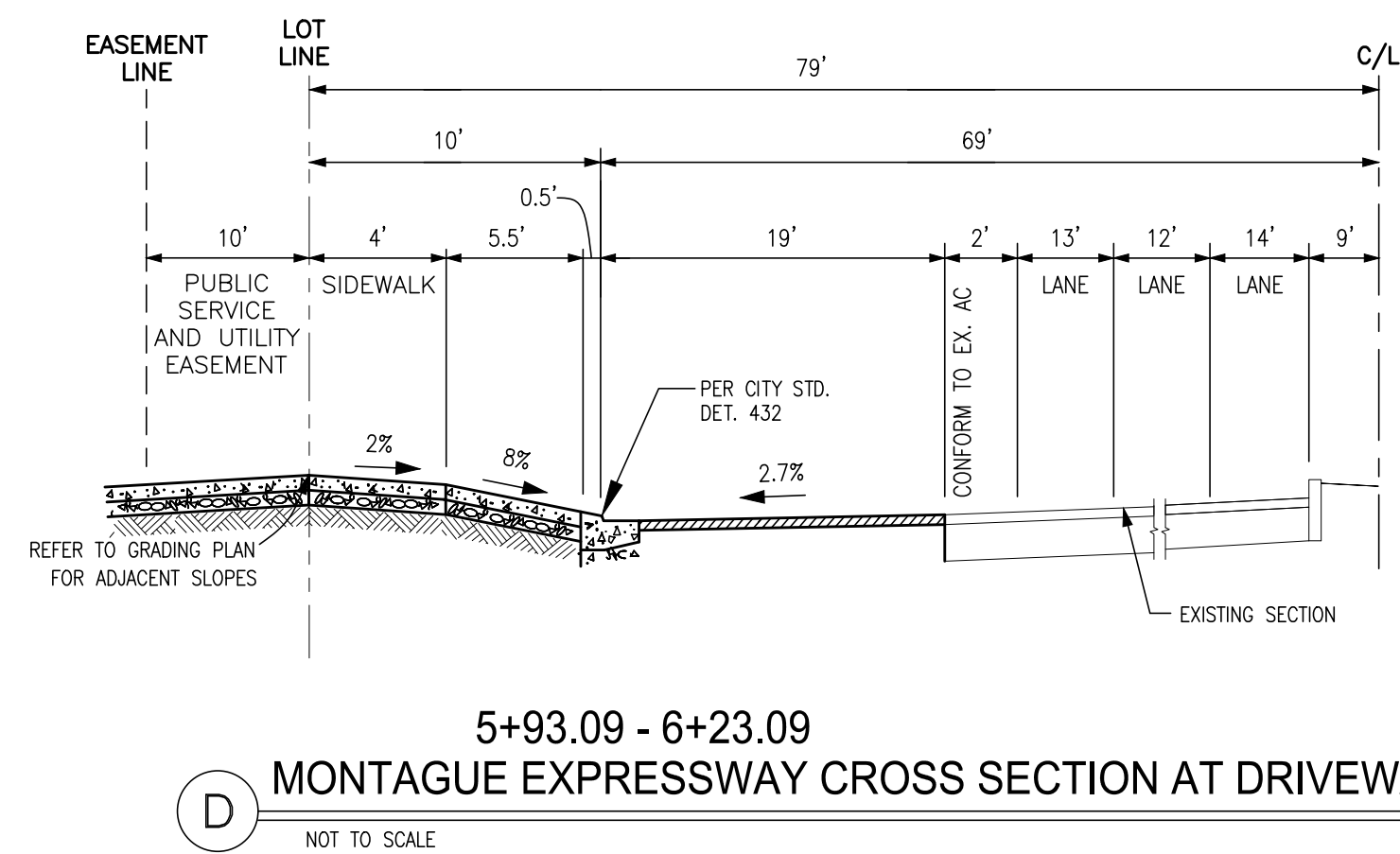
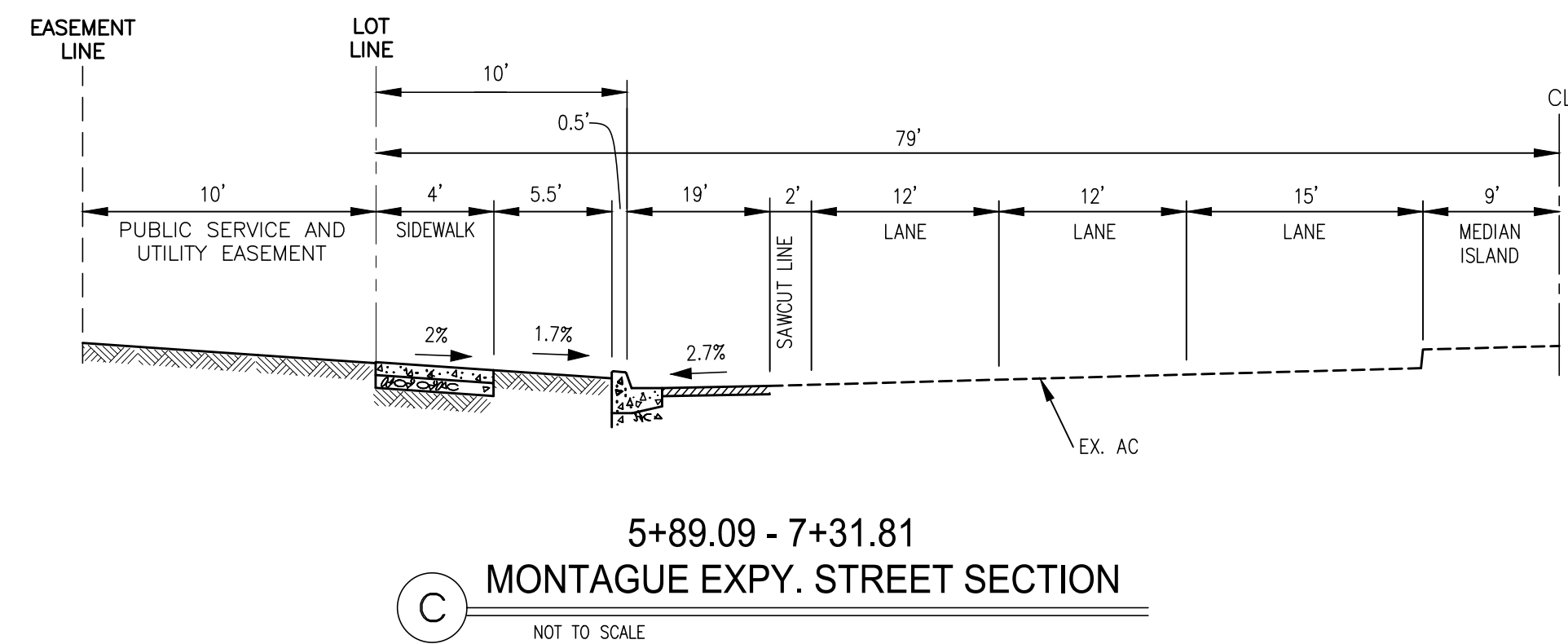
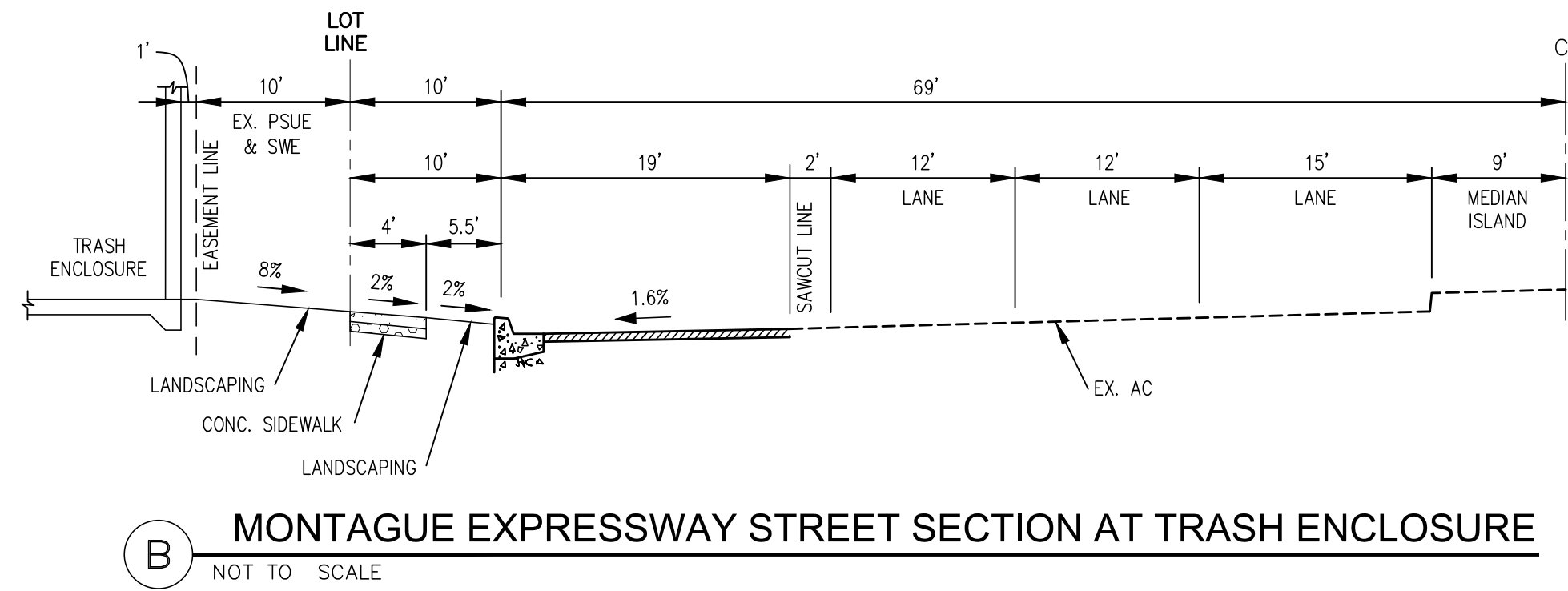
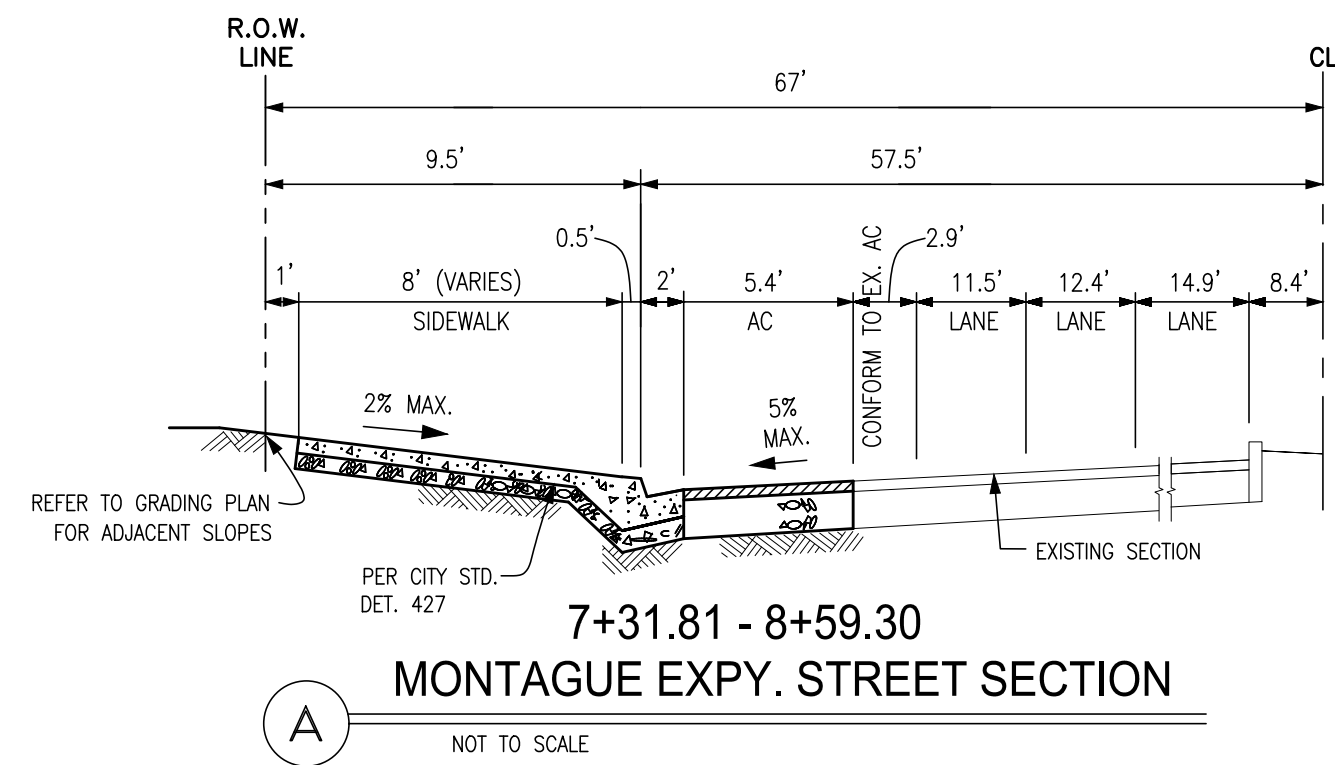
ACCESSIBLE PATH OF TRAVEL
AND PEDESTRIAN CIRCULATION
UNLESS NOTED OTHERWISE

(A) (B) (C) (D) (E)

SEE SHEET TM10

Date	04-08-2019
Scale	1"=20
Design By:	DV
Job	J13084
Sheet	TM9

TM9



#	DESC.	REVISIONS	DATE
1			
2			
3			
4			

NTERRA GROUP
 1295 EDUNNE AVE. SUITE 230
 MORGAN HILL, CALIFORNIA 95037



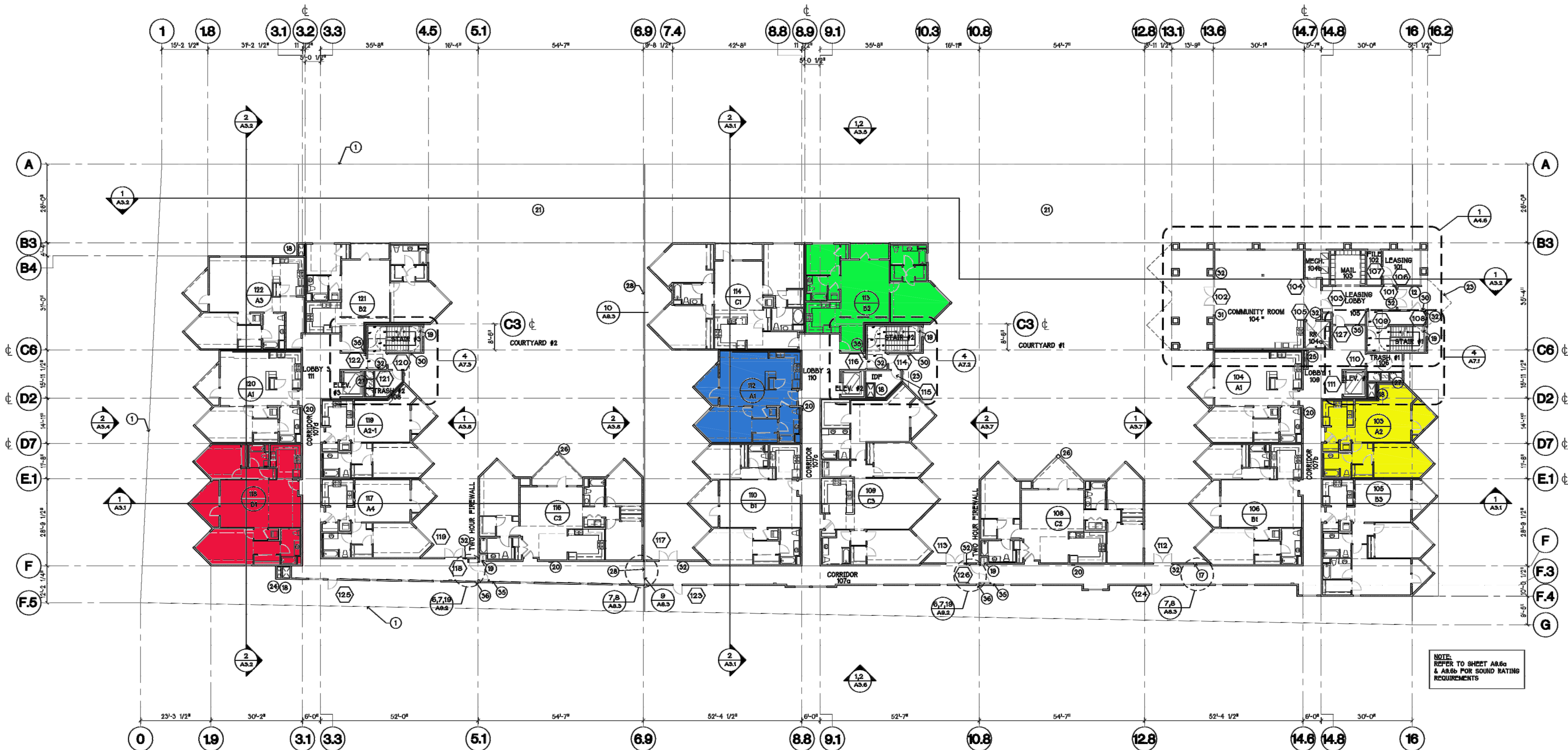
ADIMAR PLACE
RESIDENTIAL DEVELOPMENT
 91 MONTAGUE EXPRESSWAY
 MILPITAS, CALIFORNIA

OFF SITE SECTIONS
TENTATIVE MAP

Date 04-08-2019
 Scale: None
 Design By: DV
 Job J13084
 Sheet
TM10



Design by LPMD Architects



1 FIRST FLOOR PLAN
1/8" = 1'-0"



- 2 BEDROOM LOW
- 1 BEDROOM LOW
- 2 BEDROOM MODERATE
- 1 BEDROOM MODERATE

Revisions:

No.	Description	Date

KEY PLAN

KEY NOTES

- EDGE OF CONCRETE POORUM SLAB, SEE DETAIL 5 & 23/A8.1
- CONCRETE COLUMNS, S.D.
- PAINTED WALKWAY (1/8" MIN) FOR ACCESSIBLE PATH OF TRAVEL
- 3'-0" DEEP TRUNCATED DOME STRIP TO BE INSET TO BE LEVEL WITH SLAB, SEE DETAIL 12/A8.5
- 6" HIGH X 6" WIDE CONCRETE CURB, SEE DETAIL 25/A8.1
- 8'-0" HIGH SLIDING AUTO GATE @ RESIDENTIAL ENTRY SEE DETAIL 16 & 17/A8.5 FOR END POST CONNECTIONS
- CONCRETE CAR STOP. ANCHOR TO SLAB
- 8'-0" X 18'-0" TYPICAL PARKING STALL DIMENSIONS
- 8'-0" X 18'-0" ACCESSIBLE PARKING STALL W/8'-0" WIDE LOADING AREA, SEE DETAIL 2/A8.5
- 3'-0" X 6'-0" MOTORCYCLE STALL
- VINYL COATED CHAIN LINK FENCE ENCLOSURE SEE DETAILS 16 & 17/A8.5
- TENANT CALL BOX FOR GUEST ACCESS TO BUILDING
- NOT USED
- TRENCH DRAIN, SEE 16/A8.1 & PLUMBING DWGS FOR PIPE LOCATIONS
- ELECTRIC VEHICLE CHARGING STATION (EVCS) MIN. 9' X 18' W/ AISLE OR 12' X 18' W/ 9' AISLE, SEE DETAIL 20/A8.5
- ELECTRIC VEHICLE CHARGING STATION (EVCS) MIN. 9' X 18' W/ AISLE OR 12' X 18' W/ 9' AISLE, SEE DETAIL 20/A8.5
- ONE HOUR SEISMIC JOINT, DETAIL 6, 7 & 8/A8.3
- GARAGE EXHAUST SHAFT - SEE MECHANICAL DWGS. TWO HOUR ASSEMBLY TO UNDERSIDE OF ROOF SHEATHING, SEE 64/7/A8.3
- STANDPIPE LOCATION. DEFERRED SUBMITTAL
- FIRE EXTINGUISHER LOCATION- TYPE 2-A30-B-C IN RESIDENTIAL LOCATIONS MAXIMUM 75'-0" TRAVEL DISTANCE TO FIRE EXTINGUISHER
- TRAFFIC COATING @ GARAGE POORUM SLAB AT AREAS EXPOSED TO WEATHER. SLOPE SLAB PER CIVIL GRADES, SEE 5 & 23 A8.1
- DOUBLE TIER RESIDENT BIKE RACKS
- LINE OF FLOOR ABOVE
- WATER HEATER ROOM PLUMB SHAFT, TWO HOUR RATED SHAFT SEE 13.7 & 11/A8.3, MAINTAIN 7'-6" CLEARANCE BELOW DUCT OVER PARKING SPACES
- EMERGENCY RESPONDER RADIO COVERAGE TWO HOUR RATED CHASE. FOR CABLE PROTECTION. EXTENDS TO ROOF
- WOOD COLUMN - SEE STRUCTURAL DWGS. WRAP AT EXTERIOR LOCATIONS W/8'-0" TYPE 'X' DENS & 7/8" THICK PLASTER AT EXTERIOR LOCATIONS, SEE DET. 20/A8.3
- TRASH CHUTES & TRASH ROOM EXHAUST. PROVIDE 90 MINUTE RATED SELF CLOSING DOOR AT TERMINATION ROOM AND CHUTE LOCATION AT FLOORS ABOVE.TWO HOUR RATED SHAFT ENCLOSURE, SEE 13.6/11/A8.3
- TWO HOUR SEISMIC JOINT AT SLAB, SEE STRUCT. DWGS, AND DETAILS 9 & 10/A8.3
- TANDEM PARKING SPACE
- PROVIDE KNOX BOXES AS REQUIRED FOR FIRE DEPARTMENT ACCESS
- OCCUPANCY LOAD SIGN, SEE A4.8
- "EXIT" TACTILE SIGN AT EXIT DOOR, SEE DETAIL 5, 6, & 11/A8.5
- "EXIT STAIR UP" TACTILE SIGN, SEE DET. 5, 6 & 11/A8.5; REF.17/A8.5
- "EXIT STAIR DOWN" TACTILE SIGN, DET. 5, 6 & 11/A8.5; REF.17/A8.5
- "EXIT ROUTE" TACTILE SIGN, SEE DETAIL. 5, 6 & 11/A8.5
- TWO HOUR SEISMIC JOINT AT FIRE WALL, SEE DET. 13.3 & 7/A8.2
- INSTALL PLASTIC TUBE "BANG BAR" STATING 8'-2" MIN. CLEARANCE
- INSTALL PLASTIC TUBE "BANG BAR" STATING 7'-0" MIN. CLEARANCE
- PROVIDE 30" X 30" ATTIC ACCESS PANEL TO VOID AREA ABOVE VOID AREA TO BE SPRINKLERED
- PROVIDE A SIGN "NOT AN EXIT DOOR"

LEGEND

- 2x4 WOOD STUD WALL (ONE HOUR RATED) REFER TO 5 & 6 A/8.1
NOTE: 2x4 WOOD STUD WALL. WILL BE USED AT TWO HOUR LOCATIONS WITH ADDITIONAL LAYERS OF GYP. BOARD/ SHEATHING. REFER TO SHEETS A03-A08 FOR WALL TYPE LOCATIONS
- 2x4 STAGGERED WOOD STUD WALL ALONG RESIDENTIAL CORRIDOR ADJACENT TO UNITS (ONE HOUR RATED) REFER TO 3, 4, 10 & 11 ON A/8.1
- 2x6 WOOD STUD WALL (ONE HOUR RATED)
REFER TO 1 & 2 ON A/8.2 AND 5 & 6 ON A/8.1
NOTE: 2x6 WOOD STUD WALL. WILL BE USED AT TWO HOUR FIRE WALL WITH ADDITIONAL LAYERS OF GYP. BOARD/ SHEATHING. REFER TO SHEETS A03-A08 FOR WALLS TYPE LOCATIONS
- 2x6 WOOD WALL (ONE HOUR RATED)
REFER TO 1 & 2 ON A/8.2 AND 5 & 6 A/8.1
- CONCRETE WALL (THREE HOUR RATING WHERE REQUIRED)
REFER TO 15/A8.2
- 3 1/2" METAL STUD WALL - REFER TO DETAIL 17/A8.1 FOR ONE HOUR RATING REFER TO DETAIL 18/A8.2 FOR TWO HOUR RATING
- INDICATES 8'-2" MINIMUM CEILING CLEARANCE AREAS AT PARKING AREA DRIVE AISLE AND ACCESSIBLE SPACES
- PROVIDE ONE HOUR PROTECTION AT ALL WOOD FRAMED WALL, FLOOR, CEILING AND ROOF ASSEMBLIES. UNLESS NOTED OTHERWISE ON SHEETS A03 TO A08. FOR TWO HOUR WALL ASSEMBLIES SHOWN ON A03-A08 REFER TO DETAILS A8.2 AND A8.3.

GENERAL NOTES

- SEE UNIT PLANS SHEETS 1/4. SCREEN FOR DETAILED INFORMATION ON ALL UNIT PLANS.
- REFER TO SHEET A2.6 - A2.8 FOR DETAILED INFORMATION ON PARKING GARAGE
- REFER TO SHEET A8.5 FOR DETAILS PERTAINING TO ACCESSIBILITY REQUIREMENTS
- REFER TO SHEET A8.2, A8.3, AND A8.3 FOR DETAILS PERTAINING TO PENETRATIONS OF RATED WALLS & CEILINGS
- REFER TO SHEET A03 - A08 FOR FIRE RATING REQUIREMENTS FOR WALLS AND OPENINGS
- FIRE BLOCKING AND DRAFT STOPS TO BE INSTALLED AS REQUIRED BY SECTION 718 CBC, VERTICALLY AND HORIZONTALLY
- ALL WOOD COLUMNS, GIRDERS, TRUSSES, BEAMS OR OTHER STRUCTURAL MEMBERS THAT SUPPORT MORE THAN TWO FLOORS OR ONE FLOOR AND ROOF, OR SUPPORT A LOAD-BEARING WALL OR A NON-LOAD BEARING WALL MORE THAN TWO STORES HIGH, SHALL BE INDIVIDUALLY PROTECTED ON ALL SIDES FOR THE FULL LENGTH WITH MATERIAL HAVING THE REQUIRED ONE HOUR RATING- PER CBC 704.3. WHEN WRAP CAUSES THE POST OR BEAM WRAP TO PROTRUDE OUT FROM ADJACENT SURFACE PROVIDE ADDITIONAL GYP. BD. TO CREATE A FLUSH WALL OR CEILING CONDITION TO NEAREST WALL INTERSECTION. SEE DETAILS 14-17 ON A8.1
- MAINTAIN MINIMUM HEADROOM OF 7'-0" TO ANY OBSTRUCTIONS AT ENTIRE PARKING GARAGE UNLESS OTHERWISE NOTED TO BE 8'-2" TO AND AT ALL ACCESSIBLE PARKING AREAS. THIS INCLUDES CLEARANCES TO PLUMB, MECH, ELEC. AND FIRE PROVIDE PVC TUBES FOR SIGNAGE, HUNG FROM CEILING, INDICATING MINIMUM HEAD CLEARANCE 250" AT ACCESSIBLE LOCATIONS
- "DESIGNATED ACCESSIBLE PARKING AT THE DWELLING UNIT (OR AS CLOSE AS PRACTICAL/POSSIBLE) SHALL BE PROVIDED ON THE REQUEST OF RESIDENTS WITH PHYSICAL DISABILITIES ON THE SAME TERMS AND WITH THE FULL RANGE OF CHOICES AS PROVIDED FOR OTHER RESIDENTS." CBC 108A.6
- NOTE: ACCESSIBLE SIGNAGE NEED NOT BE INSTALLED IN ASSIGNED RESIDENT PARKING AREAS. DESIGNATED DIMENSIONS MUST BE ACCOMMODATED PER DESIGN AS SHOWN.
- ALL ELEVATIONS ARE SHOWN TO THE TOP OF NOMINAL STRUCTURAL SLAB AND DO NOT ACCOUNT FOR THICKENED EDGES, TYP. UNO.
- IT IS THE CONTRACTORS RESPONSIBILITY TO MAINTAIN THE REQUIRED CLEARANCES BELOW THE BOTTOM OF STRUCTURAL, ARCHITECTURAL AND MECHANICAL ELEMENTS TO THE TOP OF THE SLAB BELOW.
- VERIFY ALL SLAB AND WALL OPENINGS WITH THE PLUMBING, FIRE PROTECTION AND ELECTRICAL DRAWINGS.
- VERIFY ALL PIPE SLEEVES WITH THE PLUMBING AND FIRE PROTECTION SUBCONTRACTORS PRIOR TO POURING OF BEAMS AND GIRDERS
- SEE THE ENLARGED STAIR PLANS & DETAILS FOR ADDITIONAL INFORMATION. SHOP DRAWINGS BY OTHERS TO BE REVIEWED AND APPROVED PRIOR TO FABRICATION.
- REFER TO SHEETS, A5.4, A5.5, A5.6 FOR FIRST, SECOND AND THIRD FLOOR REFLECTED CEILING PLANS HEIGHTS.
- PROVIDE MIN. 1 HR EXTERIOR WALL FOR MIN. 4'-0" HORIZONTAL DISTANCE ON BOTH SIDE OF FIRE WALL. CBC 706.5, EXCEPTION 1
- MECHANICAL ROOMS, ELECTRICAL ROOMS, STORAGE ROOMS, AND SIMILAR SHALL HAVE ID SIGNAGE.

ADIMAR PLACE

91 MONTAGUE EXPRESSWAY
MILPITAS, CALIFORNIA

Project No: Date: June 8, 2025

Sheet Title: FIRST FLOOR PLAN

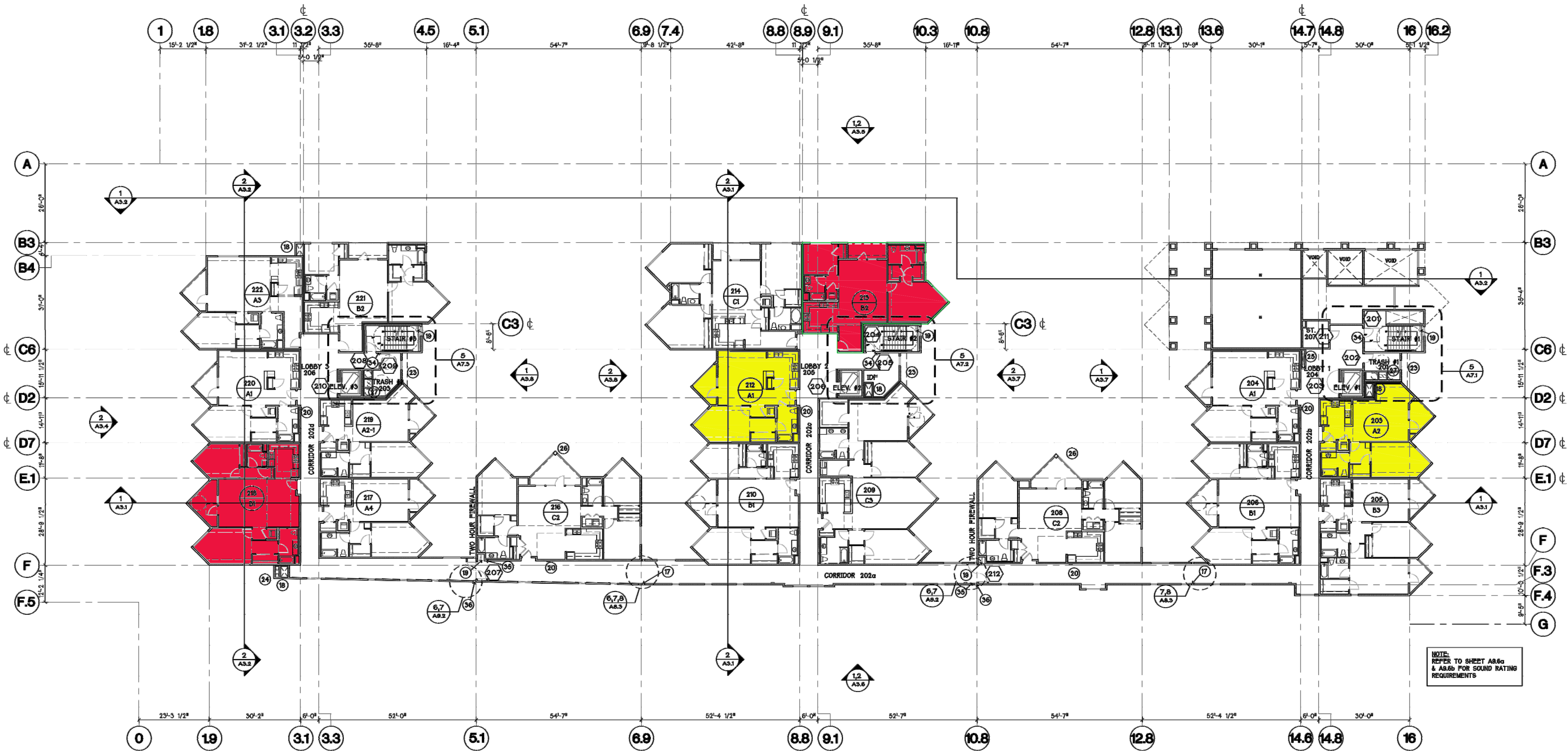
Review by: ☐

Sheet No: A2.1

of Sheets



Theresa P. Thompson



1 SECOND FLOOR PLAN
1/8" = 1'-0"



- 2 BEDROOM LOW
- 1 BEDROOM LOW
- 2 BEDROOM MODERATE
- 1 BEDROOM MODERATE

Revisions:

No.	Description

KEY PLAN

KEY NOTES

- EDGE 0" CONCRETE PODIUM SLAB, SEE DETAIL 5 & 25/A&1
- CONCRETE COLUMNS, S.S.D.
- PAINTED WALKWAY (8" MIN) FOR ACCESSIBLE PATH OF TRAVEL
- 3'-0" DEEP TRUNCATED DOME STRIP TO BE INSET TO BE LEVEL WITH SLAB, SEE DETAIL 12/A&5
- 6" HIGH X 6" WIDE CONCRETE CURB, SEE DETAIL 25/A&1
- 8'-0" HIGH SLIDING AUTO GATE @ RESIDENTIAL ENTRY SEE DETAIL 16 & 17/A&5 FOR END POST CONNECTIONS
- CONCRETE CAR STOP, ANCHOR TO SLAB
- 8'-0" X 18'-0" TYPICAL PARKING STALL DIMENSIONS
- 8'-0" X 18'-0" ACCESSIBLE PARKING STALL W/8'-0" WIDE LOADING AREA, SEE DETAIL 2/A&5
- 3'-0" X 8'-0" MOTORCYCLE STALL
- VINYL COATED CHAIN LINK FENCE ENCLOSURE SEE DETAILS 16 & 17/A&5
- TENANT CALL BOX FOR GUEST ACCESS TO BUILDING
- NOT USED
- TRENCH DRAIN, SEE 16/A&1 & PLUMBING DWGS FOR PIPE LOCATIONS
- ELECTRIC VEHICLE CHARGING STATION (EVCS) MIN. 8' X 18' W/ 8' AISLE
- ELECTRIC VEHICLE CHARGING STATION (EVCS) MIN. 8' X 18' W/ 8' AISLE OR 12' X 18' W/ 9' AISLE, SEE DETAIL 20/A&5
- ONE HOUR SEISMIC JOINT, DETAIL 6, 7 & 8/A&3
- GARAGE EXHAUST SHAFT - SEE MECHANICAL DWGS.
- TWO HOUR ASSEMBLY TO UNDERSIDE OF ROOF SHEATHINGS, SEE 6&7/A&5
- STANDPIPE LOCATION, DEFERRED SUBMITTAL
- FIRE EXTINGUISHER LOCATION- TYPE 2-A&20-B&C IN RESIDENTIAL LOCATIONS MAXIMUM 75'-0" TRAVEL DISTANCE TO FIRE EXTINGUISHER
- TRAFFIC COATING OVER GARAGE PODIUM SLAB AT AREAS EXPOSED TO WEATHER. SLOPE SLAB PER CIVIL GRADES, SEE 5 & 23 A&1
- DOUBLE TIER RESIDENT BIKE RACKS
- LINE OF FLOOR ABOVE
- WATER HEATER ROOM PLUE SHAFT, TWO HOUR RATED SHAFT SEE 12.7 & 11/A&3, MAINTAIN 7'-0" CLEARANCE BELOW DUCT OVER PARKING SPACES
- EMERGENCY RESPONDER RADIO COVERAGE TWO HOUR RATED CHASE. FOR CABLE PROTECTION. EXTENDS TO ROOF
- WOOD COLUMN - SEE STRUCTURAL DWGS. WRAP AT EXTERIOR LOCATIONS W/8" TYPE 30 DENS & 7/8" THICK PLASTER AT EXTERIOR LOCATIONS, SEE DET. 20/A&5
- TRASH CHUTES & TRASH ROOM EXHAUST, PROVIDE 90 MINUTE RATED SELF CLOSING DOOR AT TERMINATION ROOM AND CHUTE LOCATION AT FLOORS ABOVE.TWO HOUR RATED SHAFT ENCLOSURE, SEE 13&14/A&3
- TWO HOUR SEISMIC JOINT AT SLAB, SEE STRUCT. DWGS, AND DETAILS 9 & 10/A&3
- TANDEM PARKING SPACE
- PROVIDE KNOX BOXES AS REQUIRED FOR FIRE DEPARTMENT ACCESS
- OCCUPANCY LOAD SIGN, SEE A&8
- "EXIT" TACTILE SIGN AT EXIT DOOR, SEE DETAIL 5, 6 & 11/A&5
- "EXIT STAIR UP" TACTILE SIGN, SEE DET. 5, 6 & 11/A&5, REF.17/A&5
- "EXIT STAIR DOWN" TACTILE SIGN, DET. 5, 6 & 11/A&5, REF.17/A&5
- "EXIT ROUTE" TACTILE SIGN, SEE DETAIL. 5, 6 & 11/A&5
- TWO HOUR SEISMIC JOINT AT FIRE WALL, SEE DET. 12.3 & 7/A&2
- INSTALL PLASTIC TUBE "BANG BAR" STATING 8'-2" MIN. CLEARANCE
- INSTALL PLASTIC TUBE "BANG BAR" STATING 7'-0" MIN. CLEARANCE
- PROVIDE 30" X 30" ATTIC ACCESS PANEL TO VOID AREA ABOVE VOID AREA TO BE SPINKLERED
- PROVIDE A SIGN "NOT AN EXIT DOOR"

LEGEND

- 2x4 WOOD STUD WALL (ONE HOUR RATED) REFER TO 5 & 6 A/8.1
NOTE: 2x4 WOOD STUD WALL. WILL BE USED AT TWO HOUR LOCATIONS WITH ADDITIONAL LAYERS OF GYP. BD/GYP SHEATHING. REFER TO SHEETS A03-A08 FOR WALL TYPE LOCATIONS
- 2x4 STAGGERED WOOD STUD WALL ALONG RESIDENTIAL CORRIDOR ADJACENT TO UNITS (ONE HOUR RATED) REFER TO 3, 4, 10 & 11 ON A/8.1
- 2x6 WOOD STUD WALL (ONE HOUR RATED)
REFER TO 1 & 2 ON A/8.2 AND 5 & 6 ON A/8.1
NOTE: 2x6 WOOD STUD WALL. WILL BE USED AT TWO HOUR FIRE WALL WITH ADDITIONAL LAYERS OF GYP. BD/GYP SHEATHING. REFER TO SHEETS A03-A08 FOR WALLS TYPE LOCATIONS
- 2x6 WOOD WALL (ONE HOUR RATED)
REFER TO 1 & 2 ON A/8.2 AND 5 & 6 A/8.1
- CONCRETE WALL (THREE HOUR RATING WHERE REQUIRED)
REFER TO 16/A&2
- 3 1/2" METAL STUD WALL. (REFER TO DETAIL 17/A&1 FOR ONE HOUR RATING REFER TO DETAIL 18/A&2 FOR TWO HOUR RATING)
- INDICATES 8'-2" MINIMUM CEILING CLEARANCE AREAS AT PARKING AREA DRIVE AIBLE AND ACCESSIBLE SPACES
- PROVIDE ONE HOUR PROTECTION AT ALL WOOD FRAMED WALL, FLOOR, CEILING AND ROOF ASSEMBLIES. UNLESS NOTED OTHERWISE ON SHEETS A03 TO A08. FOR TWO HOUR WALL ASSEMBLIES SHOWN ON A03-A08 REFER TO DETAILS A&2 AND A&3.

GENERAL NOTES

- SEE UNIT PLANS SHEETS 1A-4. SCREEN FOR DETAILED INFORMATION ON ALL UNIT PLANS.
- REFER TO SHEET A2.6a -A2.6b FOR DETAILED INFORMATION ON PARKING GARAGE
- REFER TO SHEET A&5 FOR DETAILS PERTAINING TO ACCESSIBILITY REQUIREMENTS
- REFER TO SHEET A&2a, A&2b AND A&3 FOR DETAILS PERTAINING TO PENETRATIONS OF RATED WALLS & CEILINGS
- REFER TO SHEET A03 - A08 FOR FIRE RATING REQUIREMENTS FOR WALLS AND OPENINGS.
- FIRE BLOCKING AND DRAFT STOPS TO BE INSTALLED AS REQUIRED BY SECTION 718 CBC, VERTICALLY AND HORIZONTALLY
- ALL WOOD COLUMNS, GIRDERS, TRUSSES, BEAMS OR OTHER STRUCTURAL MEMBERS THAT SUPPORT MORE THAN TWO FLOORS OR ONE FLOOR AND ROOF, OR SUPPORT A LOAD-BEARING WALL OR A NON-LOAD BEARING WALL MORE THAN TWO STORES HIGH, SHALL BE INDIVIDUALLY PROTECTED ON ALL SIDES FOR THE FULL LENGTH WITH MATERIAL HAVING THE REQUIRED ONE HOUR RATINGS- PER CBC 704.3. WHEN WRAP CAUSES THE POST OR BEAM WRAP TO PROTRUDE OUT FROM ADJACENT SURFACE PROVIDE ADDITIONAL GYP. BD. TO CREATE A FLUSH WALL OR CEILING CONDITION TO NEAREST WALL INTERSECTION. SEE DETAILS 14-17 ON A&1.
- MAINTAIN MINIMUM HEADROOM OF 7'-0" TO ANY OBSTRUCTIONS AT ENTIRE PARKING GARAGE UNLESS OTHERWISE NOTED TO BE 8'-2" TO AND AT ALL ACCESSIBLE PARKING AREAS. THIS INCLUDES CLEARANCES TO PLUMB, MECH, ELEC. AND FIRE PROVIDE PVC TUBES FOR PLUMBAGE, HUNG FROM CEILING, INDICATING MINIMUM HEAD CLEARANCE
- "DESIGNATED ACCESSIBLE PARKING AT THE DWELLINGS UNIT (OR AS CLOSE AS PRACTICAL/POSSIBLE) SHALL BE PROVIDED ON THE REQUEST OF RESIDENTS WITH PHYSICAL DISABILITIES ON THE SAME TERMS AND WITH THE FULL RANGE OF CHOICES AS PROVIDED FOR OTHER RESIDENTS." CBC 1008.6.
NOTE: ACCESSIBLE SIGNAGE NEED NOT BE INSTALLED IN ASSIGNED RESIDENT PARKING AREAS. DESIGNATED DIMENSIONS MUST BE ACCOMMODATED PER DESIGN AS SHOWN.
- ALL ELEVATIONS ARE SHOWN TO THE TOP OF NOMINAL STRUCTURAL SLAB AND DO NOT ACCOUNT FOR THICKENED EDGES, TYP. UNLO.
- IT IS THE CONTRACTORS RESPONSIBILITY TO MAINTAIN THE REQUIRED CLEARANCES BELOW THE BOTTOM OF STRUCTURAL, ARCHITECTURAL AND MECHANICAL ELEMENTS TO THE TOP OF THE SLAB BELOW.
- VERIFY ALL SLAB AND WALL OPENINGS WITH THE PLUMBING, FIRE PROTECTION AND ELECTRICAL DRAWINGS.
- VERIFY ALL PIPE SLEEVES WITH THE PLUMBING AND FIRE PROTECTION SUBCONTRACTORS PRIOR TO POURING OF BEAMS AND GIRDERS
- SEE THE ENLARGED STAIR PLANS & DETAILS FOR ADDITIONAL INFORMATION. SHOP DRAWINGS BY OTHERS TO BE REVIEWED AND APPROVED PRIOR TO FABRICATION.
- REFER TO SHEETS A5.4, A5.5, A5.6 FOR FIRST, SECOND AND THIRD FLOOR REFLECTED CEILING PLANS HEIGHTS.
- PROVIDE MIN. 1 HR EXTERIOR WALL FOR MIN. 4'-0" HORIZONTAL DISTANCE ON BOTH SIDE OF FIRE WALL. CBC 706.5, EXCEPTION 1
- MECHANICAL ROOMS, ELECTRICAL ROOMS, STORAGE ROOMS, AND SIMILAR SHALL HAVE ID SIGNAGE.

ADIMAR PLACE
91 MONTAGUE EXPRESSWAY
MILPITAS, CALIFORNIA

Project No: Date: June 8, 1

Sheet Title: **SECOND FLOOR PLAN**

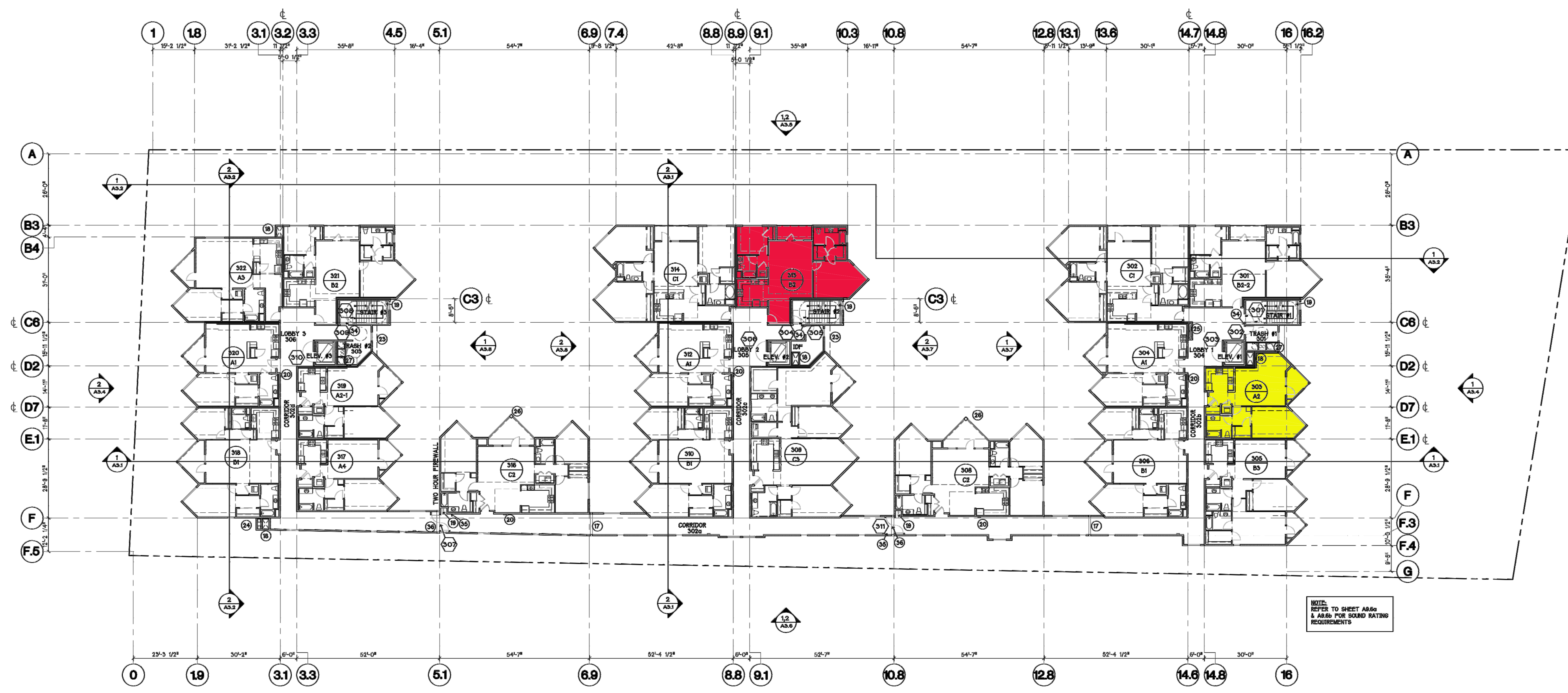
Review by: Sheet No:

A2.2

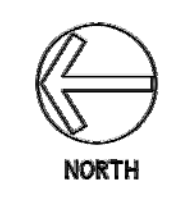
of Sheets



Theresa M. Johnson

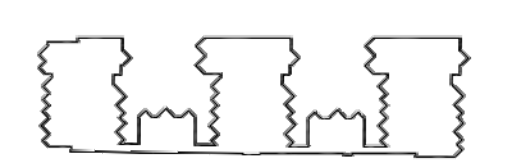


1 THIRD FLOOR PLAN
1/8" = 1'-0"



- 2 BEDROOM LOW
- 1 BEDROOM LOW
- 2 BEDROOM MODERATE
- 1 BEDROOM MODERATE

KEY PLAN



KEY NOTES			LEGEND			GENERAL NOTES		
1 EDGE OF CONCRETE PODIUM SLAB, SEE DETAIL 5 & 23/A&1	16 ELECTRIC VEHICLE CHARGING STATION (EVCS) MIN. 9' X 18' W/ 8' AISLE OR 12' X 18' W/ 9' AISLE, SEE DETAIL 20/A&5	34 TWO HOUR SEISMIC JOINT AT SLAB, SEE STRUCT. DWGS, AND DETAILS 9 & 10/A&3	2x4 WOOD STUD WALL (ONE HOUR RATED) REFER TO 5 & 6 A/R/1 NOTE: 2x4 WOOD STUD WALL. WILL BE USED AT TWO HOUR LOCATIONS WITH ADDITIONAL LAYERS OF GYP. BOARD SHEATHING. REFER TO SHEETS A03-A08 FOR WALL TYPE LOCATIONS	1. SEE UNIT PLANS SHEETS (A4- SERIES) FOR DETAILED INFORMATION ON ALL UNIT PLANS.	8. "DESIGNATED ACCESSIBLE PARKING AT THE DWELLING UNIT (OR AS CLOSE AS PRACTICAL/POSSIBLE) SHALL BE PROVIDED ON THE REQUEST OF RESIDENTS WITH PHYSICAL DISABILITIES ON THE SAME TERMS AND WITH THE FULL RANGE OF CHOICES AS PROVIDED FOR OTHER RESIDENTS." CBC 109A.6.			
2 CONCRETE COLUMNS, S&D.	17 ONE HOUR SEISMIC JOINT, DETAIL 6, 7 & 8/A&3	35 TANDEN PARKING SPACE	2x4 STAGGERED WOOD STUD WALL ALONG RESIDENTIAL CORRIDOR ADJACENT TO UNITS (ONE HOUR RATED) REFER TO 3, 4, 10 & 11 ON A/R/1	2. REFER TO SHEET A2.6a -A2.6b FOR DETAILED INFORMATION ON PARKING GARAGE	NOTE: ACCESSIBLE SIGNAGE NEED NOT BE INSTALLED IN ASSIGNED RESIDENT PARKING AREAS. DESIGNATED DIMENSIONS MUST BE ACCOMMODATED PER DESIGN AS SHOWN.			
3 PAINTED WALKWAY 14" MIN FOR ACCESSIBLE PATH OF TRAVEL	18 GARAGE EXHAUST SHAFT - SEE MECHANICAL DWGS. TWO HOUR ASSEMBLY TO UNDERSIDE OF ROOF SHEATHING. SEE 6&7/A&3	36 PROVIDE KNOX BOXES AS REQUIRED FOR FIRE DEPARTMENT ACCESS	2x6 WOOD STUD WALL (ONE HOUR RATED) REFER TO 1 & 2 ON A/R/2 AND 5 & 6 ON A/R/1 NOTE: 2x6 WOOD STUD WALL. WILL BE USED AT TWO HOUR FIRE WALL WITH ADDITIONAL LAYERS OF GYP. BOARD SHEATHING. REFER TO SHEETS A03-A08 FOR WALLS TYPE LOCATIONS	3. REFER TO SHEET A&5 FOR DETAILS PERTAINING TO ACCESSIBILITY REQUIREMENTS	10. ALL ELEVATIONS ARE SHOWN TO THE TOP OF NOMINAL STRUCTURAL SLAB AND DO NOT ACCOUNT FOR THICKENED EDGES, TYP. UNO.			
4 3'-0" DEEP TRUNCATED DOME STRIP TO BE INSET TO BE LEVEL WITH SLAB, SEE DETAIL 12/A&5.	19 STANDPIPE LOCATION. DEFERRED SUBMITTAL	37 OCCUPANCY LOAD SIGN, SEE A&8	2x6 WOOD WALL (ONE HOUR RATED) REFER TO 1 & 2 ON A/R/2 AND 5 & 6 A/R/1	4. REFER TO SHEET A&2a, A&2b AND A&3 FOR DETAILS PERTAINING TO PENETRATIONS OF RATED WALLS & CEILINGS	IT IS THE CONTRACTORS RESPONSIBILITY TO MAINTAIN THE REQUIRED CLEARANCES BELOW THE BOTTOM OF STRUCTURAL, ARCHITECTURAL AND MECHANICAL ELEMENTS TO THE TOP OF THE SLAB BELOW.			
5 6" HIGH X 6" WIDE CONCRETE CURB, SEE DETAIL 25/A&1	20 FIRE EXTINGUISHER LOCATION- TYPE 2-A20-B-C IN RESIDENTIAL LOCATIONS MAXIMUM 75'-0" TRAVEL DISTANCE TO FIRE EXTINGUISHER	38 "EXIT" TACTILE SIGN AT EXIT DOOR, SEE DETAIL 5, 6, & 11/A&5	CONCRETE WALL (THREE HOUR RATINGS WHERE REQUIRED) REFER TO 1&2 ON A/R/2	5. REFER TO SHEET A03 - A08 FOR FIRE RATING REQUIREMENTS FOR WALLS AND OPENINGS.	11. VERIFY ALL SLAB AND WALL OPENINGS WITH THE PLUMBING, FIRE PROTECTION AND ELECTRICAL DRAWINGS.			
6 8'-0" HIGH SLIDING AUTO GATE @ RESIDENTIAL ENTRY SEE DETAIL 16 & 17/A&6 FOR END POST CONNECTIONS	21 TRAFFIC COATING @ GARAGE PODIUM SLAB AT AREAS EXPOSED TO WEATHER. SLOPE SLAB PER CIVIL GRADES. SEE 5 & 23 A&1	39 "EXIT STAIR UP" TACTILE SIGN, SEE DET. 5, 6 & 11/A&5, REF. 17/A&5	3 1/2" METAL STUD WALL. REFER TO DETAIL 17/A&1 FOR ONE HOUR RATINGS REFER TO DETAIL 18/A&3 FOR TWO HOUR RATINGS INDICATES 8'-2" MINIMUM CEILING CLEARANCE AREAS AT PARKING AREA DRIVE AISLE AND ACCESSIBLE SPACES	6. FIRE BLOCKING AND DRAFT STOPS TO BE INSTALLED AS REQUIRED BY SECTION 716 CBC, VERTICALLY AND HORIZONTALLY	12. IT IS THE CONTRACTORS RESPONSIBILITY TO MAINTAIN THE REQUIRED CLEARANCES BELOW THE BOTTOM OF STRUCTURAL, ARCHITECTURAL AND MECHANICAL ELEMENTS TO THE TOP OF THE SLAB BELOW.			
7 CONCRETE CAR STOP, ANCHOR TO SLAB	22 DOUBLE TIER RESIDENT BIKE RACKS	40 "EXIT ROUTE" TACTILE SIGN, SEE DETAIL 5, 6 & 11/A&5	PROVIDE ONE HOUR PROTECTION AT ALL WOOD FRAMED WALL, FLOOR, CEILING AND ROOF ASSEMBLIES UNLESS NOTED OTHERWISE ON SHEETS A03 TO A08. FOR TWO HOUR WALL ASSEMBLIES SHOWN ON A03-A08 REFER TO DETAILS A&2 AND A&3.	7. ALL WOOD COLUMNS, GIRDERS, TRUSSES, BEAMS OR OTHER STRUCTURAL MEMBERS THAT SUPPORT MORE THAN TWO FLOORS OR ONE FLOOR AND ROOF OR SUPPORT A LOAD-BEARING WALL OR A NON-LOAD BEARING WALL MORE THAN TWO STORES HIGH, SHALL BE INDIVIDUALLY PROTECTED ON ALL SIDES FOR THE FULL LENGTH WITH MATERIAL HAVING THE REQUIRED ONE HOUR RATING- PER CBC 704.3. WHEN WRAP CAUSES THE POST OR BEAM WRAP TO PROTRUDE OUT FROM ADJACENT SURFACE PROVIDE ADDITIONAL GYP. BD. TO CREATE A FLUSH WALL OR CEILING CONDITION TO NEAREST WALL INTERSECTION. SEE DETAILS 14-17 ON A&1	13. VERIFY ALL PIPE SLEEVES WITH THE PLUMBING AND FIRE PROTECTION SUBCONTRACTORS PRIOR TO POURING OF BEAMS AND GIRDERS			
8 6'-0" X 18'-0" TYPICAL PARKING STALL DIMENSIONS	23 LINE OF FLOOR ABOVE			8. MAINTAIN MINIMUM HEADROOM OF 7'-0" TO ANY OBSTRUCTIONS AT ENTIRE PARKING GARAGE UNLESS OTHERWISE NOTED TO BE 8'-2" TO AND AT ALL ACCESSIBLE PARKING AREAS. THIS INCLUDES CLEARANCES TO PLUMB, MECH, ELEC. AND FIRE PROTECTION PVC "TUBE" BAR SIGNAGE, HUNG FROM CEILING, INDICATING MIN. 8'-2" CLEARANCE OF 8'-2" AT ACCESSIBLE LOCATIONS	14. SEE THE ENLARGED STAIR PLANS & DETAILS FOR ADDITIONAL INFORMATION. SHOP DRAWINGS BY OTHERS TO BE REVIEWED AND APPROVED PRIOR TO FABRICATION.			
9 6'-0" X 18'-0" ACCESSIBLE PARKING STALL W/18'-0" WIDE LOADING AREA, SEE DETAIL 2/A&5	24 WATER HEATER ROOM PLUMB SHAFT, TWO HOUR RATED SHAFT SEE 1&7 & 11/A&3, MAINTAIN 7'-0" CLEARANCE BELOW DUCT OVER PARKING SPACES				15. VERIFY ALL PIPE SLEEVES WITH THE PLUMBING AND FIRE PROTECTION SUBCONTRACTORS PRIOR TO POURING OF BEAMS AND GIRDERS			
10 3'-0" X 6'-0" MOTORCYCLE STALL	25 EMERGENCY RESPONDER RADIO COVERAGE TWO HOUR RATED CHASE. FOR CABLE PROTECTION. EXTENDS TO ROOF				16. PROVIDE MIN. 1 HR EXTERIOR WALL FOR MIN. 4'-0" HORIZONTAL DISTANCE ON BOTH SIDE OF FIRE WALL. CBC 706.5, EXCEPTION 1			
11 VINYL COATED CHAIN LINK FENCE ENCLOSURE SEE DETAILS 16 & 17/A&5	26 WOOD COLUMN - SEE STRUCTURAL DWGS. WRAP AT EXTERIOR LOCATIONS W/5/8" TYPE 'X' DENIS & 7/8" THICK PLASTER AT EXTERIOR LOCATIONS, SEE DET. 20/A&3				17. MECHANICAL ROOMS, ELECTRICAL ROOMS, STORAGE ROOMS, AND SIMILAR SHALL HAVE 10 SIGNAGE.			
12 TENANT CALL BOX FOR GUEST ACCESS TO BUILDING	27 TRASH CHUTES & TRASH ROOM EXHAUST, PROVIDE 90 MINUTE RATED SELF CLOSING DOOR AT TERMINATION ROOM AND CHUTE LOCATION AT FLOORS ABOVE TWO HOUR RATED SHAFT ENCLOSURE, SEE 1&4/A&3							
13 NOT USED								
14 TRENCH DRAIN, SEE 16/A&1 & PLUMBING DWGS FOR PIPE LOCATIONS								
15 ELECTRIC VEHICLE CHARGING STATION (EVCS) MIN. 9' X 18'								

Revisions	

ADIMAR PLACE
91 MONTAGUE EXPRESSWAY
MILPITAS, CALIFORNIA

Project No: Date: June 8, 2024

Sheet Title:
THIRD FLOOR PLAN

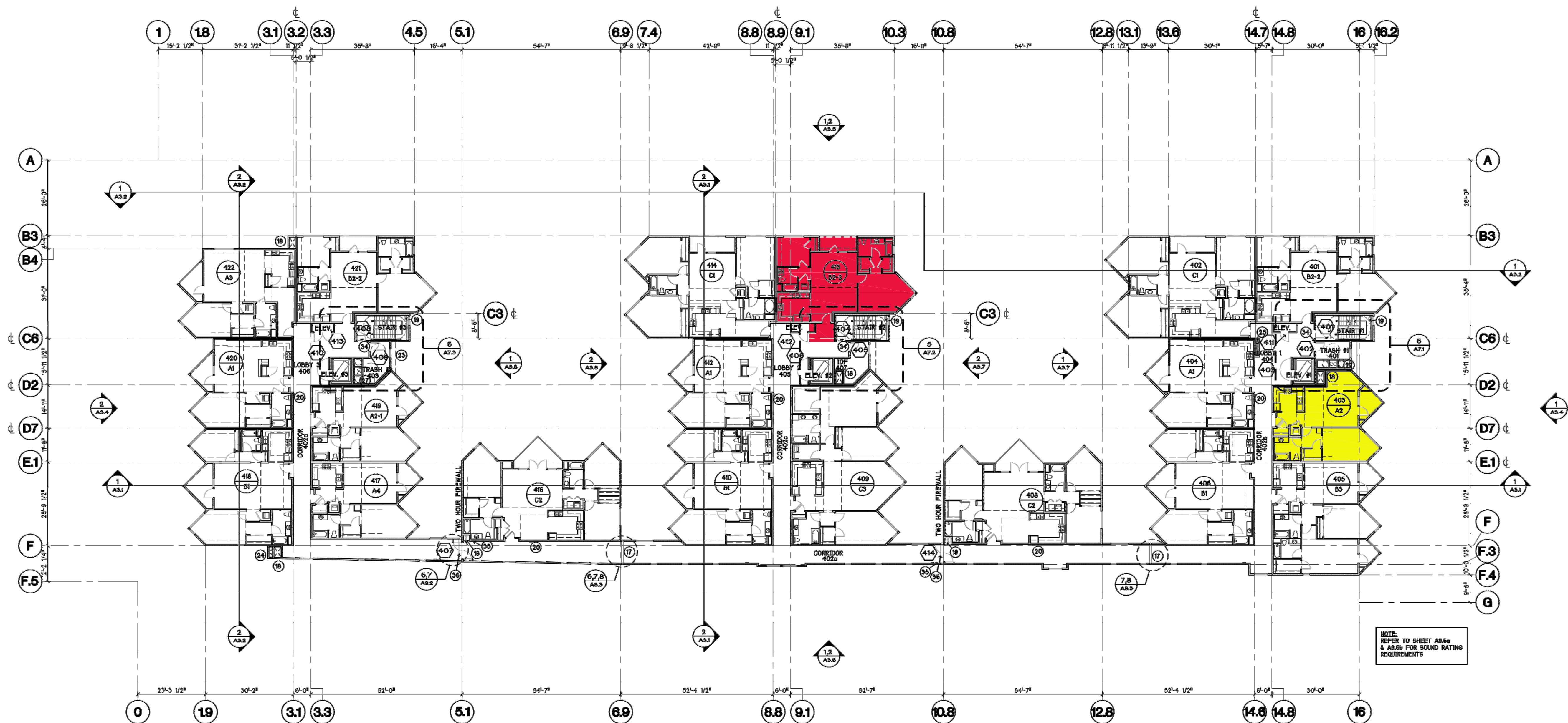
Review by: ☐

Sheet No:
A2.3

of Sheets



Theresa P. Johnson



NOTE:
REFER TO SHEET A0.6a
& A0.6b FOR SOUND RATING
REQUIREMENTS

1 FOURTH FLOOR PLAN
1/8" = 1'-0"
NORTH

- 2 BEDROOM LOW
- 1 BEDROOM LOW
- 2 BEDROOM MODERATE
- 1 BEDROOM MODERATE

KEY NOTES

- EDGE OF CONCRETE PODIUM SLAB, SEE DETAIL 5 & 23/A0.1
- CONCRETE COLUMNS, S.S.D.
- PAINTED WALKWAY (48" MIN) FOR ACCESSIBLE PATH OF TRAVEL
- 3'-0" DEEP TRUNCATED DOME STRIP TO BE INSET TO BE LEVEL WITH SLAB, SEE DETAIL 12/A0.5
- 6" HIGH X 6" WIDE CONCRETE CURB, SEE DETAIL 25/A0.1
- 8'-0" HIGH SLIDING AUTO GATE, RESIDENTIAL ENTRY SEE DETAIL 16 & 17/A0.5 FOR END POST CONNECTIONS
- CONCRETE CAR STOP, ANCHOR TO SLAB
- 8'-0" X 18'-0" TYPICAL PARKING STALL DIMENSIONS
- 8'-0" X 18'-0" ACCESSIBLE PARKING STALL W/8'-0" WIDE LOADING AREA, SEE DETAIL 2/A0.5
- 3'-0" X 6'-0" MOTORCYCLE STALL
- VINYL COATED CHAIN LINK FENCE ENCLOSURE SEE DETAILS 16 & 17/A0.5
- TENANT CALL BOX FOR GUEST ACCESS TO BUILDING
- NOT USED
- TRENCH DRAIN, SEE 16/A0.1 & PLUMBING DWGS FOR PIPE LOCATIONS
- ELECTRIC VEHICLE CHARGING STATION (EVCS) MIN. 8' X 18' 18
- ELECTRIC VEHICLE CHARGING STATION (EVCS) MIN. 8' X 18' W/ 8' AISLE AND DETAILS 9 & 10/A0.5
- ONE HOUR SEISMIC JOINT, DETAIL 6, 7 & 8/A0.3
- GARAGE EXHAUST SHAFT - SEE MECHANICAL DWGS. TWO HOUR ASSEMBLY TO UNDERSIDE OF ROOF SHEATHING. SEE 64/7/A0.3
- STANDPIPE LOCATION, DEFERRED SUBMITTAL
- FIRE EXTINGUISHER LOCATION- TYPE 2-A20-B-C IN RESIDENTIAL LOCATIONS MAXIMUM 75'-0" TRAVEL DISTANCE TO FIRE EXTINGUISHER
- TRAFFIC COATING G/GARAGE PODIUM SLAB AT AREAS EXPOSED TO WEATHER. SLOPE SLAB PER CIVIL GRADES. SEE 6 & 23 A0.1
- DOUBLE TIER RESIDENT BIKE RACKS
- LINE OF FLOOR ABOVE
- WATER HEATER ROOM PLUE SHAFT, TWO HOUR RATED SHAFT SEE 12.7 & 11/A0.3, MAINTAIN 7'-0" CLEARANCE BELOW DUCT OVER PARKING SPACES
- EMERGENCY RESPONDER RADIO COVERAGE TWO HOUR RATED CHASE. FOR CABLE PROTECTION. EXTENDS TO ROOF
- WOOD COLUMN - SEE STRUCTURAL DWGS. WRAP AT EXTERIOR LOCATIONS W/5/8" TYPE 'X' DENS & 7/8" THICK PLASTER AT EXTERIOR LOCATIONS, SEE DET. 20/A0.3
- TRASH CHUTES & TRASH ROOM EXHAUST. PROVIDE 90 MINUTE RATED SELF CLOSING DOOR AT TERMINATION ROOM AND CHUTE LOCATION AT FLOORS ABOVE.TWO HOUR RATED SHAFT ENCLOSURE, SEE 15A14/A0.3
- TWO HOUR SEISMIC JOINT AT SLAB, SEE STRUCT. DWGS, AND DETAILS 9 & 10/A0.5
- TANDEM PARKING SPACE
- PROVIDE KNOX BOXES AS REQUIRED FOR FIRE DEPARTMENT ACCESS
- OCCUPANCY LOAD SIGN, SEE A4.8
- "EXIT" TACTILE SIGN AT EXIT DOOR, SEE DETAIL 5, 6, & 11/A0.5
- "EXIT STAIR UP" TACTILE SIGN, SEE DET. 5, 6 & 11/A0.5; REF.17/A0.5
- "EXIT STAIR DOWN" TACTILE SIGN, DET. 5, 6 & 11/A0.5; REF.17/A0.5
- "EXIT ROUTE" TACTILE SIGN, SEE DETAIL. 5, 6 & 11/A0.5
- TWO HOUR SEISMIC JOINT AT FIRE WALL, SEE DET. 12.5.6 & 7/A0.2
- INSTALL PLASTIC TUBE "BANG BAR" STATING 8'-2" MIN. CLEARANCE
- INSTALL PLASTIC TUBE "BANG BAR" STATING 7'-0" MIN. CLEARANCE
- PROVIDE 30" X 30" ATTIC ACCESS PANEL TO VOID AREA ABOVE VOID AREA TO BE SPRINKLERED
- PROVIDE A SIGN "NOT AN EXIT DOOR"

LEGEND

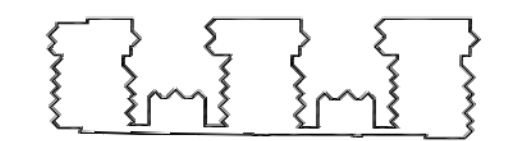
- 2x4 WOOD STUD WALL (ONE HOUR RATED) REFER TO 5 & 6 A/B.1
NOTE: 2x4 WOOD STUD WALL WILL BE USED AT TWO HOUR LOCATIONS WITH ADDITIONAL LAYERS OF GYP. BD/GYP SHEATHING. REFER TO SHEETS A0.3-A0.8 FOR WALL TYPE LOCATIONS
- 2x4 STAGGERED WOOD STUD WALL ALONG RESIDENTIAL CORRIDOR ADJACENT TO UNITS (ONE HOUR RATED) REFER TO 3, 4, 10 & 11 ON A/B.1
- 2x6 WOOD STUD WALL (ONE HOUR RATED)
REFER TO 1 & 2 ON A/B.2 AND 5 & 6 ON A/B.1
NOTE: 2x6 WOOD STUD WALL WILL BE USED AT TWO HOUR FIRE WALL WITH ADDITIONAL LAYERS OF GYP. BD/GYP SHEATHING. REFER TO SHEETS A0.3-A0.8 FOR WALL TYPE LOCATIONS
- 2x6 WOOD WALL (ONE HOUR RATED)
REFER TO 1 & 2 ON A/B.2 AND 5 & 6 A/B.1
- CONCRETE WALL (THREE HOUR RATINGS WHERE REQUIRED)
REFER TO 15/A0.2
- 3 1/2" METAL STUD WALL. REFER TO DETAIL 17/A0.1 FOR ONE HOUR RATING
REFER TO DETAIL 18/A0.2 FOR TWO HOUR RATING
- INDICATES 8'-2" MINIMUM CEILING CLEARANCE AREAS AT PARKING AREA DRIVE AISLE AND ACCESSIBLE SPACES
- PROVIDE ONE HOUR PROTECTION AT ALL WOOD FRAMED WALL, FLOOR, CEILING AND ROOF ASSEMBLIES UNLESS NOTED OTHERWISE ON SHEETS A0.3 TO A0.8 FOR TWO HOUR WALL ASSEMBLIES SHOWN ON A0.3-A0.8 REFER TO DETAILS A0.2 AND A0.3.

GENERAL NOTES

- SEE UNIT PLANS SHEETS (A4. SERIES) FOR DETAILED INFORMATION ON ALL UNIT PLANS.
- REFER TO SHEET A2.6a -A2.6b FOR DETAILED INFORMATION ON PARKING GARAGE
- REFER TO SHEET A0.9 FOR DETAILS PERTAINING TO ACCESSIBILITY REQUIREMENTS
- REFER TO SHEET A0.2a, A0.2b AND A0.3 FOR DETAILS PERTAINING TO PENETRATIONS OF RATED WALLS & CEILINGS
- REFER TO SHEET A0.3 - A0.8 FOR FIRE RATING REQUIREMENTS FOR WALLS AND OPENINGS.
- FIRE BLOCKING AND DRAFT STOPS TO BE INSTALLED AS REQUIRED BY SECTION 718 CBC, VERTICALLY AND HORIZONTALLY
- ALL WOOD COLUMNS, GIRDERS, TRUSSES, BEAMS OR OTHER STRUCTURAL MEMBERS THAT SUPPORT MORE THAN TWO FLOORS OR ONE FLOOR AND ROOF OR SUPPORT A LOAD-BEARING WALL OR A NON-LOAD BEARING WALL MORE THAN TWO STORIES HIGH, SHALL BE INDIVIDUALLY PROTECTED ON ALL SIDES FOR THE FULL LENGTH WITH MATERIAL HAVING THE REQUIRED ONE HOUR RATING- PER CBC 704.3. WHEN WRAP CAUSES THE POST OR BEAM WRAP TO PROTRUDE OUT FROM ADJACENT SURFACE PROVIDE ADDITIONAL GYP. BD. TO CREATE A FLUSH WALL OR CEILING CONDITION TO NEAREST WALL INTERSECTION SEE DETAILS 14-17 ON A0.1
- MAINTAIN MINIMUM HEADROOM OF 7'-0" TO ANY OBSTRUCTIONS AT ENTIRE PARKING GARAGE UNLESS OTHERWISE NOTED TO BE 8'-2" TO AND AT ALL ACCESSIBLE PARKING AREAS. THIS INCLUDES CLEARANCES TO PLUMB, MECH, ELEC. AND FIRE-PROTECTED PVC "TUBE" BAR SIGNAGE, HUNG FROM CEILING, INDICATING MIN. 8'-2" CLEARANCE OF 8'-2" AT ACCESSIBLE LOCATIONS
- "DESIGNATED ACCESSIBLE PARKING AT THE DWELLING UNIT (OR AS CLOSE AS PRACTICAL/POSSIBLE) SHALL BE PROVIDED ON THE REQUEST OF RESIDENTS WITH PHYSICAL DISABILITIES ON THE SAME TERMS AND WITH THE FULL RANGE OF CHOICES AS PROVIDED FOR OTHER RESIDENTS." CBC 109A.6.
NOTE: ACCESSIBLE SIGNAGE NEED NOT BE INSTALLED IN ASSIGNED RESIDENT PARKING AREAS. DESIGNATED DIMENSIONS MUST BE ACCOMMODATED PER DESIGN AS SHOWN.
- ALL ELEVATIONS ARE SHOWN TO THE TOP OF NOMINAL STRUCTURAL SLAB AND DO NOT ACCOUNT FOR THICKENED EDGES, TYP. UNO.
- IT IS THE CONTRACTORS RESPONSIBILITY TO MAINTAIN THE REQUIRED CLEARANCES BELOW THE BOTTOM OF STRUCTURAL, ARCHITECTURAL AND MECHANICAL ELEMENTS TO THE TOP OF THE SLAB BELOW.
- VERIFY ALL SLAB AND WALL OPENINGS WITH THE PLUMBING, FIRE PROTECTION AND ELECTRICAL DRAWINGS.
- VERIFY ALL PIPE SLEEVES WITH THE PLUMBING AND FIRE PROTECTION SUBCONTRACTORS PRIOR TO POURING OF BEAMS AND GIRDERS
- SEE THE ENLARGED STAIR PLANS & DETAILS FOR ADDITIONAL INFORMATION. SHOP DRAWINGS BY OTHERS TO BE REVIEWED AND APPROVED PRIOR TO FABRICATION.
- REFER TO SHEETS: A5.4, A5.5, A5.6 FOR FIRST, SECOND AND THIRD FLOOR REFLECTED CEILING PLANS HEIGHTS.
- PROVIDE MIN. 1 HR EXTERIOR WALL FOR MIN. 4'-0" HORIZONTAL DISTANCE ON BOTH SIDE OF FIRE WALL. CBC 706.5, EXCEPTION 1
- MECHANICAL ROOMS, ELECTRICAL ROOMS, STORAGE ROOMS, AND SIMILAR SHALL HAVE ID SIGNAGE.

Revisions:

KEY PLAN



ADIMAR PLACE
91 MONTAGUE EXPRESSWAY
MILPITAS, CALIFORNIA

Project No: Date: June 6, 2024
Sheet Title:

FOURTH FLOOR PLAN

Review by: ☐
Sheet No:

A2.4



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive Update and Presentation from Santa Clara Valley Transportation Authority (VTA) Staff on the Milpitas Transit Center and Bay Area Rapid Transit (BART) Station (Staff Contact: Ashwini Kantak, 408-586-3053)
Category:	Community Development
Meeting Date:	12/17/2019
Staff Contact:	Ashwini Kantak, Assistant City Manager, 408-586-3053
<u>Recommendation:</u>	Receive update and presentation from Santa Clara Valley Transportation Authority (VTA) staff on the Milpitas Transit Center and Bay Area Rapid Transit (BART) Station.

Background:

At the May 7, 2019 City Council meeting, the Council received an update from the Santa Clara Valley Transportation Authority (VTA) staff on the Milpitas Transit Center and Bay Area Rapid Transit (BART) Station. Since that time, VTA and BART have officially deferred operations on the BART Silicon Valley Berryessa Extension, which includes service to Milpitas. Citing the interest of achieving a safe and reliable start of revenue service, the two agencies are currently working on developing a practical workplan, while they continue remaining testing. A new start date for passenger service has not yet been announced.

VTA staff from the BART Delivery Team will present an update on the project, including general information about the revised project timeline, service projections, amenities, law enforcement, parking, and outreach tools for the public.

Fiscal Impact:

Not applicable

California Environmental Quality Act:

Not applicable

Recommendation:

Receive update and presentation from Valley Transportation Authority (VTA) staff on the Milpitas Transit Center and Bay Area Rapid Transit (BART) Station.

Attachments:

None



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Waive the Second Reading and Adopt Ordinance No. 120.49 Amending Title VIII, Chapter 1 of the Milpitas Municipal Code Relating to Discontinuance and Restoration of Water Service
Category:	Leadership and Support Services
Meeting Date:	12/17/2019
Staff Contact:	Walter Rossmann, 408-586-3111
Recommendations:	Waive the Second Reading and Adopt Ordinance No. 120.49 Amending Title VIII, Chapter 1 of the Milpitas Municipal Code Relating to Discontinuance and Restoration of Water Service

Background:

In September 2018, Governor Brown approved Senate Bill 998 which regulates the discontinuance of residential water service for urban and community water systems. In order for the City to be compliant with SB 998 staff recommends that the City Council approve certain amendments to the Milpitas Municipal Code governing the discontinuance of water service

On December 3rd, 2019, the City Council introduced and conducted the first reading of Ordinance 120.49 to amend Title VIII, Chapter 1 of the Milpitas Municipal Code relating to discontinuance and restoration of water service.

Analysis:

The attached Ordinance effective February 1, 2020 includes changes to the Municipal Code aligning certain deadlines to SB 998 for delinquent residential accounts; referencing the policy for discontinuance of residential water service (Policy) for nonpayment stating that to the extent the Policy conflicts with any provisions of this chapter, the Policy shall control; separating the process for non-residential delinquent accounts; and limits the reconnection fee for certain households as required by SB 998. The Policy was approved by the Council by resolution at the December 3, 2019 Council meeting; it incorporates Council direction to provide the Policy and other documents, as required, in multiple languages including Tagalog.

Finance staff will work closely with Housing and Recreation and Community Services staff as well as the City Manager's Office to integrate the referral of services to assist low income households and expand the list of non-profit organizations who can assist utility customers struggling to pay their bill. Further, as mentioned during the Council presentation, staff will be trained on the requirements of the amended ordinance and the Policy and on providing compassionate customer service.

Policy Alternative:

Not applicable.

Fiscal Impact:

It is not possible to predict a fiscal impact at this time given the various recommended changes, however staff will monitor future impact and provide updates to Council through the budget process.

Recommendation:

Waive the Second Reading and Adopt Ordinance No. 120.49 amending Title VIII, Chapter 1 of the Milpitas Municipal Code relating to Discontinuance and Restoration of Water Service.

Attachment:

Proposed Ordinance No. 120.49

REGULAR

NUMBER: 120.49

TITLE: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING TITLE VIII (PUBLIC WORKS), CHAPTER 1 (WATER SYSTEM) OF THE MILPITAS MUNICIPAL CODE RELATING TO DISCONTINUANCE AND RESTORATION OF WATER SERVICE**

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of December 3, 2019, upon motion by Councilmember Nuñez, and was adopted (second reading) by the City Council at its meeting of _____, 2019 upon motion by _____. The Ordinance was duly passed and published in accordance with the law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney

RECITALS:

WHEREAS, the City of Milpitas (“City”) is a municipal corporation, duly organized under the California Constitution and laws of the State of California; and

WHEREAS, the City operates a public water system that supplies water to residential, commercial, and industrial customers throughout the City’s jurisdiction; and

WHEREAS, in 2018, the California Legislature adopted Senate Bill 998 (“SB 998”) which adopted new and expanded protections regarding discontinuation of residential water service for nonpayment and related matters; and

WHEREAS, the City Council desires to amend the Title VIII, Chapter 1 of the Milpitas Municipal Code to ensure consistency with the requirements of SB 998, and for related purposes.

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. RECORD AND BASIS FOR ACTION

The City Council has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the City Council. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE VIII, CHAPTER 1, SECTION 6.10

Title VIII, Chapter 1, Section 6.10 of the Milpitas Municipal Code is hereby amended to read as follows:

VIII-1-6.10 - Discontinuance of Residential and Non-Residential Service

6.10-1 Residential service may be discontinued for any infraction of City rules or regulations relating to the provision of water service and shall be discontinued for any account, which is more than sixty-three (63) days delinquent. Prior to discontinuing service for delinquent accounts, one or more notices shall be issued to delinquent accounts. If payment has not been received by 5:00 p.m. of the due date of a bill, which is twenty-one (21) days from when the bill is mailed, a penalty fee equal to five percent of the amount then due shall be imposed and a Reminder Notice will be mailed. If payment has not been received by 5:00 p.m. of the forty-ninth (49th) day of delinquency, an additional late fee equal to five percent of the amount then due shall be imposed, and a Final Notice will be mailed. If payment has not been received by 5:00 p.m. on the fifty-sixth (56th) day of delinquency, a forty-eight (48) hour warning notice regarding the discontinuance of water service shall be placed on an exterior door of the building where service is provided and for which payments are delinquent. If the City posts a warning notice, an additional service charge shall be imposed on the delinquent account.

Said warning notice shall state that water service will be discontinued if payment of the delinquent account is not received by 5:00 p.m. of the due date indicated on the warning notice. If payment has not been received by 5:00 p.m. of the due date on the warning notice, water service shall be discontinued.

The City Council may, by resolution, adopt a policy for discontinuance of residential water service for nonpayment. Such policy may include, but may not be limited to, additional provisions concerning billing procedures, discontinuance of service, notification procedures, restoration of service, procedures to contest or appeal a water bill, extensions or other alternative payment arrangements, protections available to qualified low-income customers, procedures for becoming a customer of the City under specified circumstances, and related matters. To the extent a policy adopted pursuant to this Section conflicts with any provisions of this Chapter, the policy shall control.

6.10-2 Non-Residential service may be discontinued for any infraction of City rules or regulations relating to the provision of water service and shall be discontinued for any account, which is more than sixty-three (63) days

delinquent. Prior to discontinuing service for delinquent accounts, one or more notices shall be issued to delinquent accounts. If payment has not been received by 5:00 p.m. of the due date of a bill, which is twenty-one (21) days from when the bill is mailed, a penalty fee equal to five percent of the amount then due shall be imposed and a Reminder Notice will be mailed. If payment has not been received by 5:00 p.m. of the forty-ninth (49th) day of delinquency, an additional late fee equal to five percent of the amount then due shall be imposed, and a Final Notice will be mailed. If payment has not been received by 5:00 p.m. on the fifty-sixth (56th) day of delinquency, a forty-eight (48) hour warning notice regarding the discontinuance of water service shall be placed on an exterior door of the building where service is provided and for which payments are delinquent. If the City posts a warning notice, an additional service charge shall be imposed on the delinquent account. Said warning notice shall state that water service will be discontinued if payment of the delinquent account is not received by 5:00 p.m. of the due date indicated on the warning notice. If payment has not been received by 5:00 p.m. of the due date on the warning notice, water service shall be discontinued.

SECTION 3. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE VIII, CHAPTER 1, SECTION 6.11

Title VIII, Chapter 1, Section 6.11 of the Milpitas Municipal Code is hereby amended to read as follows:

VIII-1-6.11 - Restoration of Discontinued Service

Restoration of service, which has been discontinued for nonpayment of a bill, may be had by payment of all outstanding charges to date plus a restoration of service charge, at the offices of City. If restoration is requested outside of normal business hours, an additional service charge shall be imposed. Restoration of service, which has been discontinued for any other infraction of a rule, may be had by presentation of evidence of compliance and payment of a restoration of service charge at the offices of the City. The City Manager shall have authority to vary the strict application of this rule where he deems it necessary for the good of the City or to prevent undue hardship. In addition, the restoration of service charge and additional service charge for after-hours restoration as annually adopted by the Council shall be subject to the limits set forth in the City's policy on discontinuance of residential water service, or as otherwise required by law.

SECTION 4. SEVERABILITY

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remainder of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each and every section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 5. EFFECTIVE DATE AND POSTING

This Ordinance shall take effect thirty (30) days from and after the date of its passage, or on February 1, 2020, whichever is later. The provisions of this Ordinance shall apply to all water bills issued after the effective date. The City Clerk of the City of Milpitas shall cause this Ordinance or a summary thereof to be published in accordance with Section 36933 of the Government Code of the State of California.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Accept the City's Comprehensive Annual Financial Report and Other Related Annual Audited Reports for the Fiscal Year Ended June 30, 2019
Category:	Leadership and Support Services
Meeting Date:	12/17/2019
Staff Contact:	Walter C. Rossmann, 408-586-3111
Recommendations:	Accept the City's Comprehensive Annual Financial Report and other Related Annual Audited Reports for the Fiscal Year ended June 30, 2019.

Background:

Annually, Maze and Associates, the City's external auditor audits the City's books and staff prepares the Comprehensive Annual Financial Report (CAFR) of the City of Milpitas. In conjunction with the CAFR for the fiscal year ended June 30, 2019, this staff report also presents the Bicycle/Pedestrian Projects Financial Statements, Agreed Upon Procedures Report on Compliance with the Appropriations Limit Increment, Required Communications, and the Memorandum on Internal Control (MOIC) to the City Council for review. This staff report was placed on the Consent Calendar for Council consideration for the December 3, 2019 City Council meeting. At the Council meeting, the Council directed staff to place the item on the Leadership and Support Services section of the agenda for the December 17 City Council meeting and provide a presentation.

Analysis:

Comprehensive Annual Financial Report

The CAFR presents the operations and financial activity of all the City's various funds, including the General Fund. It includes an unqualified ("clean") audit opinion from Maze & Associates which means that the financial statements present fairly the results of operations for the fiscal year ended June 30, 2019, in conformance with Generally Accepted Accounting Principles (GAAP).

Highlights and items to note from the CAFR for the fiscal year ended June 30, 2019 are summarized below:

City-wide (Governmental and Business-type activities)

- The City's total net position was \$609.9 million at June 30, 2019. Of this total, \$406.7 million were for Governmental and \$203.2 million Business-type activities.
- City-wide revenues include program revenues of \$126.1 million, general revenues and transfers of \$89.8 million, totaling \$215.9 million, an increase of \$39.2 million from the prior year's total of \$176.7 million.
- Total City-wide expenses were \$166 million, an increase of \$17.2 million from the prior year's \$148.8 million.

Fund Level

- Governmental Fund balances were \$272.5 million, an increase of \$42.8 million from fiscal 2018.
- Governmental Fund revenues were \$161.3 million in fiscal 2019, up \$23 million from the prior year's \$138.5 million.
- Governmental Fund expenditures were \$121.9 million in fiscal 2019, an increase of \$8.9 million from fiscal 2018's level of \$113 million.

- General Fund revenues of \$108.1 million represented an increase of \$9 million from fiscal 2018's revenues of \$99.1 million.
- General Fund balance of \$100.7 million at the fiscal 2019 year-end was \$7.8 million more than the fund balance at fiscal 2018 year-end.

General Fund Surplus

For the fiscal year ended June 30, 2019, the City's General Fund realized revenues of \$108,104,033, other financing sources of \$6,910,105 (indirect cost payments of transfer in from utility funds offset by transfers out to capital projects, affordable housing, and equipment maintenance funds), and expenditures of \$93,348,742. This resulted in a one-time General Fund net surplus of \$7,845,186 and is shown on page 28 of the CAFR as Net Change in Fund Balance. The surplus resulted from slightly better than expected economic conditions, vacancy savings in several departments related to difficulties in filling positions and a tightening labor supply, and overall fiscal restraint citywide.

General Fund revenues that significantly exceeded expectations include the following:

- Property Taxes: \$0.5 million over budgetary estimates
- Sales Taxes: \$0.6 million over budgetary estimates
- Use of money and property: \$3.2 million (including \$0.7 million in investment market gain) over budgetary estimates

General fund expenditures that were significantly under budgetary appropriations by department include the following:

- Building and Safety: under budget by \$1.3 million
- Engineering: under budget by \$1.0 million
- Police: under budget by \$2.0 million
- Non-Departmental (includes utilities, contingency reserve expenditures, leave payouts, insurance settlements, etc.): under budget by \$4.0 million

Consistent with the General Fund Reserve Policies, staff allocated the FY 2018-19 budget surplus of \$11.9 million as outlined in the table below:

	General Fund Surplus Allocation	Reserve Policy and other Adjustments
FY 2018-19 Budget Surplus prior to allocations	\$11.9 million	
	(\$2.0 million)	CalPERS Savings allocated to CalPERS Rate Stabilization Reserve
Subtotal	\$9.9 million	
	(\$1.9 million)	20% transfer to the PERS Stabilization Reserve
	(\$1.9 million)	20% transfer to the General Government CIP Fund
	(\$1.0 million)	10% transfer to the Affordable Housing Fund
	(\$1.0 million)	10% transfer to the Transportation/Transit Fund
	(\$0.1 million)	Adjustment for SAFER Grant
	(\$4.0 million)	Allocation to the Unassigned General Fund Reserve
FY 2018-19 Budget Surplus fully allocated	\$0	

Bicycle/Pedestrian Projects Financial Statements – The Bicycle/Pedestrian Projects Financial Statements includes Projects that were developed using Transportation Development Act (TDA) grant. The auditor issued an unqualified opinion on these statements.

Memorandum on Internal Control (MOIC) - Under generally accepted auditing standards, the City's auditors are encouraged to report certain matters regarding the City's internal control structure. The City's auditors have provided such a report in their Memorandum on Internal Control ("MOIC") for the Year Ended June 30, 2019. This report includes management's response to the auditor's recommendations on:

- Reconciliation of Parking Citations to Collections: The City's Police Department contracts with a third-party administrator to process and collect fees associated with parking citations. The City mails out the original parking citations to the third-party administrator for the processing of collections and delinquencies. On a monthly basis, the third-party will send a report along with the collected fees to the Finance Department. The parking citations provided to administrator should be reconciled to the collection fees remitted to the City on a monthly, or at least quarterly, basis.

Management Response: Finance has worked with the Police Department to develop a monthly reconciliation process effective April 2019 to ensure tickets and receipts are accounted for on a timely basis.

- Compliance with CAL-Card Manual and Procedures over Review and Approval of Monthly Statements: The City's CAL-Card Manual dated August 25, 2017 requires that monthly Statement of Accounts must be reviewed, reconciled and approved by the Cardholder and Approving Official within a maximum of 10 working days from the Cardholder's receipt of the Statement of Account. The auditor selected two billing cycles, a total of six Statements for testing, and five out of the six were not reviewed within the 10-working day as required by the Manual. Delays in reviewing and approving Statements results in a delay in Accounts Payable processing the Statement for payment to the U.S. Bank, and potential fraudulent charges not being reported timely.

Management Response: Staff is developing a process to improve timely submittal of approved monthly statements

These two items discussed above are identified as Schedule of Other Matters on the report. There are no items reported as significant deficiencies and material weakness by the auditors regarding the City's internal control structure. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and correct on a timely basis.

Required Communications Report – Our auditors are required to communicate information related to our audit and financial statements under generally accepted auditing standards and *Government Auditing Standards*. The City's auditors have provided such a report in their Required Communications for the Year Ended June 30, 2019. Please note the following from the Required Communications Report:

- 1) The City's auditors noted no transactions entered into the by the City during the year for which there was a lack of guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.
- 2) The City's auditors encountered no significant difficulties in dealing with management in performing and completing their audit.
- 3) The City's auditors discovered no material misstatements, either individually or in their aggregate, to each opinion unit's financial statements taken as a whole.
- 4) The City's auditors encountered no disagreements with management during the course of their audit.

Agreed Upon Procedures Report on Compliance with the Appropriations Limit Increment - This report shows that the auditor applied specific procedures to validate the City's Appropriations Limit ("Gann Limit") calculations. The appropriations limitation imposed by Propositions 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 (1986-87 or the first year of operation), and increases each year using specified growth factors. The Appropriations Limit app

only to those revenues defined as “proceeds of taxes.” Certain expenditures of tax proceeds do not count as Appropriations Subject to Limit including those for voter approved debt, qualified capital outlay, and the costs of complying with court orders and federal mandates. Staff prepares an updated Appropriations Limit in May of each year and presents to Council for review and approval during the budget preparation process.

Policy Alternative:

Not applicable.

Fiscal Impact:

There is no fiscal impact from this report other than staff time to prepare the report. The General Fund surplus in the amount of \$7,845,186 was allocated in accordance with the City Council reserve policy.

California Environmental Quality Act:

Not applicable.

Recommendation:

Accept the City’s Comprehensive Annual Financial Report and other Related Annual Audited Reports for the Fiscal Year ended June 30, 2019.

Attachments:

1. Comprehensive Annual Financial Report for FY 2018-19
2. Bicycle/Pedestrian Projects Financial Statements Report for FY 2018-19
3. Memorandum on Internal Control for FY 2018-19
4. Required Communications for FY 2018-19
5. Agreed Upon Procedures report on Compliance with Appropriations Limit Increment FY 2018-19

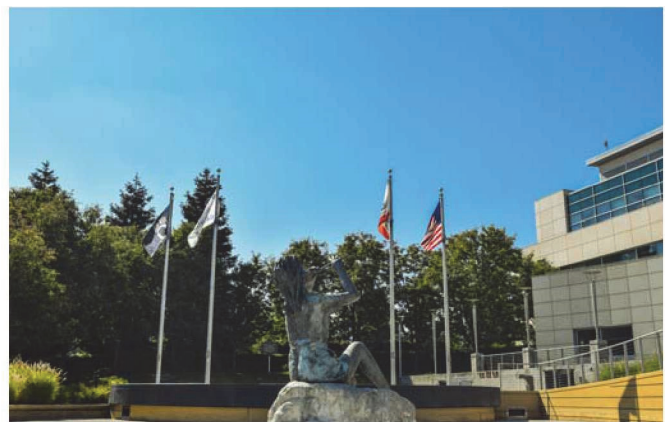


Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019



Jose Higuera Adobe Park



City Hall



Milpitas Public Library



New Fire Engine

City of Milpitas
CALIFORNIA



CITY OF MILPITAS, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

Prepared by
THE FINANCE DEPARTMENT



INTRODUCTORY SECTION



CITY OF MILPITAS
Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

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CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479 www.ci.milpitas.ca.gov

November 18, 2019

Honorable Mayor and Members of the City Council:

Submitted herewith is the Comprehensive Annual Financial Report (CAFR) of the City of Milpitas (the City) for the fiscal year ended June 30, 2019 as prepared by the City's Finance Department with support from other City departments. This report is consistent with generally accepted accounting principles. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The data, as presented, is accurate in all material aspects; and is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The organization of the financial report follows the guidelines set forth by the Government Finance Officers' Association of the United States and Canada.

The Reporting Entity and its Services

This report combines the financial statements of the Milpitas Public Financing Authority (MPFA), Milpitas Housing Authority (Housing Authority), the Milpitas Municipal Financing Authority (MMFA) and the Terrace Gardens Inc. with those of the City to constitute a single reporting entity. The MPFA, Housing Authority, MMFA and Terrace Gardens are separate legal entities from the City and are controlled by the City. The MPFA, Housing Authority and MMFA have the same governing board as the City and the City also has control of the Terrace Gardens Inc.'s governing board. However, the Terrace Gardens Inc. issues its own component unit financial statements. The purpose and authority of the MPFA, Housing Authority, the MMFA and the Terrace Gardens Inc. are described in Note 1 of this report.

Milpitas is a general law city of the State of California. The City was incorporated in 1954 and operates under a Council-Manager form of government. The City's political and legislative body is the City Council and is empowered by the general laws of the State of California to formulate citywide policy, including a fiscal program, City services, and appointment of the City Manager and contract City Attorney. There are four City Council members who are elected at-large for staggered four-year terms, and the Mayor is selected every two years in a separate citywide election.

The City provides a full range of municipal services to the community through its departments such as Police, Fire, Building Safety and Housing, Planning, Engineering, Public Works, and Recreation and Community Services. These departments are supported by the internal departments which include the City Manager's Office, City Attorney's office, Human Resources, Information Technology and Finance.

Community members of the City desiring to assist the City Council in forming government policy may do so by serving on a City commission. The commissions act in an advisory capacity to the City Council. They are: Planning Commission; Community Advisory Commission; Library and Education Advisory Commission; Parks, Recreation and Cultural Resources Commission; Science, Technology, and Innovation Commission; Arts Commission, Public Safety and Emergency Preparedness Commission; Senior Advisory Commission; Energy and Environmental Sustainability Commission; Youth Advisory Commission; Economic Development and Trade Commission, and Veterans Commission.

Economic Condition, Outlook and Activity

Milpitas is situated within the Silicon Valley region, known throughout the world as the home of high technology, innovation and research. Milpitas is considered the “Crossroads of Silicon Valley,” with most of its 13.6 square miles of land situated between two major freeways, I-680 and I-880. Milpitas has experienced tremendous growth since its incorporation in 1954. Over the past 48 years, the population growth has increased from 26,561 in 1970 to nearly 80,000. Between 2000 and 2017, more than 13,000 residents were added. Milpitas was the 8th fastest growing city in the nation between July 2014 and July 2015 and the 6th fastest growing city (small city category) in 2019 according to WalletHub.com. Since 2016, the local labor market has improved such that employment has surpassed its pre-recession peak in the Silicon Valley. Currently, with over 47,000 jobs and 35,000 employed residents, Milpitas is a jobs rich community. As of July 2019, the preliminary unemployment rate in the local area is 2.2 percent, below the national rate of 3.4 percent and the preliminary California rate of 4.2 percent. We are cautiously managing this economic road to recovery while cognizant of the need to remain in a state of fiscal readiness. As discussed above, the City has set aside reserves to mitigate a mild economic downturn.

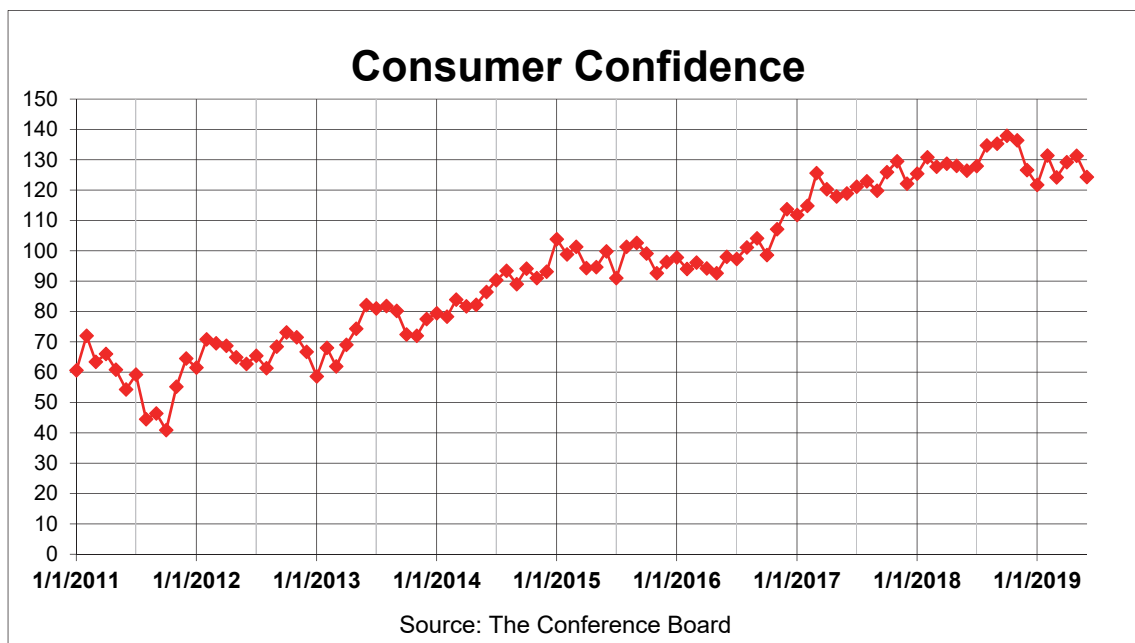
The national GDP (Gross Domestic Product) growth increased at an annual rate of 2.1 percent in the second quarter of 2019 from the previous quarter (according to the BEA, or Bureau of Economic Analysis’ Advanced estimate), and 2.9 percent in 2018 from the 2017 annual level. GDP is the value of goods and services less the value of the goods and services used up in production and is the most popular indicator of the nation’s overall economic health. It should be noted that while this growth rate is the fastest in recent years, half of that expansion comes from highly transitional sources, including a large drop in imports and a build-up in business inventories. As of June 2019, the Federal Reserve Board’s advanced projection shows this growth to slow to 2.1% in 2019, 2.0% in 2020, 1.8% in 2021, with a longer run projection beyond 2021 of 1.9%.

The CPI (Consumer Price Index), is used by the U.S. Bureau of Labor Statistics to measure inflation. The June 2019 CPI-U (Consumer Price index for all Urban Consumers) increased 1.6% over the last 12 months. Core CPI (CPI less food and energy) was 2.1% year-over-year in June. Core CPI represents a more accurate picture of underlying inflation trends since volatile food and energy products are excluded. While economic activity has been rising at a moderate rate, the labor market continues to remain strong, and overall inflation for items others than food and energy is running below 2 percent, the FOMC (Federal Open Market Committee) decided to lower the target range for federal funds rate to 1.75-2.00% at its September 2019 meeting due to muted inflation pressures and recent implications from global developments on the economic outlook.

Growth in the South Bay housing market has also been an important contributor to the strength of the local economy. The median sale price of a single family residential home in Milpitas was \$1.0 million as of August 2019, down approximately 3.3% from last year. Sales fell 8.8 percent in the San Francisco Bay Area, with only Napa County recording a non-seasonally adjusted sales increase at 19.2 percent. The seven remaining counties experienced declines ranging from the low single-digits in Marin to a 21 percent dip in San Francisco. Median home prices also declined 8.1 percent in the San Francisco Bay Area, with only San Francisco County recording an 8.8 percent year-over-year price increase, following the statewide trend of cooling price growth. However, with mortgage rates expected to stay low in the upcoming months, the CAR (California Association of Realtors) has revised its 2019 housing market outlook upward for home sales. Between 2000 and 2010, the City’s housing stock increased roughly 14% to 19,806 units, with an additional 8.3% increase from 2010 to 2017 (total: 22,215 units). As of April 2019, there were approximately 6,100 new residential units under construction, entitled, or pending approval. Beyond the residential equation, much is happening in Milpitas from a perspective of private investment. The section below entitled “Major Development Activities in the City” will discuss some of the development activities that are occurring in Milpitas.

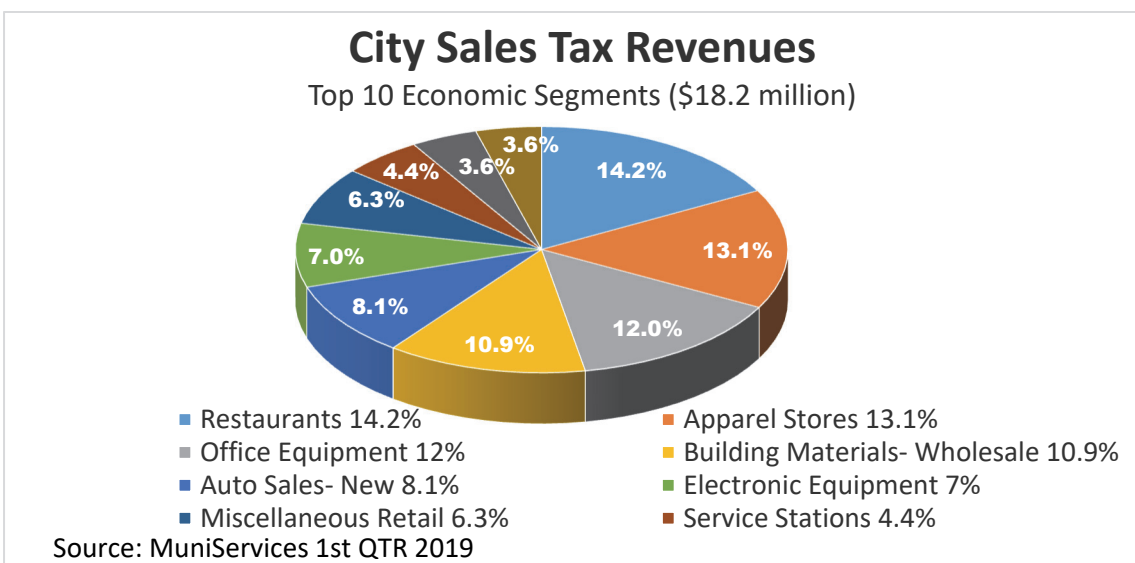
Consumer Confidence Level

The latest consumer confidence survey report showed that the U.S. consumer sentiment in June 2019 continues to stay high this past year. Consumer confidence is an indicator designed to measure the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. Since consumer spending accounts for more than two-thirds of the U.S. Gross Domestic Product, the index is a good indicator that when consumers' confidence is high, consumers would likely make more purchases thus further boosting the economy.



Top Ten Sales Tax Generators by Economic Segment

The chart below provides a snapshot of the City's sales tax revenue by economic segment. Total amount of sales tax revenue for the latest benchmark year was about \$21.8 million, with the top ten economic segments generating about \$18.2 million. The sales tax revenue generated from economic segments such as restaurants, apparel stores, building materials -wholesale, miscellaneous retail, service stations, light industry increased over a year ago, while office equipment, auto sales, electronic equipment, and department store segments decreased.



Major Development Activities in the City

General Plan Update- Considered the blueprint for future development, the General Plan defines a long-term vision for future growth, traffic circulation, economic development, health, housing, public safety, and resource conservation. The General Plan update process kicked off in late 2016, approximately two decades after the current General Plan was adopted in 1994. Based on extensive input from residents and leaders in the community, the Plan update identifies 14 opportunity sites around the city where changes to land uses and development patterns may be appropriate over the next 20 years. With an anticipated adoption date in mid-2020, the City's new General Plan will provide policy guidance to achieve a collective vision for future development of the City.

Transit Area Specific Plan – The City adopted a Transit Area Specific Plan in June 2008, and updated it in 2011, to provide a long-term land use regulatory environment that supports medium to high density residential development around the new Milpitas Transit Center and BART station. The intent of the Plan is to foster economic development of the area, strengthen and expand retail uses to increase sales tax revenues, attract major retailers and provide housing and amenities such as parks, retail and restaurants. As of June 2019, the TASP has come very close to the residential unit cap imposed and requires an update. Staff and consultants are updating the Plan to address additional housing units, as well as minor changes to park locations and housing densities. The Plan update is expected to be complete in late 2020.

Residential Development – An improving economy and high median home prices led to a continued interest in residential development. Outside of the Midtown and Transit Area, several residential developments are approved, under construction, or completed and occupied. These projects include a proposed single-family residential development for 46 homes, including ten accessory dwelling units (ADUs), at 1005 Park Victoria Drive, a new townhome development by KB Homes that is nearing completion at 1210 California Circle, and various small-scale infill projects throughout the City.

Non-residential Development – FY 2018-19 was a busy year for commercial development and expansion. Several projects were approved and are underway, including the Legoland Discovery Center at the Great Mall, a new employee amenity building at the KLA corporate campus (1 Technology Drive), redevelopment and new buildings at Public Storage (1600 Watson Ct), and the completion of five new industrial/manufacturing buildings with over 600,000 square feet in the McCarthy Creekside Industrial Center. Additionally, various businesses throughout the City placed significant financial investments in tenant improvements of their buildings. Big Al's opened for business this year, and various small businesses in Midtown expanded their spaces. Property owners of the former LifeScan campus and Tasman Tech Park invested in revamping their buildings and outdoor spaces in order to attract new tenants. Micron, a local company, has expanded at the Tasman Tech Park. In addition, several hotel projects are either under consideration or in various stages of development: the Element Hotel is under construction and AC hotel was approved for construction at Alder Drive and Barber Lane near Tasman, Holiday Inn was completed and Home2Suites is approved and under construction on California Circle, La Quinta Hotel is proposed for 1000 Jacklin Road, and the proposed hotel at the District in the TASP will likely go before the Planning Commission in 2020.

Accounting System and Budgetary Control

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurances regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The Finance Department staff remains committed to improving the City's accounting system; to maintain the City's internal accounting controls to adequately safeguard assets; and to provide reasonable assurances of proper recording of financial transactions. Budgetary control is directed by the City Council by resolution when the budget is adopted each year. Expenditures may not legally exceed appropriations at the department level by fund. The City utilizes the encumbrance system as a management control technique to assist in controlling expenditures. The City Manager has limited budget appropriation authority in an amount not to exceed 1% of the total General Fund budget, although the appropriations must be reported to the City Council on a periodic basis. Quarterly reports of revenue and expense are prepared and distributed to the City Council and City departments to monitor spending in relation to the budget. At fiscal year-end, open encumbrances are reported as an assignment of fund balance. The City's accounting records are organized and operated on a "fund" basis, which is the basic fiscal and accounting entity in governmental accounting. Each fund is classified by category and fund type:

Category and Fund Type

Governmental Funds:	General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds
Proprietary Funds:	Enterprise Funds and Internal Service Fund
Fiduciary Funds:	Private-Purpose Trust Fund and Agency Funds

Governmental Funds: The basic financial statements necessary to fairly present the financial position and operating results from major governmental funds are the balance sheet, and the statement of revenues, expenditures and changes in fund balance. These funds are maintained using the modified accrual basis of accounting, which is more thoroughly explained in the Notes to the Financial Statements.

Proprietary Funds: Generally accepted accounting principles applicable to private commercial business are applicable to proprietary funds of a government agency. The basic financial statements required to present the financial position and operating results from major proprietary funds are the statement of net position, statement of revenues, expenses, and changes in fund net position, and the statement of cash flows. The accrual basis of accounting is utilized as explained in the Notes to the Financial Statements.

Fiduciary Funds: Fiduciary funds are used to account for assets held by a government agency acting as a trustee or agent for individuals, assessment districts, organizations, other governmental units or other funds of the same entity. These funds are also identified in this report as a Private-Purpose Trust Fund and Agency Funds. The full accrual basis of accounting is used as explained in the Notes to the Financial Statements. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Financial Analysis

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Long Term Financial Planning

Each year the City adopts a balanced budget by June 30. The City has fiscal policies that include the use of one-time revenues for one-time expenditures only, including capital outlay and reserves. The City also adopted reserve policies that requires unassigned fund balance in the General Fund to be at least 16.67% of the annual operating expenditures in the General Fund. Additional reserves are included in Note 10.

The City developed a five-year Capital Improvement Plan detailing specific budgeted capital projects. Each of the projects is consistent with the budget priorities of the City. The fiscal year 2018-19 Adopted Capital Improvement Project (CIP) Budget totaled \$43.8 million. The CIP included improvements to the City's infrastructure which includes parks, streets, water, sewer and storm drain utilities.

In addition, the City produces an annual five-year General Fund Forecast. The Forecast allows the City Council and the community to assess the financial sustainability of City services in the long term. The projection also identifies the type of commitments and resource demands in the next five years as known and points out areas of both opportunity and risk as the City navigates through fiscal cycles. This long-term forecast provides an invaluable planning tool and is an indication of sound fiscal planning and strategy.

Independent Audit

Each year the City requires an independent annual audit of the City's financial records, the results of its operations, and cash flows. This report includes the opinion of the City's independent auditors, Maze & Associates, for the basic financial statements of the City. In addition, the document also contains the auditors' report on Internal Control over Financial Reporting and on compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

Awards

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The City has received this award for the last twenty-four years.

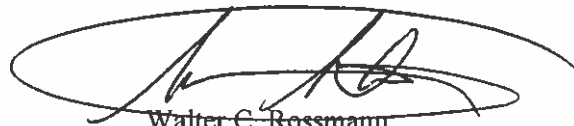
Acknowledgments

We extend our appreciation to the entire staff in the Finance Department and other departments who assisted in the process of compiling the information for this report. In addition, we extend a special "thank you" to our external auditors who contributed to make this document possible. Their efforts and continued dedication are greatly appreciated. We sincerely thank the Mayor and members of the City Council for their support, interest, and integrity in directing the financial affairs of the City in a responsible and prudent manner.

Respectfully submitted,



Steven G. McHarris
Interim City Manager



Walter C. Rossmann
Director of Finance

Directory of Officials

June 30, 2019

City Council

Mayor	Rich Tran
Vice-Mayor	Karina R. Dominguez
Councilmember	Carmen Montano
Councilmember	Bob Nuñez
Councilmember	Anthony Phan

Interim City Manager

Steven G. McHarris

City Attorney

Christopher Diaz

Assistant City Manager

Ashwini Kantak

Deputy City Manager

Vacant

Building & Housing Director

Sharon Goei

City Clerk

Mary Lavelle

Economic Development Director

Alex Andrade

Engineering Director

Steven Erickson

Finance Director

Walter C. Rossmann

Fire Chief

Brian Sherrard

Human Resources Director

Liz Brown

Information Technology Director

Mike Luu

Planning Director

Ned Thomas

Police Chief

Armando Corpuz

Public Information Officer

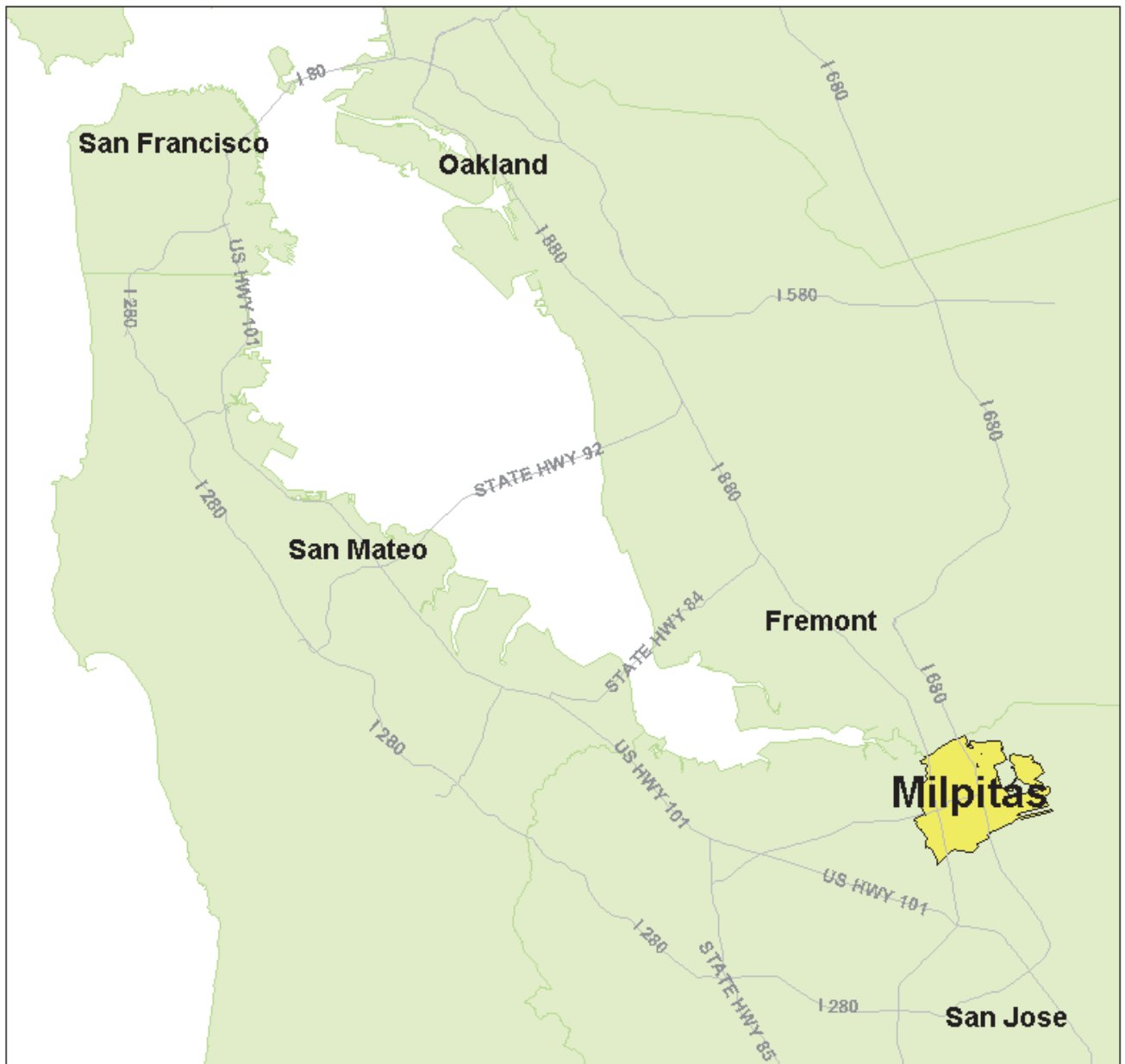
Jennifer Yamaguma

Public Works Director

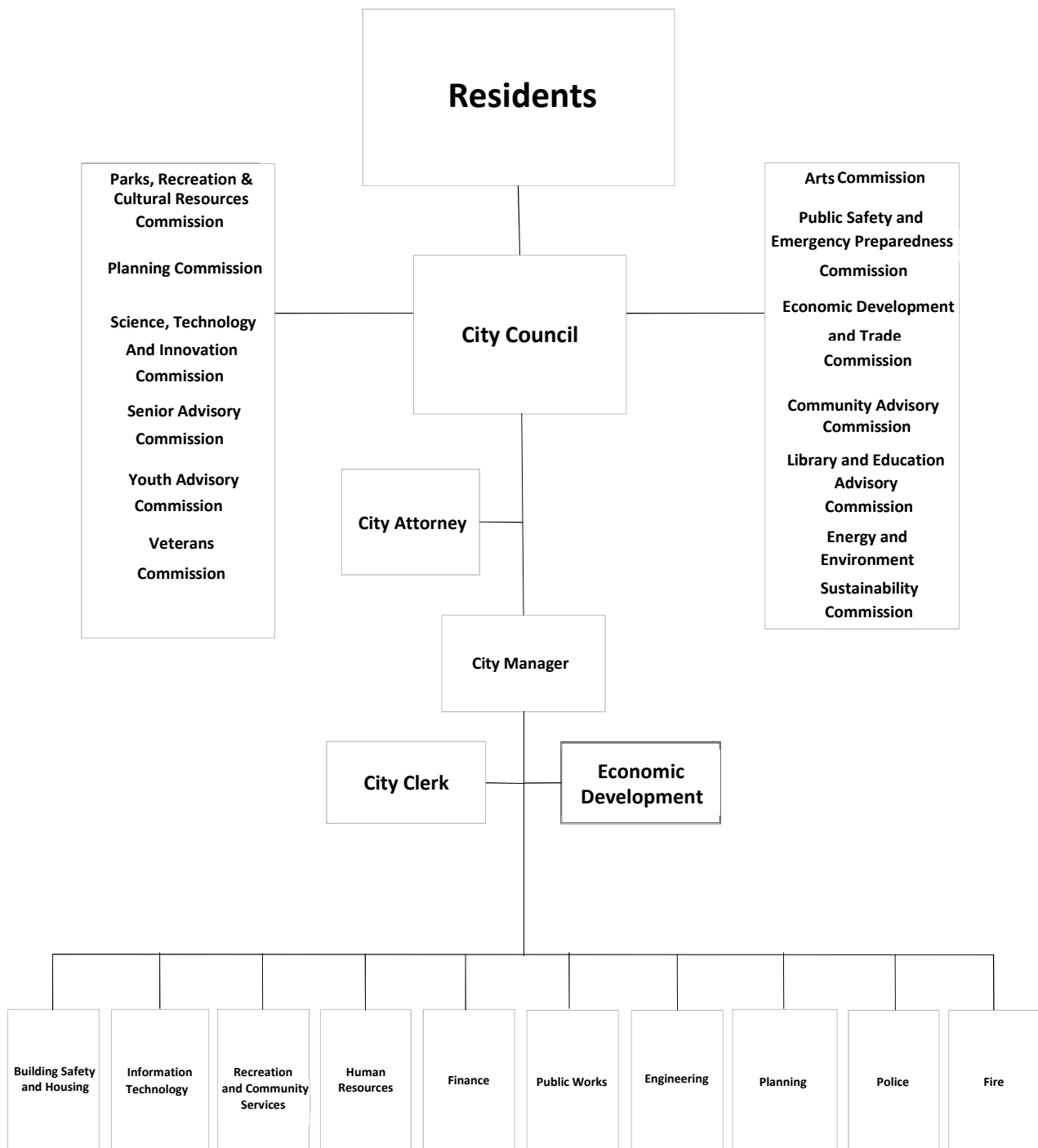
Tony Ndah

Recreation and Community Director

Renee Lorentzen



The City of Milpitas is located near the southern tip of San Francisco Bay, forty-five miles south of San Francisco. Milpitas is often called the “Crossroads of Silicon Valley” with most of its 13.66 square miles of land situated between two major freeways (I-880 and I-680), State Route 237, and a county expressway. The light rail line opened for service in 2004 and an extension of BART, with a major multi-modal station, is expected to open in the coming year.





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Milpitas
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Milpitas, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Milpitas, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the discretely presented component unit financial statements of Terrace Gardens, Inc. as of and for the year ended December 31, 2018, which represent 1.22%, 1.66%, and 1.02% of the assets, net position, and revenues, respectively, of the primary government. These component unit financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and discretely presented component unit of the City as of June 30, 2019, and the respective changes in the financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maye & Associates

Pleasant Hill, California
November 18, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion provides readers of the City of Milpitas' financial statements a narrative overview and analysis of the financial activities of the City of Milpitas for the fiscal year ended June 30, 2019. Please read this document in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

FISCAL YEAR 2019 FINANCIAL HIGHLIGHTS

The City's revenues in Fiscal Year 2019 reflect continued economic growth in the South Bay region. The unemployment rate for the San Jose-Sunnyvale-Santa Clara metropolitan area in June 2019 was at 2.7%, a slight increase of .2% from last year's 2.5%. The property tax revenue has shown substantial growth due to double digit increases in median home prices. Transient Occupancy Tax revenues were better than last fiscal year, reflecting a steadily improving economy and a Council approved increase of the tax rate from 10% to 14% effective January 1, 2019.

Fiscal 2019 financial highlights include the following:

City-wide:

- The City's total net position was \$609.9 million at June 30, 2019. Of this total, \$406.7 million were Governmental and \$203.2 million were Business-type.
- City-wide revenues include program revenues of \$126.1 million, general revenues and transfers of \$89.8 million, totaling \$215.9 million, an increase of \$39.2 million from the prior year's total of \$176.7 million.
- Total City-wide expenses were \$166 million, an increase of \$17.2 million from the prior year's \$148.8 million.

Fund Level:

- Governmental Fund balances were \$272.5 million, an increase of \$42.8 million from fiscal 2018.
- Governmental Fund revenues were \$161.3 million in fiscal 2019, up \$23 million from the prior year's \$138.5 million.
- Governmental Fund expenditures were \$121.9 million in fiscal 2019, an increase of \$8.9 million from fiscal 2018's level of \$113 million.
- General Fund revenues of \$108.1 million represented an increase of \$9 million from fiscal 2018's revenues of \$99.1 million.
- Net other financing uses of the General Fund were (\$6.9) million in fiscal 2019 while fiscal 2018 had a total other financing uses of \$3.7 million.
- General Fund balance of \$100.7 million at the fiscal 2019 year-end was \$7.8 million more than the fund balance at fiscal 2018 year-end.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report consists of eight parts:

- 1) Introductory section, which includes the Transmittal Letter and general information,
- 2) Management's Discussion and Analysis (this part),
- 3) The Basic Financial Statements, which include the Government-wide and the Fund financial statements, along with the Notes to these financial statements,
- 4) Required Supplementary Information,
- 5) Supplementary Information,
- 6) Combining statements for Non-major Governmental Funds and Fiduciary Funds,
- 7) Statistical information,
- 8) Other report.

The Basic Financial Statements

The Basic Financial Statements comprise the City-wide Financial Statements and the Fund Financial Statements. These two sets of financial statements provide two different views of the City's financial activities and financial position—long-term and short-term.

The City-wide Financial Statements provide a longer-term view of the City's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in net position for the year.

The Fund Financial Statements report the City's operations in more detail than the City-wide statements and focus primarily on the short-term activities of the City's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures, current assets, liabilities, deferred inflows/outflows of resources and fund balances, but exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the City and are presented individually, while the activities of Non-major funds are presented in summary, with subordinate schedules presenting the detail for each of these Non-major funds. Major Funds are explained below.

The City is the Successor Agency of the Milpitas Redevelopment Agency. It holds funds to make payments according to the enforceable obligations schedules and eventually dispose of other assets and properties of the former Redevelopment Agency for the benefits of the taxing agencies. The City is also the depository agent for Local Improvement Districts and certain other entities. The fiduciary statements provide information about the cash balances and activities of the Successor Agency, Local Improvement Districts and other entities. These statements are separate from the City's financial statements and their balances are excluded from the City's fund balances.

Together, all these statements are called the Basic Financial Statements.

The City-wide Financial Statements

All of the City's basic services are considered to be governmental activities, including general government, building safety and inspection, public safety, public works maintenance, recreation, public improvements, planning and zoning, and general administration services. These services are supported by general City revenues such as taxes, and by specific program revenues such as fees. The City-wide financial statements can be found in pages 21-23 of this report.

All of the City's business-type activities includes water and sewer which are also reported in the basic financial statements. Unlike governmental services, these activities are supported by charges paid by users based on the amount of their service consumption.

The City's financial statements include the activities of four other separate legal entities, the Milpitas Public Financing Authority (MPFA), the Milpitas Housing Authority (Housing Authority), the Milpitas Municipal Financing Authority (MMFA) and Terrace Gardens, Inc., because the City is either financially accountable for these entities or has control of these entities' governing boards.

Citywide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole.

Fund Financial Statements

Governmental Fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are presented only in the citywide financial statements.

Enterprise and internal service fund financial statements are prepared on the full accrual basis and include all these funds' assets and liabilities, both current and long-term.

The Fund financial statements provide detailed information about each of the City's most significant funds, called Major Funds. Each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Subordinate schedules present the detail of these Non-major funds. Major Funds present the major activities of the City for the year. The General Fund is always a Major Fund, but other funds may change from year to year as a result of changes in the pattern of the City's activities.

The City has four other Major Governmental Funds in fiscal 2019 in addition to the General Fund. These are the Housing Authority Fund, the Street Improvement Fund, the Transit Area Impact Fee Fund, and the General Government Capital Projects Fund, each of which is discussed in detail below.

Both of the City's Enterprise Funds are reported as Major Funds.

Comparisons of Budget and Actual financial information are presented only for the General Fund and other major governmental funds that are Special Revenue Funds. The City has one major Special Revenue Fund, the Housing Authority Fund.

Fiduciary Statements

The City is the Successor Agency of the former Redevelopment Agency and the agent for certain local improvement districts ("Districts"). The City holds property tax revenue distributed from the Redevelopment Property Tax Trust Fund ("RPTTF") to pay outstanding recognized obligations for the Successor Agency. The City also holds amounts collected from property owners which await transfer to the Districts' bond trustees. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations. The City's fiduciary activities are reported in the separate Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position and the Agency Funds Statement of Changes in Assets and Liabilities.

CITYWIDE FINANCIAL ANALYSIS

This analysis focuses on the net position and changes in net position of the City as a whole. Comparisons of the current year's net position and activities with fiscal 2018 are presented in table form. Any significant changes are analyzed and discussed.

Governmental Activities

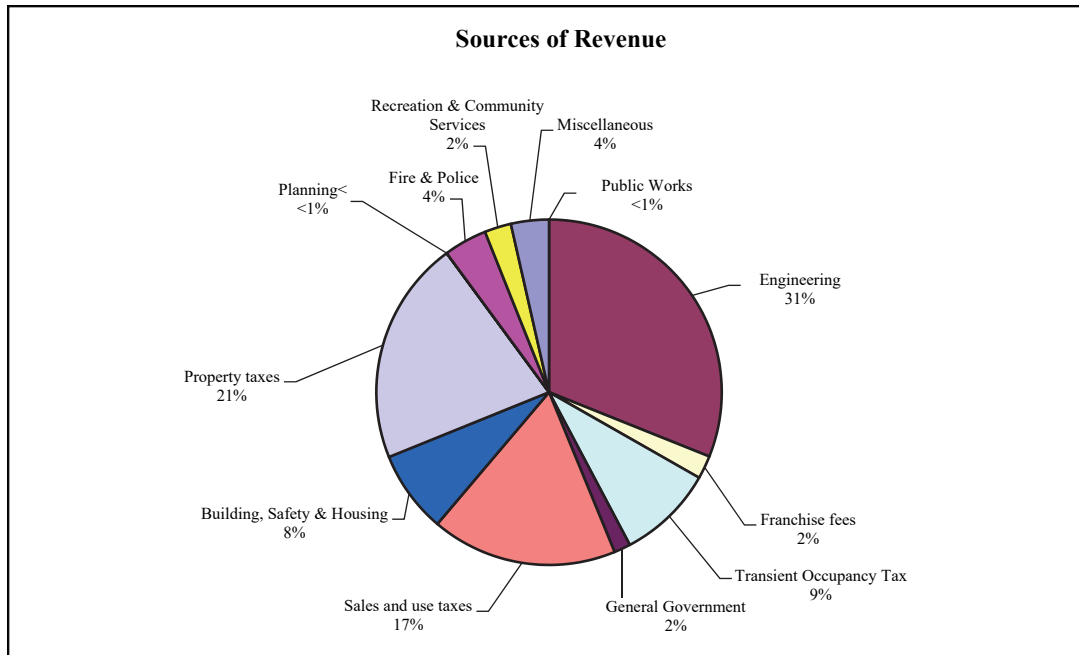
Table 1
Governmental Net Position at June 30
(in Millions)

	Governmental Activities	
	2019	2018
Cash and investments	\$252.7	\$211.6
Other assets	52.6	51.8
Capital assets	327.3	323.3
Total assets	632.6	586.7
Deferred Outflows of Resources		
–Related to pensions and OPEB	32.8	44.4
Net Pension liabilities	182.4	181.7
Net OPEB liability	40.0	40.4
Other liabilities	32.7	34.6
Total liabilities	255.1	256.7
Deferred Inflows of Resources		
–Related to pensions and OPEB	3.6	4.8
Net position:		
Net investment in capital assets	326.5	323.2
Restricted	146	109.7
Unrestricted	(65.8)	(63.3)
Total net position	\$406.7	\$369.6

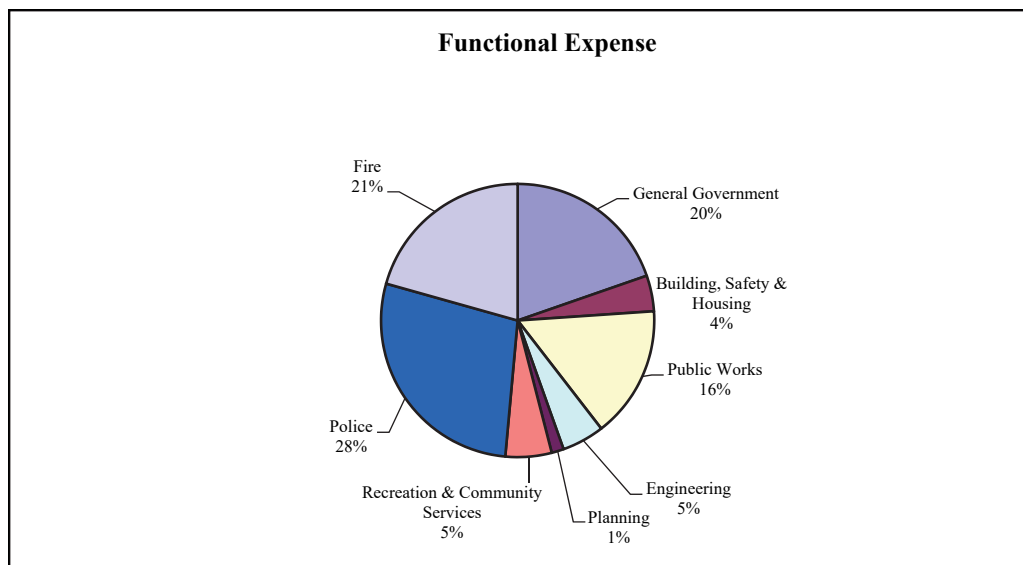
The City's governmental net position was \$406.7 million at June 30, 2019, an increase of \$37.2 million from 2018. This increase is reflected as Change in Net Position in the Governmental Activities column of the Statement of Activities and is also shown in Table 2 of this analysis:

- Cash and investments increased \$41.1 million principally due to increased revenue from property tax, sales and use tax, hotel/motel taxes, franchise fees and developer fees.
- Other assets increased \$0.8 million from last year due to the net activity between receivables and property held for resale.
- Capital assets increased \$4 million from last year, resulting from \$16 million of depreciation, offset by \$20.1 million in asset additions, net of retirements in fiscal 2019.
- Deferred outflows of resources related to pension and OPEB decreased \$11.6 million from last year due to changes in actuarial results.

Fiscal Year 2019 Governmental Activities



As the Sources of Revenue Chart above shows, \$49.9 million or 31% of the City's fiscal 2019 governmental activities revenue came from impact fees, \$33.8 million or 21% came from property taxes, while \$28 million or 17% came from sales and use taxes. The remainder came from a variety of sources, including charges for services, grants and contributions, franchise fees, transient occupancy taxes, and building fees.



The Functional Expenses Chart above includes only current year expenses, which are discussed in detail below. It does not include capital outlays, which are added to the City's capital assets. The composition of Fiscal 2019's capital assets is shown in detail at Table 8.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All these are elements in the Changes in Governmental Net Position as summarized below.

Table 2
Changes in Governmental Net Position
(in Millions)

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Expenses		
General Government	\$25.3	\$19.1
Building and Safety	0.0	4.1
Building, Safety and Housing	5.4	0.0
Recreation and Community Services	7.0	5.9
Public Works	20.1	15.9
Engineering	6.5	5.7
Planning & Neighborhood Svcs	0.0	3.6
Planning	1.9	0.0
Police	35.9	33.8
Fire	26.5	24.2
Total expenses	<u>128.6</u>	<u>112.3</u>
Revenues		
Program revenues:		
Charges for services	20.6	22.0
Operating contributions and grants	8.3	6.5
Capital Grants	47.2	34.0
Total program revenues	<u>76.1</u>	<u>62.5</u>
General revenues:		
Taxes:		
Property taxes	33.8	31.9
Sales and use taxes	28.0	27.0
Transient Occupancy taxes	14.5	12.1
Other taxes	0.8	0.8
Franchise fees	5.1	4.7
Investment earnings	4.5	0.3
Miscellaneous	0.4	0.2
Total general revenues	<u>87.1</u>	<u>77.0</u>
Total Revenues	<u>163.2</u>	<u>139.5</u>
Surplus (Deficit) before transfers	34.6	27.2
Transfers	2.5	2.5
Special Item	0	(12.4)
Changes in net position	<u>37.1</u>	<u>17.3</u>
Beginning net position	<u>369.6</u>	<u>352.3</u>
Ending net position	<u>\$406.7</u>	<u>\$369.6</u>

Table 2 compares fiscal 2019 expenses and revenues with those of fiscal 2018. Expenses increased by \$16.3 million in fiscal 2019, due to an increase in positions and increases in salaries and benefits costs.

Table 2 shows that total governmental revenues increased \$23.7 million in fiscal 2019. Program revenues increased \$13.6 million while general revenues increased \$10.1 million. The program revenues increased \$13.6 million from fiscal 2018, the net activity was due to decreases of \$1.4 million in charges for services, \$1.8 million increase in operating grants and \$13.2 million increase in capital grants. The increase in general revenues was mainly due to property tax, sales and use tax revenue, and Transient Occupancy taxes. Property tax revenue was \$1.9 million more than last year due to increase in housing and assessed valuation. Sales tax revenue in fiscal 2019 was \$1 million more than fiscal 2018, due to economic growth and the Wayfair decision. Transient Occupancy Tax (TOT) increased \$2.4 million in fiscal 2019 due to the increase in the TOT rate increase from 10% to 14% effective January 2019. The increase of investment earnings by \$4.2 million in fiscal 2019 was due to the net activity of investment earning and market value gain on investments.

Table 3 presents the net cost of each of the City's largest programs—general government, building, safety and housing recreation, public works, engineering, planning & neighborhood services, police, and fire. Net cost is defined as total program cost less the revenues generated by those specific activities. The net cost of providing similar programs was \$49.8 million.

Table 3
Governmental Activities
(in Millions)

	Net (Expenses) Revenue From Services	
	2019	2018
General Government	\$(22.8)	\$(16.5)
Building and Safety	0.0	5.9
Building, Safety and Housing	6.9	0.0
Recreation and Community Services	(3.0)	(3.2)
Public Works	(20.1)	(15.9)
Engineering	43.5	32.0
Planning	(1.1)	(0.7)
Police	(32.4)	(30.6)
Fire	(23.4)	(20.8)
Totals	\$(52.4)	\$(49.8)

Business-type Activities

Table 4
Business-Type Net Position at June 30
(in Millions)

	Business-Type Activities	
	2019	2018
Cash and investments	\$74.6	\$67.0
Other assets	4.4	3.3
Capital assets	139.8	136.1
Total assets	218.8	206.4
Deferred Outflows of Resources		
– Related to Pensions and OPEB	1.1	1.4
Other liabilities	3.0	2.9
Net pension liabilities	4.7	5.1
Net OPEB liability	4.0	4.0
Long-term Debt	4.8	5.3
Total liabilities	16.5	17.3
Deferred Inflows of Resources		
– Related to Pensions and OPEB	0.2	0.2
Net position:		
Net investment in capital assets	135.0	130.7
Restricted	59.2	43.8
Unrestricted	8.9	15.8
Total net position	\$203.1	\$190.3

The net position of business-type activities were \$203.1 million in fiscal 2019, an increase of \$12.8 million from fiscal 2018. Total assets increased \$12.4 million, deferred outflows decreased \$0.3 million and inflows were flat in 2019. The increase in net position was due to the increased customer service charges and capital contributions for the Sewer Fund.

Table 5
Changes in Business-Type Net Position
(in Millions)

	Business-Type Activities	
	2019	2018
Expenses		
Water Utility	\$25.2	\$23.8
Sewer Utility	12.2	12.7
Total expenses	<u>37.4</u>	<u>36.5</u>
Revenues		
Program revenues:		
Charges for services	47.2	46.8
Operating grants	0.1	0.1
Capital grants	2.7	2.5
Total program revenues	<u>50.0</u>	<u>49.4</u>
General revenues:		
Investment earnings	2.7	0.2
Total general revenues	<u>2.7</u>	<u>0.2</u>
Total Revenues	<u>52.7</u>	<u>49.6</u>
Excess before transfers	15.3	13.1
Net Transfers	<u>(2.5)</u>	<u>(2.5)</u>
Changes in net position	12.8	10.6
Beginning net position	<u>190.3</u>	<u>179.7</u>
Ending net position	<u>\$203.1</u>	<u>\$190.3</u>

Table 5 compares fiscal 2019 expenses and revenues with those of fiscal year 2018. Total expenses increased by \$0.9 million in fiscal 2019 due to an increase in personnel services and an increase in water purchases and contractual services. Total program revenues increased by \$0.6 million primarily due to an increase in charges for services related to a rate increase and an increase in capital grants. Total general revenue increased \$2.5 million from interest earnings. The net transfers represent reimbursements of administration costs to the General Fund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Table 6 below summarizes activities and balances of the governmental funds at the fund level:

Table 6
Financial Highlights of Governmental Funds at Fund Level at June 30
(in Millions)

	2019	2018
Total assets	\$297.5	\$257.4
Total liabilities	23.5	25.8
Total deferred inflows of resources	1.5	1.8
Total fund balances	272.5	229.7
Total revenues	161.4	138.5
Total expenditures	121.9	113.0
Total other financing sources	3.3	(7.6)

At June 30, 2019, the City's governmental funds reported combined fund balances of \$272.5 million, an increase of \$42.81 million from last year. The fund balances of the Housing Authority and Street Improvement Capital Projects decreased \$1.2 million, \$4.5 million, respectively, while the fund balances of the General Fund, Transit Area Impact Fee, General Government and Other Funds increased \$7.8 million, \$22.0 million, \$1.6 million, and \$17.0 million, respectively.

Revenues at the fund level totaled \$161.4 million, an increase of \$22.9 million. Revenues for the General Fund, Street Improvement Fund, Transit Area Impact Fee Fund, General Government Capital Improvement and Other Governmental Funds increased \$8.9 million, \$0.3 million and \$10.6 million, \$0.2 million and \$2.7 million respectively while Housing Authority remained at the same level as last year's approximately \$1.0 million.

Expenditures increased \$8.9 million this year to \$121.9 million from last year's \$113 million. The expenditures of the General Fund, Housing Authority, Street Improvement, and General Government Fund increased \$10.6 million, \$1.8 million, \$1.8 million and \$3.0 million, respectively while the Transit Area Impact Fee Fund, and Other Governmental Funds decreased \$7.0 million and \$1.3 million respectively.

Analyses of Major Governmental Funds

General Fund

General Fund revenues increased to \$108.1 million this fiscal year, up \$8.9 million from the prior fiscal year. Increases came from property tax revenue, sales taxes, other taxes, use of money and property, intergovernmental revenue, charges for services and other revenue. Property tax revenue increased \$1.9 million due to the continued demand in the housing market thus increasing the assessed valuation of properties throughout the City.

Sales tax increased by approximately \$1.0 million due to an increase in consumer spending. Other taxes increased by \$3.0 million primarily due to increased Transient Occupancy Tax revenue and franchise fees. Licenses and permits decreased \$1.0 million primarily from the building permit and inspection fees as a result of service delivery delay in the Building, Safety and Housing Department. Intergovernmental revenue increased by \$0.1 million due to the reimbursement for mutual aid fire overtime from the State Office of Emergency.

General Fund expenditures increased \$10.6 million to \$93.3 million in fiscal 2019 primarily due to an increase in salary and benefits costs.

Net Other Financing Sources decreased by \$10.6 million. Transfers out were approximately \$13.9 million, as compared to Transfers out of \$1.9 million in fiscal 2018 due to transfers to fund future capital projects, affordable housing and equipment fund. Transfers in consist of \$7 million from other funds for operating costs.

For the City's General Fund, actual revenues of \$108.1 million were \$3.3 million more than the final budgeted revenues of \$104.8 million. Property taxes, Sales taxes, Use of Money and property, Intergovernmental, Charges for services, and Other revenue exceeded budget by \$0.5 million, \$0.6 million, \$3.2 million, \$0.3 million, \$0.2 million and \$0.2 million, respectively.

At the end of the year, actual General Fund expenditures were \$96.0 million, \$9.8 million less than final budget of \$105.8 million. Savings were primarily in Non-departmental \$4 million for decreased payroll, benefits and utility expenditures, Recreation and Community Services \$0.4 million, Police \$2 million, Engineering \$1 million, City Manager \$0.5 million, Information Services \$0.2 million, Fire \$0.2 million, Building, Safety and Housing \$1.3 million due to delays in hiring personnel.

The difference in General Fund original expenditure budget and final expenditure budget was \$3.0 million. The additional appropriations consisted of \$1.5 million of expenditures funded by additional grants, donations, and developer fees.

Housing Authority

This Fund accounts for the housing activities assumed from the former Redevelopment Agency designed to increase the amount of low and moderate-income housing available in the City. Total revenues were \$1.0 million in fiscal 2019, comprised of \$1.0 million of interest, rental income and repayment of housing loans. Total expenditures were \$2.1 million for administration, interest forgiveness related to a restructure of an affordable housing loan, management of four affordable housing units and one commercial property with eight tenants.

Street Improvement Capital Project

This Street Improvement Capital Project Fund accounts for the majority of the street capital projects activity in the City that is not developed in the Transit Area. The Fund's revenues were \$1.5 million in fiscal 2019, an increase of \$0.3 million from fiscal 2018. The increase in revenues was due to interest income, and one-time developer contributions. Fund expenditures were \$8.1 million in fiscal 2019, an increase of \$1.8 million from fiscal 2018, attributed to capital outlay increases. Net transfers were \$2.1 million in fiscal 2019, a decrease \$2.7 million from fiscal 2018 due returning unexpended capital improvement project funds back to the General Fund and Gas Tax Fund. Transfers in of \$4.3 million were from the General Fund, Gas Tax Special Revenue Fund, Transit Area Impact Fee Capital Projects Fund, Sewer Utilities Fund and Parks Improvement Fund provided funding for street capital improvement project.

Transit Area Impact Fee

The Transit Area Impact Fee Fund was established in fiscal 2009 to account for impact fees revenue collected from developers and related capital expenditures in the Transit Area. In fiscal 2019, fund revenues were \$40.0 million, primarily from fees collected from developers. Expenditures were \$8.1 million, consisting of \$7.4 million capital improvement project, \$0.1 interest expense and fees and \$0.6 million general government. The transfers out of \$10.3 million to the Street Improvement Capital Project fund, Water Utility Capital Project Fund and the Park Improvement Capital Project fund provided funding to capital projects.

General Government Capital Projects

The General Government Capital Projects Fund accounts for construction and maintenance of general government projects and assets in the City. In fiscal 2019, expenditures of \$5.9 million consisted of \$5.7 million of capital improvement project expenditures and \$0.2 million debt service. The transfers in of \$11.6 million were primarily from the General Fund, Lighting and Landscape Maintenance District Fund, Park Improvement Fund, Community Planning Fund, and Equipment Management fund for the purpose of capital project funding. The transfers out of \$5.5 million were to the General Fund, Street Improvement Fund, Gas Tax, and the Park Improvement Fund, to return unexpended project funds.

Other Governmental Funds

These funds are not presented separately in the Basic Financial Statements, but are individually presented as Supplemental Information.

Fund Balance Classifications

Fund balances are classified in five categories: nonspendable, restricted, committed, assigned and unassigned based on a hierarchy of constraint. Further details on fund balance classifications can be found in Note 10B.

Table 7 shows the classification of the fund balances of the major governmental funds.

Table 7
Fund Balances at June 30 – Major Governmental Funds
(in Millions)

	2019	2018
General Fund		
Nonspendable	\$ 10.2	\$ 10.0
Committed	43.9	33.6
Assigned	5.9	8.7
Unassigned	40.7	40.5
Total	<u>\$100.7</u>	<u>\$92.8</u>
 Housing Authority Fund		
Restricted	<u>\$39.3</u>	<u>\$40.5</u>
 Street Improvement Fund		
Restricted	<u>\$7.4</u>	<u>\$11.9</u>
 Transit Area Impact Fee Fund		
Restricted	<u>\$48.3</u>	<u>\$26.3</u>
 General Government Project		
Fund		
Nonspendable	\$ 0.1	\$ 2.2
Assigned	27.8	24.0
Total	<u>\$27.9</u>	<u>\$26.2</u>

At June 30, 2019, the fund balance of the General Fund was \$100.7 million: \$10.2 million was classified as nonspendable, comprised of \$0.7 for prepaid materials and supplies, \$4.2 million of property held for resale, and \$5.3 million for advances to other funds; \$33.9 million for PERS Rate Stabilization \$1 million for Artificial turf replacement, \$2 million for Technology replacement and \$7 million for Facilities replacement were classified as committed; \$6 million of the fund balance comprised of \$2.8 million for uninsured claims and \$3.1 million for encumbrances, was classified as assigned; \$40.8 million of the fund balance comprised of \$9.4 million for budget stabilization and \$31.2 million was classified as unassigned.

The fund balances of the Housing Authority Fund, Street Improvement Fund and the Transit Area Impact Fee Fund were also classified as restricted because the amounts were restricted for specific purposes.

The fund balance of the General Government Fund was \$27.9 million: \$0.1 million was classified as nonspendable and \$27.8 million classified as assigned due to Council's reserve policy.

Analyses of Major Proprietary Funds

Total operating revenues of Business-type Activities increased \$0.4 million from last year, while operating expenses increased \$1.1 million. Total operating revenues and total operating expenses were \$47.2 million and \$37.3 million, respectively. Non-operating revenues were \$2.7 million in fiscal 2019, an increase of \$2.7 million from the prior year. Capital contributions increased by \$0.5 million while net transfers out decreased by \$0.2 million.

Water Utility

Water fund revenues were \$29.4 million in fiscal 2019, a decrease of \$0.3 million from prior year. The decrease in revenues was primarily due to rate decrease in the capital surcharge resulting in \$0.2 million less. Expenses were \$25.2 million in fiscal 2019, up \$1.5 million from prior year, primarily due to increased purchased water expense and an increase in personnel services of \$1.3 million. Net position of the Water Utility Fund increased \$6.2 million in the current year to a total of \$84.0 million. The increase comprised of \$4.1 million operating income for the current year, \$1.5 million in non-operating revenues, \$1.5 million capital contributions from developers, offset by net transfers out of -\$0.9 million. The transfer out of \$3.2 million reimbursed administration costs incurred by the General Fund and the transfer in of \$2.3 million funded a capital project.

This Fund's Net Position includes \$49.3 million invested in capital assets, \$30.4 million in restricted net position, and \$4.3 million in unrestricted net position.

Sewer Utility

Sewer fund revenues were \$17.8 million in fiscal 2019, up \$0.7 million from the prior year due to an increase in usage. Expenses were \$12.1 million in fiscal 2019, a decrease of \$0.3 million from the prior year due to a decrease in personnel services. Non-operating revenues and expenses in fiscal year 2019 consisted of \$1.3 million interest income, and \$0.1 million interest expense. Net position of the Sewer Utility Fund increased \$6.5 million in the current year to a total of \$119.2 million. This increase comprised of \$5.7 million in operating income, \$1.2 million in interest income and interest expense, \$1.2 million in capital contributions by developers offset by \$1.7 million net transfers out. The transfers out of \$1.7 million reimbursed administration costs incurred by the General Fund.

\$4.6 million of the Fund's Net Position in the amount of \$119.1 million was unrestricted at the fiscal year end. Of the remainder, \$85.7 million was invested in capital assets and \$28.8 million was restricted as to use.

CAPITAL ASSETS

The City records the cost of all its infrastructure assets such as roads, bridges, signals and similar assets used by the general population and computes the amount of accumulated depreciation for these assets based on their original acquisition dates. At the end of fiscal 2019, the cost of infrastructure and other capital assets recorded on the City's financial statements was as shown in Table 8 below:

Table 8
Capital Assets at Year-end
(in Millions)

	2019	2018
<i>Governmental Activities:</i>		
Land	\$ 68.4	\$ 65.4
Construction in progress	62.9	64.1
Buildings and improvements	173.4	166.4
Other improvements	30.6	30.0
Machinery and equipment	45.2	42.5
Landscape system	30.0	29.8
Storm system	74.3	74.3
Street system	271.2	264.4
Traffic system	19.3	19.1
Less accumulated depreciation	(448.0)	(432.7)
Totals	\$327.3	\$323.3
<i>Business-type Activities:</i>		
Land	\$ 1.1	\$ 1.1
Construction in progress	12.8	11.6
Distribution facilities	80.5	80.5
Water Service lines	16.9	15.2
Sewer lines	84.0	84.0
Capacity rights	78.0	71.8
Less accumulated depreciation	(133.5)	(128.1)
Totals	\$139.8	\$136.1

The principal additions in fiscal 2019 were to the construction-in-progress, machinery and equipment, street system, and capacity rights activities. Construction in progress included the Calaveras Road Repair, street resurfacing, McCandless Park, Fire Apparatus Replacement, South Milpitas Blvd Extension, and TASP infrastructure improvements.

The City depreciates all its capital assets over their estimated useful lives. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives and current year activities may be found in Note 8.

DEBT ADMINISTRATION

The City's debt was issued to finance Sewer infrastructure improvements. This debt issue is secured by sewer revenue. In fiscal 2018, the City refunded the 2006 Sewer Bonds with the 2017 Wastewater Revenue Refunding Bonds to reduce interest rate cost over the life of the bond issuance. Each of the City's debt issues are discussed in detail in Note 9 to the financial statements. At June 30, 2019 the City's debt is comprised of:

Table 9
Outstanding Debt
(in Millions)

	<u>Balance</u> <u>June 30, 2019</u>	<u>Balance</u> <u>June 30, 2018</u>
Governmental Activity Debt:		
Capital Lease (Network Upgrade)	\$0.7	\$0.0
4.25%, due January 21, 2023		
Total Governmental-type Activity Debt	<u>\$ 0.7</u>	<u>\$ 0.0</u>
Business-type Activity Debt:		
Wastewater Revenue Refunding Bonds, 2017 Series		
2.0% - 5.0%, due November 1, 2026	<u>4.2</u>	<u>4.7</u>
Plus: Unamortized bond premium	<u>0.6</u>	<u>0.6</u>
Total Business-type Activity Debt	<u>\$ 4.8</u>	<u>\$ 5.3</u>

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

The economy of the City and its major initiatives for the coming year are discussed in detail in the accompanying Transmittal Letter.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the Finance Department, at 455 East Calaveras Boulevard, Milpitas, CA 95035-5479 or to the City's website at www.ci.milpitas.ca.gov.



STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's net position by subtracting total liabilities and deferred inflows of resources from total assets and deferred outflows of resources.

The Statement of Net Position summarizes the financial position of the City's Governmental Activities in a single column, and the financial position of all the City's Business-type Activities in a single column; these columns are followed by a Total column that presents the financial position of the primary government. This column is followed by a column that displays the discretely presented component unit.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It is prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, deferred inflows/outflows of resources, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by the program, and follows these with the expenses of its Business-type Activities. Program revenues – that is, revenues which are generated directly by these programs – are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities, Business-type Activities or discretely presented component unit column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both of these Statements include the financial activities of the City and the blended component units: the Milpitas Public Financing Authority (MPFA), the Milpitas Economic Development Corporation (EDC), the City of Milpitas Housing Authority (Housing Authority) and the Milpitas Municipal Financing Authority (MMFA). The Financing Authorities and Housing Authority are legally separate component units of the City, because they are controlled by the City and the City is financially accountable for their activities. The EDC is a California nonprofit public benefit Corporation that is also a legally separate component unit of the City because it is governed by a board consisting of the members of the City Council. The EDC became inactive as of June 30, 2015. The balances and the activities of the discretely presented component unit of Terrace Gardens, Inc. are included in these statements as separate columns.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.



CITY OF MILPITAS
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government			Component Unit Terrace Gardens Inc. (As of December 31, 2018)
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and investments available for operations (Note 3)	\$251,708,136	\$74,671,030	\$326,379,166	\$239,968
Restricted cash and investments (Note 3)	951,504		951,504	2,355,586
Receivables:				
Accounts	4,103,278	3,356,257	7,459,535	13,751
Due from other governments	6,696,652	85,549	6,782,201	
Interest	1,275,429	368,426	1,643,855	
Loans receivable (Note 5)	32,424,989		32,424,989	
Prepays, materials, supplies and deposits (Note 1E)	1,634,756	490,190	2,124,946	49,685
Property held for resale (Note 6)	6,533,018		6,533,018	
Capital assets and capacity rights (Note 8):				
Land and construction in progress	131,320,498	13,946,994	145,267,492	1,572,277
Depreciable capital assets, net	195,972,277	125,912,483	321,884,760	6,121,602
Total assets	632,620,537	218,830,929	851,451,466	10,352,869
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions (Note 11D)	28,591,249	662,917	29,254,166	
Related to OPEB (Note 12B)	4,232,799	418,944	4,651,743	
Total deferred outflows of resources	32,824,048	1,081,861	33,905,909	
LIABILITIES				
Accounts payable	3,451,751	2,305,531	5,757,282	115,317
Accrued payroll	3,038,982	102,926	3,141,908	5,301
Interest payable	14,019	31,250	45,269	
Uninsured claims payable (Note 13):				
Due within one year	1,117,952		1,117,952	
Due in more than one year	5,096,721		5,096,721	
Refundable deposits	2,874,757	105,670	2,980,427	74,300
Unearned revenue	8,521,688	6,922	8,528,610	14,438
Accrued vacation (Note 12C):				
Due within one year	2,254,455	175,324	2,429,779	15,027
Due in more than one year	2,622,451	149,042	2,771,493	
Sick leave payable (Note 12C):				
Due within one year	982,326	18,734	1,001,060	
Due in more than one year	2,053,799	136,630	2,190,429	
Net pension liabilities (Note 11C):				
Due in more than one year	182,378,243	4,717,838	187,096,081	
Net OPEB liability (Note 12B):				
Due in more than one year	39,958,154	3,946,730	43,904,884	
Long term debt (Note 9):				
Due within one year	170,659	460,000	630,659	
Due in more than one year	557,648	4,351,847	4,909,495	
Total liabilities	255,093,605	16,508,444	271,602,049	224,383
DEFERRED INFLOWS OF RESOURCES				
Related to pensions (Note 11D)	1,725,029	49,732	1,774,761	
Related to OPEB (Note 12B)	1,877,097	185,585	2,062,682	
Total deferred inflows of resources	3,602,126	235,317	3,837,443	
NET POSITION (Note 10)				
Net investment in capital assets and capacity rights	326,564,468	135,047,630	461,612,098	7,693,879
Restricted for:				
Capital projects	98,178,542	59,190,915	157,369,457	
Redevelopment and community development activities	46,059,632		46,059,632	
Other programs	1,744,920		1,744,920	
Total restricted net position	145,983,094	59,190,915	205,174,009	
Unrestricted	(65,798,708)	8,930,484	(56,868,224)	2,434,607
Total net position	\$406,748,854	\$203,169,029	\$609,917,883	\$10,128,486

See accompanying notes to financial statements

CITY OF MILPITAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-type Activities
Primary Government:						
Governmental Activities:						
General Government	\$25,281,543	\$2,346,724	\$114,067	\$25,000	(\$22,795,752)	
Building, Safety and Housing	5,448,555	9,717,686	2,047,783	\$607,307	6,924,221	
Recreation and Community Services	7,019,543	2,654,676	576,525	777,709	(3,010,633)	
Public Works	20,052,608				(20,052,608)	
Engineering	6,459,278	2,379,612	1,822,224	45,776,752	43,519,310	
Planning	1,851,164	225,625	494,782	7,343	(1,123,414)	
Police	35,868,561	1,129,868	2,310,316		(32,428,377)	
Fire	26,535,301	2,171,814	911,696		(23,451,791)	
Interest on long term debt	17,303				(17,303)	
Total Governmental Activities	128,533,856	20,626,005	8,277,393	47,194,111	(52,436,347)	
Business-type Activities:						
Water Utility	25,232,231	29,355,459	113,897	1,528,120		\$5,765,245
Sewer Utility	12,230,981	17,829,929		1,227,189		6,826,137
Total Business-type Activities	37,463,212	47,185,388	113,897	2,755,309		12,591,382
Total Primary Government	\$165,997,068	\$67,811,393	\$8,391,290	\$49,949,420	(52,436,347)	12,591,382
Component Unit:						
Terrace Gardens Inc.	\$2,116,203	\$2,171,858	\$31,307			
General revenues:						
Taxes:						
Property taxes					33,811,010	
Sales and use taxes					27,983,152	
Hotel/Motel taxes					14,502,736	
Other taxes					807,670	
Franchise fees, unrestricted					5,127,312	
Motor vehicle in lieu, unrestricted					35,936	
Investment earnings					4,474,446	2,711,477
Gain from sale of property					3,571	
Miscellaneous					390,303	
Transfers (Note 4)					2,488,913	(2,488,913)
Total general revenues and transfers					89,625,049	222,564
Change in Net Position					37,188,702	12,813,946
Net position-Beginning					369,560,152	190,355,083
Net position-Ending					\$406,748,854	\$203,169,029

See accompanying notes to financial statements

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
	Terrace Gardens Inc. (year ended December 31, 2018)
Total	
(\$22,795,752)	
6,924,221	
(3,010,633)	
(20,052,608)	
43,519,310	
(1,123,414)	
(32,428,377)	
(23,451,791)	
(17,303)	
(52,436,347)	
5,765,245	
6,826,137	
12,591,382	
(39,844,965)	
	\$86,962
33,811,010	
27,983,152	
14,502,736	
807,670	
5,127,312	
35,936	
7,185,923	24,242
3,571	
390,303	
89,847,613	24,242
50,002,648	111,204
559,915,235	10,017,282
\$609,917,883	\$10,128,486



FUND FINANCIAL STATEMENTS

The Fund Financial Statements present individual major funds, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year. No distinction is made between Fund types.

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources of a governmental unit, which are not accounted for in another fund.

HOUSING AUTHORITY FUND

Established to plan and address the housing needs of the City and to act as the Housing Successor Agency for the former Redevelopment Agency. The main source of the revenue for this fund is the repayment of loans restricted for housing activities.

STREET IMPROVEMENT FUND

Established to account for the construction and maintenance of the street system in Milpitas. Financing may be provided through state and federal grants.

TRANSIT AREA IMPACT FEE FUND

Established to account for capital projects in the transit area. A special transit area impact fee is imposed on developments to provide financing.

GENERAL GOVERNMENT CAPITAL PROJECT FUND

Established to account for the construction and maintenance of general government projects. Financing provided by the General Fund.





CITY OF MILPITAS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	General	Housing Authority	Street Improvement	Transit Area Impact Fee
ASSETS				
Cash and investments available for operations (Note 3)	\$96,896,785	\$8,298,621	\$8,021,293	\$53,890,347
Restricted cash and investments (Note 3)				
Receivables:				
Accounts	2,724,722			1,378,556
Due from other governments	6,272,633		155	
Interest	509,759	41,478	43,104	278,069
Loans receivable, net (Note 5)		28,684,909		
Prepays, materials, supplies and deposits (Note 1E)	743,932	3,594		
Property held for resale (Note 6)	4,200,000	2,333,018		
Advances to other funds (Note 4B)	5,290,250			
Total Assets	<u>\$116,638,081</u>	<u>\$39,361,620</u>	<u>\$8,064,552</u>	<u>\$55,546,972</u>
LIABILITIES				
Accounts payable	\$1,741,813	\$42,701	\$646,585	\$156,662
Accrued payroll	2,982,178	5,948	8,361	870
Refundable deposits	2,842,948	12,100		438,806
Unearned revenue	8,244,314			
Advances from other funds (Note 4B)				5,290,250
Total Liabilities	<u>15,811,253</u>	<u>60,749</u>	<u>654,946</u>	<u>5,886,588</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable (Note 7E)				1,378,556
Unavailable revenue - interest on advances to other funds	170,500			
Total Deferred Inflows of Resources	<u>170,500</u>			<u>1,378,556</u>
FUND BALANCES				
Fund balances (Note 10):				
Nonspendable	10,234,182	3,594		
Restricted		39,297,277	7,409,606	48,281,828
Committed	43,851,915			
Assigned	5,915,559			
Unassigned	40,654,672			
TOTAL FUND BALANCES	<u>100,656,328</u>	<u>39,300,871</u>	<u>7,409,606</u>	<u>48,281,828</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$116,638,081</u>	<u>\$39,361,620</u>	<u>\$8,064,552</u>	<u>\$55,546,972</u>

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance, to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the Statement of Net Position.

LONG TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

- Deposits payable
- Unavailable revenue
- Long-term debt
- Net pension liability and pension-related deferred outflows/inflows of resources
- Net OPEB liability and OPEB-related deferred outflows/inflows of resources
- Non-current portion of accrued vacation and sick leave
- Non-current portion of uninsured claims payable

NET POSITION OF GOVERNMENTAL ACTIVITIES

See accompanying notes to financial statements

General Government Capital Projects	Other Governmental Funds	Total Governmental Funds
\$26,947,008	\$45,429,761	\$239,483,815
951,504		951,504
		4,103,278
	423,864	6,696,652
125,647	216,307	1,214,364
	3,740,080	32,424,989
70,279	11,264	829,069
		6,533,018
		5,290,250
<u>\$28,094,438</u>	<u>\$49,821,276</u>	<u>\$297,526,939</u>
\$236,479	\$503,119	\$3,327,359
3,724	18,207	3,019,288
	18,843	3,312,697
	277,374	8,521,688
		5,290,250
<u>240,203</u>	<u>817,543</u>	<u>23,471,282</u>
		1,378,556
		170,500
		1,549,056
70,279	11,264	10,319,319
	48,244,175	143,232,886
		43,851,915
27,783,956	748,294	34,447,809
		40,654,672
<u>27,854,235</u>	<u>49,003,733</u>	<u>272,506,601</u>
<u>\$28,094,438</u>	<u>\$49,821,276</u>	
		327,292,775
		12,851,024
		438,000
		1,549,056
		(742,326)
		(155,512,023)
		(37,602,452)
		(7,817,128)
		(6,214,673)
		<u>\$406,748,854</u>

CITY OF MILPITAS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	General	Housing Authority	Street Improvement	Transit Area Impact Fee
REVENUES				
Property taxes	\$33,811,009			
Sales taxes	28,889,785			
Other taxes	20,872,163			
Licenses and fines	11,757,117			
Use of money and property	4,446,580	\$1,019,066	\$373,061	\$1,003,507
Intergovernmental	1,501,243		479,814	
Charges for services	6,510,806			
Developer contributions			550,578	38,984,248
Other	315,330		136,854	
Total Revenues	<u>108,104,033</u>	<u>1,019,066</u>	<u>1,540,307</u>	<u>39,987,755</u>
EXPENDITURES				
Current:				
General Government	18,206,286	2,103,092		662,346
Building, Safety and Housing	5,038,327			
Recreation and Community Services	5,143,600			
Public Works	7,048,172			
Engineering	2,858,064			
Planning	1,648,282			
Police	30,180,922			
Fire	23,225,089			
Capital outlay			8,083,867	7,381,431
Debt service:				
Principal				
Interest and fees				101,208
Total Expenditures	<u>93,348,742</u>	<u>2,103,092</u>	<u>8,083,867</u>	<u>8,144,985</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>14,755,291</u>	<u>(1,084,026)</u>	<u>(6,543,560)</u>	<u>31,842,770</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	1,315			
Loss from sale of property		(151,800)		
Issuance of capital lease				
Transfers in (Note 4A)	6,996,682		4,318,464	480,643
Transfers (out) (Note 4A)	(13,908,102)		(2,256,789)	(10,305,000)
Total Other Financing Sources (Uses)	<u>(6,910,105)</u>	<u>(151,800)</u>	<u>2,061,675</u>	<u>(9,824,357)</u>
NET CHANGE IN FUND BALANCES	7,845,186	(1,235,826)	(4,481,885)	22,018,413
Fund balances (deficits) at beginning of year	<u>92,811,142</u>	<u>40,536,697</u>	<u>11,891,491</u>	<u>26,263,415</u>
FUND BALANCES AT END OF YEAR	<u>\$100,656,328</u>	<u>\$39,300,871</u>	<u>\$7,409,606</u>	<u>\$48,281,828</u>

See accompanying notes to financial statements

General Government Capital Projects	Other Governmental Funds	Total Governmental Funds
		\$33,811,009
		28,889,785
	\$2,513,468	23,385,631
		11,757,117
\$461,744	1,148,255	8,452,213
	4,038,255	6,019,312
	458,577	6,969,383
	1,617,935	41,152,761
	473,961	926,145
<u>461,744</u>	<u>10,250,451</u>	<u>161,363,356</u>
	380,477	21,352,201
		5,038,327
		5,143,600
	1,102,676	8,150,848
	342,951	3,201,015
		1,648,282
	207,848	30,388,770
		23,225,089
5,680,939	2,288,890	23,435,127
198,938		198,938
3,284		104,492
<u>5,883,161</u>	<u>4,322,842</u>	<u>121,886,689</u>
<u>(5,421,417)</u>	<u>5,927,609</u>	<u>39,476,667</u>
		1,315
		(151,800)
952,245		952,245
11,554,579	14,585,740	37,936,108
<u>(5,469,151)</u>	<u>(3,510,153)</u>	<u>(35,449,195)</u>
<u>7,037,673</u>	<u>11,075,587</u>	<u>3,288,673</u>
1,616,256	17,003,196	42,765,340
<u>26,237,979</u>	<u>32,000,537</u>	<u>229,741,261</u>
<u>\$27,854,235</u>	<u>\$49,003,733</u>	<u>\$272,506,601</u>

CITY OF MILPITAS
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$42,765,340
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
The capital outlay expenditures are therefore added back to fund balance (Internal service fund additions of \$3,073,834 have already been added to capital assets)	17,012,226
Retirements of capital assets are deducted from fund balance (Internal service fund retirements of \$11,015 have already been deducted from capital assets)	(200)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$1,003,587 which has already been allocated to serviced funds.)	(15,017,570)

LONG TERM DEBT PROCEED AND PAYMENTS

Lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of lease principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.	
Proceeds from issuance of capital lease	(952,245)
Capital contributions and repayment of debt principal are added back to fund balance	223,938

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Interest payable	(14,019)
Non-current portion of accrued vacation and sick leave	(623,451)
Non-current portion of uninsured claims payable	202,861
Net pension liabilities and pension-related deferred outflows/inflows of resources	(11,314,768)
Net OPEB liability and OPEB-related deferred outflows/inflows of resources	693,660
Unavailable revenue	137,550

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.	
Change in Net Position - All Internal Service Funds	4,075,380

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$37,188,702
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See accompanying notes to financial statements

CITY OF MILPITAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP LEGAL BASIS)
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$31,385,000	\$33,281,136	\$33,811,009	\$529,873
Sales taxes	28,393,445	28,307,591	28,889,785	582,194
Other taxes	18,843,851	21,473,400	20,872,163	(601,237)
Licenses and fines	10,253,214	12,897,019	11,757,117	(1,139,902)
Use of money and property	1,271,500	1,271,500	4,446,580	3,175,080
Intergovernmental	440,500	1,221,198	1,501,243	280,045
Charges for services	6,952,454	6,271,911	6,510,806	238,895
Other	26,000	31,000	315,330	284,330
Total Revenues	97,565,964	104,754,755	108,104,033	3,349,278
Expenditures				
Current:				
General Government:				
City Manager	4,710,508	4,904,399	4,393,913	510,486
City Attorney	748,932	1,281,657	1,260,893	20,764
Finance	3,724,578	3,874,578	3,771,087	103,491
Human Resources	1,460,751	1,582,314	1,485,762	96,552
Information Services	3,182,507	3,182,507	2,974,761	207,746
Non-departmental	9,446,248	8,216,726	4,260,233	3,956,493
Building, Safety and Housing	5,112,953	6,601,441	5,350,290	1,251,151
Recreation and Community Services	5,752,060	5,752,060	5,353,200	398,860
Public Works	7,273,035	7,598,035	7,581,384	16,651
Engineering	4,133,636	4,133,636	3,140,477	993,159
Planning	2,935,681	1,818,664	1,788,518	30,146
Police	32,771,018	33,018,359	30,977,865	2,040,494
Fire	21,510,880	23,837,107	23,678,811	158,296
Total Expenditures	102,762,787	105,801,483	96,017,194	9,784,289
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,196,823)	(1,046,728)	12,086,839	13,133,567
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property			1,315	1,315
Transfers in	6,502,208	6,996,682	6,996,682	
Transfers (out)	(2,950,000)	(15,508,102)	(13,908,102)	1,600,000
Total Other Financing Sources (Uses)	3,552,208	(8,511,420)	(6,910,105)	1,601,315
NET CHANGE IN FUND BALANCE	(\$1,644,615)	(\$9,558,148)	5,176,734	\$14,734,882
Adjustment to budgetary basis:				
Encumbrance expenditures			2,668,452	
Fund balance at beginning of year			92,811,142	
FUND BALANCE AT END OF YEAR			\$100,656,328	

See accompanying notes to financial statements

CITY OF MILPITAS
HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP LEGAL BASIS)
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Budget Positive (Negative)
Revenues				
Use of money and property	\$741,000	\$741,000	\$1,019,066	\$278,066
Total Revenues	741,000	741,000	1,019,066	278,066
Expenditures				
Current:				
General Government:				
Finance	311,912	85,164	52,843	32,321
Non-departmental	260,632	7,216,160	2,050,249	5,165,911
Planning	228,780			
Total Expenditures	801,324	7,301,324	2,103,092	5,198,232
OTHER FINANCING SOURCES (USES)				
Loss from sale of property	(151,800)	(151,800)	(151,800)	
NET CHANGE IN FUND BALANCE	(\$212,124)	(\$6,712,124)	(1,235,826)	\$5,476,298
Fund balances at beginning of year			40,536,697	
FUND BALANCE AT END OF YEAR			\$39,300,871	

See accompanying notes to financial statements

MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The concept of *major funds* extends to Proprietary Funds. The City has identified the funds below as major proprietary funds.

Financial reporting standards do not provide for the disclosure of budget vs. actual comparisons regarding proprietary funds that are major funds.

WATER UTILITY FUND

Accounts for the provision of water services to residents and businesses of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, billing and collection.

SEWER UTILITY FUND

Accounts for the provision of sewer services to residents and businesses of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing, billing and collection.

NON-MAJOR INTERNAL SERVICE FUND

EQUIPMENT MANAGEMENT INTERNAL SERVICE FUND

The Equipment Management Internal Service Fund is used to finance and account for the replacement of equipment used by City departments and the maintenance of computer systems on a cost reimbursement basis.



CITY OF MILPITAS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2019

	Business-type Activities-Enterprise Funds			Governmental Activities- Equipment Management Internal Service Fund
	Water Utility	Sewer Utility	Totals	
ASSETS				
Current Assets				
Cash and investments				
available for operations (Note 3)	\$38,652,925	\$36,018,105	\$74,671,030	\$12,224,321
Receivables:				
Accounts	1,975,381	1,380,876	3,356,257	
Due from other governments	50,323	35,226	85,549	
Interest	190,439	177,987	368,426	61,065
Prepays, materials, supplies and deposits (Note 1E)	468,522	21,668	490,190	805,687
Total current assets	41,337,590	37,633,862	78,971,452	13,091,073
Noncurrent assets:				
Capital assets and capacity rights (Note 8):				
Land and construction in progress	11,095,132	2,851,862	13,946,994	
Depreciable capital assets, net	38,227,850	87,684,633	125,912,483	6,802,840
Total noncurrent assets	49,322,982	90,536,495	139,859,477	6,802,840
Total assets	90,660,572	128,170,357	218,830,929	19,893,913
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions (Note 11D)	353,930	308,987	662,917	
Related to OPEB (Note 12B)	217,678	201,266	418,944	
Total deferred outflows of resources	571,608	510,253	1,081,861	
LIABILITIES				
Current liabilities:				
Accounts payable	2,089,380	216,151	2,305,531	124,392
Accrued payroll	63,331	39,595	102,926	19,694
Interest payable		31,250	31,250	
Refundable deposits	105,670		105,670	60
Unearned revenue	3,461	3,461	6,922	
Accrued vacation (Note 12C)	87,662	87,662	175,324	46,006
Sick leave payable (Note 12C)	9,367	9,367	18,734	11,225
Certificates of Participation (Note 9)		460,000	460,000	
Total current liabilities	2,358,871	847,486	3,206,357	201,377
Non-current liabilities:				
Accrued vacation (Note 12C)	100,811	48,231	149,042	34,010
Sick leave payable (Note 12C)	68,314	68,316	136,630	4,662
Net pension liabilities (Note 11C):	2,518,846	2,198,992	4,717,838	
Net OPEB liability (Note 12B)	2,051,834	1,894,896	3,946,730	
Certificates of Participation (Note 9)		4,351,847	4,351,847	
Total non-current liabilities	4,739,805	8,562,282	13,302,087	38,672
Total liabilities	7,098,676	9,409,768	16,508,444	240,049
DEFERRED INFLOWS OF RESOURCES				
Related to pensions (Note 11D)	26,552	23,180	49,732	
Related to OPEB (Note 12B)	96,456	89,129	185,585	
Total deferred inflows of resources	123,008	112,309	235,317	
NET POSITION (Note 10)				
Net investment in capital assets and capacity rights	49,322,982	85,724,648	135,047,630	6,802,840
Restricted for capital projects	30,368,119	28,822,796	59,190,915	
Unrestricted	4,319,395	4,611,089	8,930,484	12,851,024
Total net position	\$84,010,496	\$119,158,533	\$203,169,029	\$19,653,864

See accompanying notes to financial statements

CITY OF MILPITAS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUE, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities-Enterprise Funds			Governmental Activities- Equipment Management Internal Service Fund
	Water Utility	Sewer Utility	Totals	
OPERATING REVENUES				
Charges for services	\$29,307,618	\$17,521,841	\$46,829,459	\$4,193,177
Developer contributions		225,724	225,724	
Other operating revenue	47,841	82,364	130,205	50
Total Operating Revenues	29,355,459	17,829,929	47,185,388	4,193,227
OPERATING EXPENSES				
Purchased water	17,850,061		17,850,061	
Sewer treatment services		4,680,887	4,680,887	
Personnel services	3,430,431	2,519,102	5,949,533	1,112,941
Services and supplies	1,910,470	1,140,211	3,050,681	800,741
Depreciation	1,767,813	3,664,679	5,432,492	1,003,587
Repairs and maintenance	273,456	87,688	361,144	453,001
Total Operating Expenses	25,232,231	12,092,567	37,324,798	3,370,270
Operating Income (Loss)	4,123,228	5,737,362	9,860,590	822,957
NONOPERATING REVENUES (EXPENSES)				
Gain on sale of capital assets				2,256
Interest income	1,377,911	1,333,566	2,711,477	451,701
Interest expense		(138,414)	(138,414)	
Subventions and grants	113,897	4,998	118,895	
Total Nonoperating Revenues (Expenses)	1,491,808	1,200,150	2,691,958	453,957
Income (Loss) Before Contributions and Transfers	5,615,036	6,937,512	12,552,548	1,276,914
Capital contributions	599,610		599,610	2,796,466
Capital contributions - connection fees	928,510	1,222,191	2,150,701	
Transfers in (Note 4A)	2,343,444	13,444	2,356,888	300,000
Transfers (out) (Note 4A)	(3,186,527)	(1,659,274)	(4,845,801)	(298,000)
Change in net position	6,300,073	6,513,873	12,813,946	4,075,380
Net position-beginning	77,710,423	112,644,660	190,355,083	15,578,484
Net position-ending	\$84,010,496	\$119,158,533	\$203,169,029	\$19,653,864

See accompanying notes to financial statements

CITY OF MILPITAS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities-Enterprise Funds			Governmental Activities- Equipment Management Internal Service Fund
	Water Utility	Sewer Utility	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$29,058,048	\$17,511,853	\$46,569,901	\$4,248,465
Payments to suppliers	(20,152,744)	(5,996,099)	(26,148,843)	(2,028,080)
Payments to employees for salaries and benefits	(3,285,722)	(2,549,257)	(5,834,979)	(1,144,814)
Net cash provided by operating activities	5,619,582	8,966,497	14,586,079	1,075,571
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Subventions and grants	113,897	4,998	118,895	
Transfers in	2,343,444	13,444	2,356,888	300,000
Transfers (out)	(3,186,527)	(1,659,274)	(4,845,801)	(298,000)
Cash Flows from Noncapital Financing Activities	(729,186)	(1,640,832)	(2,370,018)	2,000
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Principal paid on long-term debt		(480,000)	(480,000)	
Interest paid		(263,156)	(263,156)	
Proceeds from sale of capital assets				13,271
Acquisition of capital assets	(881,689)	(7,711,664)	(8,593,353)	(277,168)
Capital contributions - connection fees	928,510	1,222,191	2,150,701	
Cash Flows from Capital and Related Financing Activities	46,821	(7,232,629)	(7,185,808)	(263,897)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,311,540	1,288,402	2,599,942	432,785
Cash Flows from Investing Activities	1,311,540	1,288,402	2,599,942	432,785
Net increase (decrease) in cash and cash equivalents	6,248,757	1,381,438	7,630,195	1,246,459
Cash and investments at beginning of period	32,404,168	34,636,667	67,040,835	10,977,862
Cash and investments at end of period	\$38,652,925	\$36,018,105	\$74,671,030	\$12,224,321
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$4,123,228	\$5,737,362	\$9,860,590	\$822,957
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,767,813	3,664,679	5,432,492	1,003,587
Change in assets and liabilities:				
Receivables, net	(295,113)	(313,078)	(608,191)	55,238
Materials, supplies and deposits	(254,411)	3,173	(251,238)	(689,921)
Accrued payroll	16,180	1,989	18,169	
Accounts and other payables	226,776	(54,642)	172,134	(116,290)
Unearned revenue	(4,998)	(4,998)	(9,996)	
Due to retirement system	74,368	(37,340)	37,028	
Due to OPEB	(34,261)	(30,648)	(64,909)	
Net cash provided by operating activities	\$5,619,582	\$8,966,497	\$14,586,079	\$1,075,571
NONCASH TRANSACTIONS:				
Contributions and transfers of capital assets	\$599,610		\$599,610	\$2,796,466
Retirement of capital assets				(\$11,015)

See accompanying notes to financial statements



FIDUCIARY FUNDS

FIDUCIARY FUNDS

These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

SUCCESSOR AGENCY TO THE MILPITAS REDEVELOPMENT AGENCY PRIVATE-PURPOSE TRUST FUND

The Successor Agency to the Milpitas Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used to make payments that are on the Recognized Obligation Payment Schedule and to dispose of assets and property of the former Redevelopment Agency for the benefit of the taxing agencies.

AGENCY FUNDS

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.



CITY OF MILPITAS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019

	Successor Agency to the Milpitas Redevelopment Agency Private-purpose Trust Fund	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and investments (Note 3)	\$9,605,621	\$1,352,895
Restricted cash and investments (Note 3)	401	
	<u> </u>	<u> </u>
Total Assets	<u>9,606,022</u>	<u><u>\$1,352,895</u></u>
LIABILITIES		
Refundable deposits		\$1,352,895
Accounts payable	21,421	
Interest payable	1,694,500	
Long-term obligations (Note 15C):		
Due in one year	9,621,103	
Due in more than one year	119,071,053	
	<u> </u>	<u> </u>
Total Liabilities	<u>130,408,077</u>	<u><u>\$1,352,895</u></u>
NET POSITION (DEFICIT)		
Held in trust for other governments	<u><u>(\$120,802,055)</u></u>	

See accompanying notes to financial statements

CITY OF MILPITAS
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Successor Agency to the Milpitas Redevelopment Agency Private-purpose Trust Fund
Additions:	
Property taxes	\$17,733,781
Use of money and property	<u>151,235</u>
Total additions	<u>17,885,016</u>
Deductions:	
General and administrative	55,079
Debt Service:	
Interest and fees	<u>6,948,463</u>
Total deductions	<u>7,003,542</u>
Net change in net position	10,881,474
Net position (deficit) - beginning	<u>(131,683,529)</u>
Net position (deficit) - ending	<u><u>(\$120,802,055)</u></u>

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS



CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Milpitas was incorporated as a general law city on January 26, 1954. The City operates under the Council-Manager form of government and provides the following services: public safety; police; fire and building inspection; engineering; public works; water; sewer; sanitation; recreation services; building and safety; planning and zoning; general administration services, redevelopment and economic development.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

A. *Reporting Entity*

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, *blended* component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. Each discretely presented component unit, on the other hand, is reported in a separate column in the basic financial statements to emphasize it is legally separate from the government.

PRIMARY GOVERNMENT

The financial statements of the primary government of the City of Milpitas include the activities of the City as well as the Milpitas Public Financing Authority, the Milpitas Economic Development Corporation, the City of Milpitas Housing Authority and the Milpitas Municipal Financing Authority, all of which are controlled by and dependent on the City. While these are separate legal entities, their financial activities are integral to those of the City. Their financial activities have been aggregated and merged (termed "blended") with those of the primary government of the City in the accompanying financial statements.

Blended Component Units

The Milpitas Public Financing Authority is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital improvements within the City. The Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Sewer Utility Enterprise Fund.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Milpitas Economic Development Corporation, formed in February 2011, is a California nonprofit public benefit Corporation formed by the City and the former Milpitas Redevelopment Agency under the laws of the State of California. As discussed in Note 15, the Redevelopment Agency was dissolved effective January 31, 2012. The Corporation was organized for the purpose of encouraging and facilitating the City's economic development, affordable housing and other community programs. The Corporation is governed by a board of directors consisting of the members of the City Council. Under an operating agreement with the Redevelopment Agency, the Corporation received funding from the Agency and will use the funds for redevelopment purposes consistent with the California Community Redevelopment Law, Health and Safety Code Section 33000 and to implement and carry out the Redevelopment Plans. The Corporation also entered into a Service Agreement with the City under which the City will perform the necessary services on an independent contractor basis to eliminate blight, provide affordable housing, improve the public realm, facilitate public and private developments, stimulate economic development, and create jobs. The Corporation is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Corporation. The Corporation became inactive as of June 30, 2015.

The City of Milpitas Housing Authority, formed in February 2011, is a separate government entity whose purpose is to assist with the housing for the City's low and moderate income residents. The Housing Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Housing Authority. The Financial activities of the Housing Authority are included in the Housing Authority Special Revenue Fund.

The Milpitas Municipal Financing Authority, formed in March 2016, is a separate government entity whose purpose is to assist with the financing and refinancing of public programs, projects and capital improvements for the benefit of the City and the Housing Authority. The Municipal Financing Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Municipal Financing Authority is controlled by the City and the Housing Authority and has the same governing body as the City, which also performs all accounting and administrative functions for the Municipal Financing Authority. As of June 30, 2019, no financial activities have been undertaken by the Municipal Financing Authority.

Separate financial statements are not issued for the Milpitas Public Financing Authority, Milpitas Economic Development Corporation, City of Milpitas Housing Authority or Milpitas Municipal Financing Authority.

Discretely Presented Component Unit

Terrace Gardens, Inc. is a non-profit public benefit corporation organized in September 1986 for the purpose of developing and managing the operations of a residential complex known as Terrace Gardens, which is located in the City of Milpitas and is dedicated to the needs of elderly persons. The former Milpitas Redevelopment Agency funded the construction of Terrace Gardens. City Council can appoint a voting majority of the governing board and approves the annual budget. The City Council exercises control over the Board of Terrace Gardens. Therefore, the financial activities of Terrace Gardens, Inc. as of and for the year ended December 31, 2018 are discretely presented in the Terrace Gardens Inc. Component Unit column of the Statement of Net Position and the Statement of Activities.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial statements for Terrace Gardens, Inc. may be obtained from Terrace Gardens, Inc., 186 Beresford Court, Milpitas, CA 95035.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government, the City and its blended and discretely presented component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, except for interfund services provided and used, which are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including franchise fees that are based on gross receipts and all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category- *governmental*, *proprietary*, and *fiduciary*-are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues and expenses, such as charges for services and the related costs, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues and expenses, such as subsidies, investment earnings and any related costs, result from nonexchange transactions or ancillary activities.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds

Major funds are defined as funds that have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are sales taxes, property taxes, hotel taxes, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are incurred for public safety, public works, recreation services and the other governmental services described above.

Housing Authority Fund – Established to plan and address the housing needs of the City and to act as the Housing Successor of the former Redevelopment Agency. The main source of the revenue for this fund is the repayment of loans restricted for housing activities.

Street Improvement Fund – Established to account for the construction and maintenance of the street system in Milpitas. Financing is provided through State and Federal grants.

Transit Area Impact Fee Fund – Established to account for the capital projects in the transit area. A special transit area impact fee is imposed on developments to provide financing.

General Government Capital Projects Fund – Established to account for the construction and maintenance of general government projects. Financing is provided by the General Fund.

The City reported all its enterprise funds as major funds in the accompanying financial statements:

Water Utility Fund – Accounts for the provision of water services to residents and businesses of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, billing and collection.

Sewer Utility Fund – Accounts for the provision of sewer services to residents and businesses of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing, and billing and collection.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also reports the following fund types:

Internal Service Fund – The Equipment Management Internal Service Fund is used to finance and account for the replacement of equipment used by City departments and the maintenance of the online permit development system on a cost reimbursement basis.

Fiduciary Funds – Trust funds account for assets held by the City as an agent for various functions. The Successor Agency to the Milpitas Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. This fund accounts for winding down the affairs of the former Milpitas Redevelopment Agency and makes payments on the Enforceable Obligation Schedule and disposes of assets and property of the former Redevelopment Agency for the benefit of taxing agencies.

Agency funds are used to account for assets held by the City as an agent for negotiated employee benefits, the Senior Advisory Commission, and Local Improvement Districts. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and accumulated unpaid vacation, sick pay and other employee benefit amounts, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Other revenues susceptible to accrual are sales taxes, significant building permit fees, and interest revenue. Forfeitures, licenses, other permits and miscellaneous revenue are not susceptible to accrual because they are not measurable until received in cash. Grant funding received in advance of the related expenditure is accounted for as unearned revenue.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by unrestricted resources if necessary.

E. Prepaids, Materials, Supplies and Deposits

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed, rather than when purchased.

Materials and supplies are valued at cost on a first-in first-out basis. Supplies in the enterprise and internal funds consist principally of materials and supplies for utility and internal operations. Materials and supplies of the governmental funds consist of expendable supplies and materials held for consumption. The cost is recorded as an expense or expenditure in the funds at the time individual inventory items are consumed.

Prepaids, materials, supplies and deposits in governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

F. Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the statement of net position or balance sheet reports a separate section for deferred outflows of resources. This separate net statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has pension-related deferred outflows of resources arising from certain changes in the collective net pension liability.

In addition to liabilities, the statement of net position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows of resources arising from certain changes in the collective net pension liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. *Property Tax*

Santa Clara County assesses properties and bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the County, which retains all penalties.

The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

H. *Revenue Recognition for Water Utility and Sewer Utility*

Revenues are recognized based on cycle billings rendered to customers. Revenues for services provided but not billed at the end of a fiscal period are not material and are not accrued.

I. *Fair Value Measurements*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

J. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

A. *Budgets and Budgetary Accounting*

The City adopts an annual operating budget on or before June 30 of the previous fiscal year. The operating budget takes the form of a one year financial plan which is adopted in its entirety by the City Council by resolution. Because Milpitas is a general law city, it is not subject to a budgetary process prescribed by statute or charter.

The operating budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. The City Manager's budget control remains at the level of department and/or project within any one fund. The City Manager may approve supplemental appropriations in the General Fund providing the total increase does not exceed 1% of the original total General Fund expenditure budget subject to the following. All additional appropriations that require the use of reserves must be approved by City Council. Expenditures cannot exceed the appropriated budget at the department level within each fund without City Council approval.

The City Manager is authorized to amend appropriations within the various departments and projects within a fund, provided that the amount of the amended appropriation is \$20,000 or less. Interfund transfers or transfers of an appropriation amount within a fund in which any single instance exceed \$20,000 require prior approval of the City Council.

Budgeted amounts are as originally adopted, or as amended by the City Council. Individual amendments were not material in relation to the original appropriations which were amended.

B. *Adjustments to GAAP Basis from Budgetary Basis*

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital projects expenditures are budgeted on a project length basis rather than a fiscal year. The effects of these differences are shown as encumbrance adjustments, expenditures capitalized for GAAP purposes and capital outlay in the budget and actual statements. The Street Improvement, Park Improvement, General Government Project, Storm Drain Development and Transit Area Impact Fee Capital Projects Funds are budgeted on a project length basis and therefore are not comparable on an annual basis.

C. *Expenditures in the Excess of Budget*

The Housing and Community Development Special Revenue Fund had planning and neighborhood services expenditures in excess of budget in the amount of \$15,980. Sufficient resources were available within the fund to finance the expenditures.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3 - CASH AND INVESTMENTS

The City pools cash from all sources and all funds except Cash and Investments held by Trustees, certain investments of the Successor Agency to the Milpitas Redevelopment Agency, and Terrace Gardens, Inc. so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or other agreements.

Cash and investments available for operations	\$326,379,166
Restricted Cash	951,504
Total Primary Government cash and investments	<u>327,330,670</u>
 Cash and investments available for operations	 239,968
Restricted investments	2,355,586
Total Component Unit cash and investments	<u>2,595,554</u>
 Cash and investments in Fiduciary Funds (separate statement)	 10,958,917
Total cash and investments	<u><u>\$340,885,141</u></u>

Cash and Investments Available for Operations is used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3 - CASH AND INVESTMENTS (Continued)

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy, updated or adopted on an annual basis, and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U. S. Treasury Bonds, Notes and Bills	5 Years		100%	No Limit
Federal Agency Obligations	5 Years		100%	No Limit
Bankers Acceptances	180 Days		40%	30%
Commercial Paper – Pooled Funds	270 Days	A	40%	(A)
Commercial Paper – Non-Pooled Funds	270 Days	A	25%	(A)
Negotiable Certificates of Deposit	5 Years		30%	No Limit
Repurchase Agreements	1 Year		100%	No Limit
Time Certificates of Deposit – Banks or Savings and Loans (Non-negotiable)	5 Years		100%	No Limit
Medium Term Corporate Notes	5 Years	A	30%	(A)
State of California Local Agency Investment Fund (LAIF Pool)	Upon Demand		100%	\$65,000,000 per account
Money Market Funds of Government Securities	Upon Demand	Top Rating Category	20%	10%
Security Swaps	N/A		100%	No Limit

- (A) Eligible Commercial Paper and Medium Term Corporate Notes combined may not represent more than 10% of the outstanding paper of an issuing corporation.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3 - CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U. S. Treasury Bonds, Notes and Bills	5 Years		100%	No Limit
Federal Agency Obligations	5 Years		100%	No Limit
Time Certificates of Deposit – Banks or Savings and Loans	5 Years		100%	No Limit
Bankers Acceptances	180 Days	A	20%	\$5,000,000 or 10%
Commercial Paper – Pooled Funds	270 Days	A	40%	(A)
Commercial Paper – Non-Pooled Funds	270 Days	A	25%	(A)
Negotiable Certificates of Deposit	5 Years		30%	No Limit
Repurchase Agreements	1 Year		100%	No Limit
Medium Term Corporate Notes	5 Years	AA	30%	(A)
State of California Local Agency Investment Fund (LAIF Pool)	Upon Demand		No Limit	No Limit
Money Market and Mutual Funds	Upon Demand	Aaa/AAm	20%	10%
California Asset Management Program (CAMP)	Upon Demand		No Limit	No Limit

(A) The combined total of commercial paper and medium term corporate notes may not represent more than 10% of the outstanding paper and notes of an issuing corporation.

E. Investments Authorized for Terrace Gardens Inc.

Terrace Gardens, Inc. investments conform with the California Government Code.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3 - CASH AND INVESTMENTS (Continued)

F. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	12 Months or less	13 to 24 Months	25 to 60 Months	Total	Percentage of Portfolio
City and Successor Agency:					
Federal Agency Obligations	\$45,887,780	\$49,178,150	\$88,343,829	\$183,409,759	53.79%
Medium Term Corporate Notes	3,996,230	7,040,570	7,081,880	18,118,680	5.32%
U.S. Treasury Notes	13,945,800	7,001,530	10,191,714	31,139,044	9.13%
California Local Agency Investment Fund	89,853,548			89,853,548	26.36%
Mutual Funds (U.S. Securities)	9,428,039			9,428,039	2.77%
Negotiable Certificates of Deposit	998,821	1,255,122		2,253,943	0.66%
Terrace Gardens, Inc.:					
Nonnegotiable Certificates of Deposit	1,961,879			1,961,879	0.58%
Total Investments	<u>\$166,072,097</u>	<u>\$64,475,372</u>	<u>\$105,617,423</u>	336,164,892	
Demand Deposits - City of Milpitas				4,086,574	1.20%
Demand Deposits - Terrace Gardens				633,675	0.19%
Total Cash and Investments				<u>\$340,885,141</u>	<u>100.00%</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$65 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2019 these investments matured in an average of 173 days.

Mutual funds are available for withdrawal on demand and at June 30, 2019 matured in an average of 13 days.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3 - CASH AND INVESTMENTS (Continued)

G. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2019 for each of the Primary Government's investment types as provided by Standard and Poor's investment rating system:

Investment Type	AAA	AA+/AA/AA-	A+/A/A-	BBB+/BBB	Total
Federal Agency Obligations		\$183,409,759			\$183,409,759
Medium Term Corporate Notes	\$2,006,390	14,107,910	\$2,004,380		18,118,680
Mutual Funds (U.S. Securities)	9,428,039				9,428,039
Negotiable Certificates of Deposit		249,621	1,004,236	\$500,314	1,754,171
Totals	<u>\$11,434,429</u>	<u>\$197,767,290</u>	<u>\$3,008,616</u>	<u>\$500,314</u>	<u>212,710,649</u>
<i>Not rated:</i>					
California Local Agency Investment Fund					89,853,548
Negotiable Certificates of Deposit					499,772
<i>Exempt from credit rate disclosure:</i>					
U.S. Treasury Notes					31,139,044
Total Investments					<u>\$334,203,013</u>

All the rated and unrated negotiable certificates of deposit were fully insured by Federal Deposit Insurance at June 30, 2019.

Terrace Gardens, Inc. invests only in Nonnegotiable Certificates of Deposit. At December 31, 2018, all of Terrace Gardens' Nonnegotiable Certificates of Deposit totaling \$1,961,879 were fully insured by Federal Deposit Insurance.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3 - CASH AND INVESTMENTS (Continued)

H. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the City's investments as of June 30, 2019:

	Level 1	Level 2	Total
<i>Investments by Fair Value Level:</i>			
Federal Agency Obligations		\$183,409,759	\$183,409,759
Medium Term Corporate Notes		18,118,680	18,118,680
U.S. Treasury Notes	\$31,139,044		31,139,044
Negotiable Certificates of Deposit		2,253,943	2,253,943
Subtotal	<u>\$31,139,044</u>	<u>\$203,782,382</u>	234,921,426
<i>Investments Measured at Amortized Cost:</i>			
Mutual Funds (U.S. Securities)			9,428,039
<i>Investments Measured at Cost:</i>			
<i>Terrace Gardens, Inc.</i>			
Nonnegotiable Certificates of Deposit			1,961,879
<i>Investments Exempt from Fair Value Hierarchy:</i>			
California Local Agency Investment Fund			<u>89,853,548</u>
Total Investments			<u>\$336,164,892</u>

U.S. Treasury Notes totaling \$31.1 million classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Federal Agency Obligations totaling \$183.4 million, Medium Term Corporate Notes of \$18.1 million and Negotiable Certificates of Deposit of \$2.2 million, classified in Level 2 of the fair value hierarchy, are valued using pricing techniques of matrix pricing or market corroborated pricing, with inputs such as yield curves or indices. These prices are obtained from various pricing sources by our custodian bank.

I. Significant Investments

Investments in the securities of any individual issuers, other than U. S. Treasury securities, mutual funds and the California Local Agency Investment Fund, that represent 5% or more of total entity-wide investments are as follows at June 30, 2019:

Issuer	Investment Type	Amount
Federal Farm Credit Bank	Federal Agency Obligations	\$57,753,848
Federal Home Loan Bank	Federal Agency Obligations	51,284,402
Federal Home Loan Mortgage Corporation	Federal Agency Obligations	28,852,969

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 4 - INTERFUND TRANSACTIONS

A. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund which has made an expenditure on behalf of another fund. Less often, a transfer may be made to open or close a fund.

Transfers between funds during the fiscal year ended June 30, 2019 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
Major Funds:		
General Fund	Street Improvement Capital Projects Fund	\$146,776 (A)
General Fund	Street Improvement Capital Projects Fund	1,600,000 (B)
General Fund	Water Utility Enterprise Fund	2,705,884 (C)
General Fund	Sewer Utility Enterprise Fund	1,544,274 (C)
General Fund	Solid Waste Reduction and Services Special Revenue Fund	99,748 (C)
General Fund	Community Facilities District Special Revenue Fund	900,000 (A)
Street Improvement Capital Projects Fund	General Fund	993,464 (C)
Street Improvement Capital Projects Fund	Transit Area Impact Fee Capital Projects Fund	1,400,000 (B)
Street Improvement Capital Projects Fund	Sewer Utility Enterprise Fund	100,000 (B)
Street Improvement Capital Projects Fund	Gas Tax Special Revenue Fund	1,775,000 (B)
Street Improvement Capital Projects Fund	Park Improvement Capital Projects Fund	50,000 (B)
Transit Area Impact Fee Capital Projects Fund	Water Utility Enterprise Fund	480,643 (A)
General Government Capital Projects Fund	General Fund	10,821,174 (B)
General Government Capital Projects Fund	Lighting and Landscape Maintenance District Special Revenue Fund	95,000 (B)
General Government Capital Projects Fund	Community Planning Special Revenue Fund	250,000 (B)
General Government Capital Projects Fund	Park Improvement Capital Projects Fund	90,405 (A), (B)
General Government Capital Projects Fund	Equipment Management Internal Service Fund	298,000 (B)
Water Utility Enterprise Fund	Street Improvement Capital Projects Fund	13,444 (A)
Water Utility Enterprise Fund	Transit Area Impact Fee Capital Projects Fund	2,330,000 (B)
Sewer Utility Enterprise Fund	Street Improvement Capital Projects Fund	13,444 (A)
Non-Major Funds:		
Gas Tax Special Revenue Fund	Street Improvement Capital Projects Fund	483,125 (A)
Solid Waste Reduction and Services Special Revenue Fund	General Government Capital Projects Fund	134,151 (B)
Affordable Housing Special Revenue Fund	General Fund	993,464 (C)
Affordable Housing Special Revenue Fund	Community Planning Special Revenue Fund	250,000 (C)
Park Improvement Capital Projects Fund	General Fund	800,000 (B)
Park Improvement Capital Projects Fund	Transit Area Impact Fee Capital Projects Fund	6,575,000 (A), (B)
Park Improvement Capital Projects Fund	General Government Capital Projects Fund	5,085,000 (B)
Storm Drain Development Capital Projects Fund	General Government Capital Projects Fund	250,000 (B)
Storm Drain Development Capital Projects Fund	Sewer Utility Enterprise Fund	15,000 (B)
Equipment Management Internal Service Fund	General Fund	300,000 (C)
	Total Interfund Transfers	\$40,592,996

(A) To return unexpended project funds

(B) To fund capital projects

(C) Transfer for operating costs

B. Long-Term Interfund Advance

In June 2014, the General Fund advanced \$5,000,000 to the Transit Area Impact Fee Capital Projects Fund. The advance will be repaid when the fund collects sufficient impact fees from developers. The advance bears simple interest at the monthly investment return of the City's portfolio. At June 30, 2019, the balance of the advance was \$5,290,250.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 5 - LOANS RECEIVABLE

The City and former Redevelopment Agency entered into the loan programs below to improve the quality of housing and to increase the availability of affordable housing, and for other purposes. With the dissolution of the Redevelopment Agency as discussed in Note 15, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the City of Milpitas Housing Authority assumed the loans receivable of the Redevelopment Agency's Housing Reserve Special Revenue Fund as of February 1, 2012.

These loans were comprised of the following at June 30, 2019:

Housing and Community Development Loans:

Rehabilitation Loans	\$3,740,080
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Housing Authority Loans:

Milpitas Housing Associates	3,183,000
Parc Metropolitan Housing Development	58,153
Parc North Associates LLC	663,786
Mid-Peninsula Milpitas Affordable Housing Associates	17,418,121
KB Home South Bay Inc.	1,372,900
Western Pacific Housing Inc.	1,821,364
Shapell Industries	800,000
MIL Aspen Associates, Ltd.	3,208,660
Resources for Community Development	158,925
Total Housing Authority Loans Receivable	28,684,909
Total Loans Receivable	\$32,424,989

A. Rehabilitation Loans

The City administers a housing rehabilitation program using Housing and Community Development Act funds. Under the Program, individuals with incomes below a certain level are eligible to receive low or no interest loans, secured by deeds of trust, for construction work on their homes. At June 30, 2019, the City had outstanding rehabilitation loans of \$3,740,080 in its Housing and Community Development Special Revenue Fund. During the year ended June 30, 2019, the City received principal payment of \$8,177 from all participants, accrued interest of \$3,737 and made new loans totaling \$315,077.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 5 - LOANS RECEIVABLE (Continued)

B. *Milpitas Housing Associates Loan*

In fiscal 1997, the former Redevelopment Agency loaned the Milpitas Housing Associates, a partnership of Bridge Housing and a developer, \$3,000,000 to assist in the financing of the construction of a 306 unit apartment complex. Fifty percent of the units were made available to very low and low income tenants. The Loan bore interest at the rate of 5.45% per year, compounded annually and is repayable in 2040, subject to certain conditions. The loan is secured by a subordinated deed of trust in the third position on the property. In January 2019, the City Council and the Housing Authority Commission approved a restructuring of the loan, which, 1) lowered the interest rate from 5.45% to a simple interest of 3.05% effective July 1, 2017, 2) forgave accrued interest of \$1,541,074 through fiscal year 2017, and 3) approved the foregoing of residual receipts totaling \$200,000 annually. As a result, fiscal year 2018 interest was recalculated to be \$91,500 and accrued and the prior fiscal year 2018 accrued interest of \$247,489 was written off. During fiscal year 2019, interest of \$91,500 was accrued, and as of June 30, 2019, principal and accrued interest outstanding totaled \$3,183,000.

C. *Parc Metropolitan Housing Development Loans*

The Housing Authority provides loans to eligible low-income families for the purchase of townhome units at the Parc Metropolitan Housing Development. During the year ended June 30, 2019, the Housing Authority received principal payments of \$33,667 and as of June 30, 2019, there were \$58,153 in loans outstanding.

D. *Parc North Associates LLC Loan*

In September 2003, the former Redevelopment Agency entered into an Owner Participation Agreement with Parc North Associates LLC for the development of 285 town homes and condominiums. Eighteen of the units were made available to very low income households, six of the units were made available to low income households, and thirty-four units were made available to moderate income households. In exchange, the Agency provided a grant of \$1,823,480 to the Developer for permits, fees, and infrastructure, along with silent-second loans to eligible low-income families for the purchase of these town homes and condominium. Interest of 5% begins on the 61st month after the recordation of the deeds of trust and continues until the loans are paid in full. During fiscal year 2019, principal of \$96,315 was paid and as of June 30, 2019, there were \$663,786 of such loans outstanding.

E. *Mid-Peninsula Milpitas Affordable Housing Associates*

In December 2005, the former Redevelopment Agency entered into a Disposition and Development Agreement with Mid-Peninsula Milpitas Affordable Housing Associates for the development of a 103-unit senior housing project with long-term affordability to extremely low and very low income seniors. Under the terms of the Agreement, the Agency provided a grant of \$1 million to the Developer and will provide a development loan up to \$14.6 million to the Developer. No interest is accrued on the first \$5 million of loan proceeds. The remaining \$9.6 million bears simple interest of 3.00% annually. Repayment of interest and principal is payable from surplus operating cash subject to certain conditions as defined in the Agreement, and unpaid principal and accrued interest is due in December 2062. The loan is secured by a second deed of trust on the property. Construction began in fiscal year 2006 and was completed in December 2008. During fiscal year 2019, interest of \$288,000 was accrued, and as of June 30, 2019, principal and accrued interest outstanding totaled \$17,418,121.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 5 - LOANS RECEIVABLE (Continued)

F. KB Home South Bay Inc. Loans

In January 2005, the former Redevelopment Agency entered into a Disposition and Development Agreement with KB Home South Bay Inc. for the development of a public park and approximately 700 housing units on the two parcels (Parcels C and D). In addition, the former Redevelopment Agency would provide a total of \$4,250,000 of silent-second mortgages to eighty-five moderate income households on Parcel C, approximately \$5,000,000 of subsidies to twenty-five moderate income households on Parcel D. The silent-second mortgages are not due for 45 years or upon the sale, renting or leasing of the property. Interest begins on the 37th month after the recordation of the Deed of Trust and continues until the loans are paid in full.

Due to changes in the housing market and stricter lending requirements which had created unforeseen challenges in finding qualified buyers for the affordable units, the former Redevelopment Agency amended the Agreement in February 2009 to establish an in-lieu housing payment of \$1,702,000 to remove the affordable restrictions on 46 of the 67 remaining unsold affordable units (\$37,000 for each unit). This amount was paid in equal parts to the Agency and to the County. In addition, the commitment for silent-second mortgages was reduced \$2,300,000 to \$1,950,000, and the total number of affordable units was reduced from 110 to 64.

As of June 30, 2019, there were \$1,372,900 of loans to Parcel C households outstanding. As of June 30, 2019 subsidies totaling \$4,707,542 had been provided.

G. Western Pacific Housing Inc., Loans

In August 2005, the former Redevelopment Agency entered into an Owner Participation Agreement with Fairfield Development, LLC for the development of a 464- unit residential apartment project called Centria, of which 93 units will be deed-restricted for very low- to moderate- income households. In November 2005, the project was purchased by Western Pacific Housing Inc. and obligations of the Owner Participation Agreement were assigned to Western Pacific Housing Inc. The former Redevelopment Agency will provide a grant of \$379,480 for permits, fees, and infrastructure. The former Redevelopment Agency also will provide a total of \$770,000 for silent-second down payment assistance loans for the 22 very-low income units. The loans are not due for 25 years or upon the sale, renting or leasing of the property. Interest will begin on the 61st month after the recordation of the Deed of Trust and continues until the loans are paid in full. Principal of \$1,129 was repaid in fiscal year 2019 and as of June 30, 2019, there were \$624,364 such loans outstanding.

In August 2008 the Owner Participation Agreement was amended to reduce the number of units to be constructed by Western Pacific Housing Inc. to 137 and provide for the conversion of 7 of the moderate income units to low income units. In addition, in August 2008 the 327 unconstructed units of the project were sold to Lyon Milpitas LLC and the Agency entered into a new Owner Participation Agreement with Lyon Milpitas LLC to complete the construction of the affordable housing units.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 5 - LOANS RECEIVABLE (Continued)

In September 2006, the former Redevelopment Agency entered into an Owner Participation Agreement with Western Pacific Housing, Inc. for the development of a 147-unit townhome project called Paragon that includes nine units deed-restricted to very low income residents and twenty units deed-restricted to moderate income residents. The Agency will provide silent-second loans of \$133,333 to each of the very low income households. Interest will begin on the date of the promissory note but will be forgiven on the fourth anniversary of the date the Deed of Trust recorded at a rate of 20% per year, and principal is due 45 years from the date the Deed of Trust was recorded. As of June 30, 2019, there were \$1,197,000 of silent second loans outstanding.

H. *Shapell Industries*

In June 2004, the former Redevelopment Agency entered into an Agreement with Shapell Industries of Northern California for the development of a 65-unit townhome development, which will include twenty deed-restricted affordable housing units for very low- and moderate-income units. In August 2005 the Agency entered into an Owner Participation Agreement with the Developer that, in exchange for the development of housing units, the Agency will provide a total of \$800,000 silent-second mortgages to sixteen moderate-income households. In addition, under the terms of the Agreement, the Agency assisted in the rehabilitation of four existing very low-income units in fiscal 2006. Interest will begin on the date of the promissory note, but will be forgiven on the fourth anniversary of the date the Deed of Trust recorded at a rate of 20% per year, and principal is due 45 years from the date the Deed of Trust was recorded. As of June 30, 2019, there were \$800,000 of silent second loans outstanding.

I. *MIL Aspen Associates, Ltd.*

In April 2007, the former Redevelopment Agency entered into an Owner Participation Agreement with MIL Aspen Associates, Ltd. for the development of a 101-unit multi-family project, of which 100 units will be deed-restricted for very low-income households. Under the terms of the Agreement, during fiscal year 2011 the Agency provided a \$2,300,000 loan to the Developer. The loan bears 5% interest compounded annually on outstanding principal balance, and is repayable in April 17, 2037. Upon June 1 of the year following the issuance of the final certificate of occupancy of the project and the first day of each June during the term of the loan, the Developer shall pay 50% of Surplus Cash generated by the Project, as defined in the Agreement, during the previous calendar year. During the year ended June 30, 2019, total payments of \$93,654 were received, interest of \$157,134 accrued, and as of June 30, 2019, principal and accrued interest totaled \$3,208,660.

J. *Resources for Community Development*

In November 2017, the Housing Authority entered into a predevelopment loan agreement with Resources for Community Development for certain predevelopment costs necessary for the development of a 102-unit affordable rental housing project, 355 Sango Court Apartments, of which 101 will be affordable and 1 will be an above moderate income (AMI) managers unit. The unit mix will include 40 units with project based subsidy providing supportive housing for chronically homeless veterans and individuals at or below 30% AMI, 31 units that will provide permanent housing to households with incomes at or below 30% AMI, and 30 units providing permanent housing to households with incomes at or below 60% AMI. Under the terms of the agreement, the City provided a \$147,768 loan to the Developer. The loan bears interest of 3% and is repayable on November 29, 2019. During the year ended June 30, 2019, a principal payment of \$2,231 was received, \$8,063 of interest was accrued, and as of June 30, 2019, principal and accrued interest totaled \$158,925.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 5 - LOANS RECEIVABLE (Continued)

K. *Sango Court, L.P.*

In May 2019, the Housing Authority authorized a development loan to Sango Court, L.P. in the amount of \$6,500,000 for construction of affordable housing at 355 Sango Court Apartments. However, the loan and regulatory documents will not be fully executed until the developer has finalized all other funding sources for the development. As of June 30, 2019, the developer had not finalized project funding and therefore had not drawn down on the loan.

NOTE 6 - PROPERTY HELD FOR RESALE OR REDEVELOPMENT

A. *General Fund*

Pursuant to the terms of a settlement agreement between the City, Economic Development Corporation, Housing Authority, Santa Clara County Auditor-Controller, State Controller and other parties, a land parcel was transferred from the Successor Agency to the Housing Authority in June 2014. However, that parcel was not subject to housing related provisions and was transferred to the City from the Housing Authority in June 2014.

The land parcel is accounted for at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer.

As of June 30, 2019, property totaling \$4,200,000 is held by the General Fund.

B. *Housing Authority*

The former Redevelopment Agency had purchased parcels of land as part of its efforts to develop or redevelop blighted properties within the Redevelopment areas. Such land parcels are accounted for at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer. The City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the City of Milpitas Housing Authority assumed the property held for resale of the Redevelopment Agency's Housing Reserve Fund as of February 1, 2012.

In fiscal year 2010 the Agency purchased five housing units for \$1,503,718 in the Parc Metro Subdivision. During fiscal year 2011, the Agency purchased one additional Parc Metro Subdivision unit for \$305,095, one Centria Subdivision housing unit for \$248,056, and four KB Home Subdivision housing units for \$1,273,892. One of the KB Home Subdivision units with a book value of \$374,253 was sold in August 2011. Two of the KB Home Subdivision units with a book value of \$376,795 and \$294,921 were sold in December 2012 and February 2013, respectively. Four of the Parc Metro Subdivision units were sold in fiscal year 2013, with a total book value of \$1,245,559, and one unit with a book value of \$258,160 was sold in fiscal year 2019. The Centria unit was sold in fiscal year 2017 for \$296,000. The units were purchased in order to retain them as affordable housing units and are being held for future resale. The remaining units are rented to tenants.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 6 - PROPERTY HELD FOR RESALE OR REDEVELOPMENT

In February 2011, the Agency purchased additional property along South Main Street in the amount of \$1,800,000 which is intended to be incorporated into the Midtown Specific Plan for housing development. The purchase of this property had been funded by a loan from the Housing Reserve Special Revenue Fund to the Redevelopment Capital Projects Fund, and with the dissolution of the Agency as of February 1, 2012, the State Department of Finance approved the property as a housing asset and the property was transferred to the Housing Authority as the successor housing agency.

In March 2018, the Housing Authority purchased an additional property on South Main Street in the amount of \$456,826. The property was sold in fiscal year 2019 for \$353,184.

As of June 30, 2019, property totaling \$2,333,018 is held by the Housing Authority. The Housing Authority is required to develop or sell the properties on or before August 31, 2022.

NOTE 7 - DEVELOPMENT AND TAX SHARING AGREEMENTS

The City and former Redevelopment Agency have entered into the development agreements below in an effort to provide incentives to develop new businesses, new tax revenues and affordable housing.

A. *South Main Senior Lifestyles, LLC.*

In August 2009, the former Redevelopment Agency entered into a Disposition and Development Agreement with the South Main Senior Lifestyles, LLC (SMSL) to develop 180 units of “Continuum of Care Senior Housing” (Phase 1 Parcel), of which 63 units will be for very low and low income households, and 207 units of family housing (Phase 2 Parcel) which will be market rate units. In accordance with the terms of the Agreement, the Agency will acquire the properties and resell them in two phases to the developer prior to construction, subject to certain conditions in the Agreement. In November 2009, the Agency purchased the properties along South Main Street in the amount of \$12,443,137. The sales price for the Phase 1 Parcel will be \$5,022,129, and the sales price for the Phase 2 Parcel will equal the greater of the fair market value of the Phase 2 Parcel as defined in the Agreement or \$7,377,871. In addition, the former Agency’s Housing Reserve Special Revenue Fund was to provide a grant in the amount of \$7.7 million to support the development and operation of the Phase 1 Parcel project.

In March 2011, the Economic Development Corporation assumed the obligations of the Disposition and Development Agreement and on October 18, 2011, a two year extension to the Agreement was approved to include a more extensive high density residential development plan of sixty-three residential units available at affordable housing cost to income-qualified very low and low income households.

In November 2013, the Housing Authority amended the Disposition and Development Agreement. The amendment states the Authority will convey the properties with a carrying value of \$12,443,137 to the developer as a grant after certain requirements are fulfilled. In addition, the amendment also eliminates the \$7.7 million grant obligation included in the initial agreement. It further amended the number of affordable units from 63 to 48, all at the very low income level for seniors.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 - DEVELOPMENT AND TAX SHARING AGREEMENTS (Continued)

In June 2015, the Housing Authority amended the Disposition and Development Agreement to extend the deadline to convey the properties to the developer from November 19, 2015 to June 30, 2017. In April 2017, the Housing Authority amended the Disposition and Development Agreement to extend the deadline from June 30, 2017 to December 31, 2017. On April 5, 2018, the agreement was again amended to extend the deadline to the date on which the grant deed conveying the Phase 1 Parcel to the developer is recorded. In April 2018, the terms of the agreement were fulfilled and the properties were transferred to the developer.

In February 2018, the City entered into a reimbursement agreement with the developer to reimburse the developer for the full actual cost of the design and improvement to replace an existing 8-inch sanitary sewer pipe with a 12-inch pipe. No reimbursement was made to the developer during fiscal year 2018 or 2019.

B. *D.R. Horton Bay, Inc.*

In November 2012, the City entered into an Acquisition and Reimbursement Agreement with D.R. Horton Bay, Inc., which requires the developer to pay Transit Area Specific Plan (TASP) and park in lieu developer impact fees of \$8,007,312 to defray all or a portion of the costs of sewer facilities and to mitigate other impacts of the Harmony Project. Under the terms of the Agreement, D.R. Horton will receive estimated fee credits totaling \$4,355,645 for impact fees for constructing trail improvements, road improvements to the east side of McCandless Road and sewer line 11A and 11B installation. No fee credits were issued during the year ended June 30, 2019 and to date, the City has issued fee credits of \$4,355,645.

C. *Sales Tax Sharing Agreement*

In June 2009, the City entered into a Sales Tax Sharing Agreement with a corporation that provides process control for the semiconductor and related industries. Under the terms of the Agreement, the City agreed to pay the corporation 50% of the calendar year sales and use tax revenues paid by the corporation and collected by the State Board of Equalization for the City that exceed the tax base. The tax base is defined in the Agreement as the average amount of annual sales tax increment received by the City from the corporation for calendar years 2006, 2007 and 2008. The agreement terminates in 2025. The City paid \$151,932 of sales tax to the corporation during fiscal year 2019.

D. *Tax Rebate Agreement*

In March 2015, the City entered into a Tax Rebate Agreement with a corporation that provides high performance computing. Under the terms of the agreement, in return for the corporation moving its headquarters into downtown Milpitas the City agreed to pay the corporation 50% of the real and personal property taxes paid by the corporation, excluding special assessments, 50% of the sales and use tax paid by the corporation, and 50% of the transient occupancy taxes received by the City arising from payment from hotel guests staying in a Milpitas hotel booked/reserved by the corporation. The City paid \$5,946 to the corporation during fiscal year 2017, which represented the second installment for fiscal year 2016 property taxes. The City has not made any additional payments to the corporation or recorded an associated liability for fiscal years 2016-2017, 2017-2018 or 2018-2019, because the corporation has not provided the tax information to the City for the fiscal year 2017, 2018 and 2019 property tax or for any of the sales and use or transient occupancy taxes.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 - DEVELOPMENT AND TAX SHARING AGREEMENTS (Continued)

E. Piper Montague Infrastructure Payment Cost Sharing Agreement

In August 2009, the City entered into a four-party agreement with three developers in the Piper/Montague Subdistrict in which the developers agreed to share in the costs of infrastructure improvements, including street improvements, storm drain installation and a traffic signal, and certain storm water management facilities. Under the terms of the agreement, when one of the developers undertakes a project related to the shared infrastructure improvements or storm water facilities project, that developer receives TASP fee credits equal to the other two developers pro-rata share of the improvements. The other two developers are then to reimburse the City for those TASP fee credits through the payment of the Piper Montague Infrastructure Fee Payment (PMIP), when building permits are issued, as a surcharge to the TASP fee. In the event the developers do not pay the PMIP fees within seven years of the completion date of the improvements, then the City may levy assessments or collect Mello-Roos special taxes from the applicable properties for the applicable share of the improvements. The cost of the shared infrastructure improvements and storm water facilities project is estimated to total \$9.8 million. If a developer's TASP fee credits resulting from the installation of the shared infrastructure exceed its aggregate TASP Fee obligations, the developer is not entitled to a cash payment from the City, but they may be entitled to a credit against other development fees.

During fiscal year 2016 one of the developers began construction on one of the shared infrastructure projects and expended \$5,019,701 during fiscal year 2016 and \$489,829 during fiscal year 2017. That developer received TASP fee credits to date of \$3,085,337, which is payable from the other two developers as discussed above. One of those developers began pulling permits during fiscal year 2016, which resulted in repayment of \$1,785,122 to date. The balance due from the two developers was \$1,378,556 as of June 30, 2019.

F. Milpitas Station (San Jose) Venture, LLLP

In June 2014, the City entered into a Fee Credit Agreement with Milpitas Station (San Jose) Venture, LLLP, which requires the developer to pay TASP fees of \$9,932,643 to defray all or a portion of the improvements and facilities costs associated with the Milpitas Station Project. Under the terms of the agreement, the developer will be entitled to an improvement fee credit totaling \$1,500,000 for construction costs for roadway improvements, pole relocation improvements, and railroad crossing improvements and a park land fee credit totaling \$4,244,486 for the park land dedication to be applied against projected TASP fees. During the year ended June 30, 2019, the City issued fee credits in the amount of \$504,295 and fee credits of \$4,160,436 have been issued to date.

G. Anton Milpitas 730 LLC and 750 LLC

In April 2018, the City entered into a Fee Reimbursement Agreement with Anton Milpitas 750 LLC and Anton Milpitas 730 LLC, which requires the developer to pay TASP fees of \$19,358,035 to defray all or a portion of the improvements and facilities costs associated with the 730 E. Capitol and 750 E. Capitol apartment complexes. Under the terms of the agreement, the developer will be entitled to an improvement fee credit totaling \$5,910,221 for construction costs for parking and a variety of site improvements, including a public park. No fee credits have been issued under the agreement through the year ended June 30, 2019.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 - DEVELOPMENT AND TAX SHARING AGREEMENTS (Continued)

H. LMC Milpitas Holdings I, LLC and Lennar Homes of California

In July 2017, the City entered into a Fee Reimbursement Agreement with LMC Milpitas Holdings I LLC and Lennar Homes of California, which requires the developer to pay TASP fees of \$16,029,909 to defray all or a portion of the costs of public parks and public recycled water system. Under the terms of the agreement, the developer will be entitled to an improvement fee credit totaling \$3,689,574 for construction and design costs for bridge improvements for Montague Expressway and East Penitencia Creek. During the year ended June 30, 2019, no fee credits were issued, and fee credits of \$2,536,935 have been issued to date.

NOTE 8 - CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed. The City's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

The City has recorded all its public domain (infrastructure) capital assets, which include landscape, storm, street, and traffic systems.

All capital assets with limited useful lives are required to be depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years is reported on the statement of net position as a reduction in the book value of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The general capitalization threshold is \$5,000. The City has assigned the useful lives below to capital assets:

	Useful Lives Years
Buildings and improvements	30
Other improvements	20
Machinery and equipment	10
Landscape system	50
Storm system	15-25
Street system	25
Traffic system	20
Water system	30-61
Sewer system	50
Capacity rights	32

Terrace Gardens, Inc. has assigned the following useful lives to its capital assets: Buildings, 50 years; Building improvements, 10-50 years; and Equipment, 5-7 years.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8 - CAPITAL ASSETS (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

A. Governmental Capital Asset Additions, Retirements and Balances

	Balance at June 30, 2018	Additions	Retirements	Transfers	Balance at June 30, 2019
Capital assets not being depreciated:					
Land	\$65,352,778			\$3,082,305	\$68,435,083
Construction in progress	64,125,363	\$9,881,945	(\$200)	(11,121,693)	62,885,415
Total capital assets not being depreciated	129,478,141	9,881,945	(200)	(8,039,388)	131,320,498
Capital assets being depreciated:					
Buildings and improvements	166,365,304			7,005,829	173,371,133
Other improvements	29,976,059			581,967	30,558,026
Machinery and equipment	42,534,909	3,073,634	(823,259)	451,592	45,236,876
Landscape system	29,744,298	193,555			29,937,853
Storm system	74,340,148				74,340,148
Street system	264,447,128	6,763,617			271,210,745
Traffic system	19,127,376	173,109			19,300,485
Total capital assets being depreciated	626,535,222	10,203,915	(823,259)	8,039,388	643,955,266
Less accumulated depreciation for:					
Buildings and improvements	(75,338,712)	(6,080,383)			(81,419,095)
Other improvements	(21,073,805)	(886,975)			(21,960,780)
Machinery and equipment	(34,432,973)	(2,197,937)	812,244		(35,818,666)
Landscape system	(14,683,273)	(594,612)			(15,277,885)
Storm system	(72,120,096)	(314,266)			(72,434,362)
Street system	(200,494,965)	(5,412,809)			(205,907,774)
Traffic system	(14,630,252)	(534,175)			(15,164,427)
Total accumulated depreciation	(432,774,076)	(16,021,157)	812,244		(447,982,989)
Net capital assets being depreciated	193,761,146	(5,817,242)	(11,015)	8,039,388	195,972,277
Governmental activities capital assets, net	\$323,239,287	\$4,064,703	(\$11,215)		\$327,292,775

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8 - CAPITAL ASSETS (Continued)

Governmental activities construction in progress comprised the following at June 30, 2019:

Project	Total Budget	Actual Costs	Unexpended Budget
S Milpitas Blvd Extension	\$17,000,000	\$16,920,749	\$79,251
Alviso Adobe Renovation	8,159,272	5,939,842	2,219,430
Park Irrigation System	400,000	248,304	151,696
McCandless Park	12,154,820	2,170,638	9,984,182
Sports Fields Turf Rehabilitation Program	450,000	50,874	399,126
Creighton Park Renovation	3,300,000	274,206	3,025,794
Sandalwood Park Renovation	2,175,000	88,995	2,086,005
Sports Center Skate Park	6,325,000	516,278	5,808,722
Carlo Park	225,000	92,445	132,555
Minor Sports Courts Rehabilitation	225,000	3,451	221,549
McCarthy Blvd Landscape	862,256	473,370	388,886
Fire Station Improvements	1,095,000	675,087	419,913
City Building Improve	2,475,000	1,873,810	601,190
Sinclair LMD Improvements	94,000	84,650	9,350
City Building, Exterior Painting	900,000	1,103	898,897
Police Department Communications	4,455,000	1,367,005	3,087,995
Replacement Fire Station Alert System	363,000	464	362,536
City Building Roofing	700,000	93,965	606,035
Police Records Management	700,000	259,954	440,046
Citywide Park Playground	775,000	107,768	667,232
Annual Sidewalk, Curb & Gutter Repair	1,206,840	574,052	632,788
Technology Projects	700,000	455,822	244,178
Midtown Street Light	2,650,000	262,428	2,387,572
2017-19 Finance System Upgrade	1,150,000	152,988	997,012
Annual Tree Replacement Program	350,000	78,750	271,250
Fire Station #2 Replacement	1,220,000	264,750	955,250
LAN/WAN Network Upgrade	952,245	9,643	942,602
Storm Drain System Rehabilitation	1,145,000	827,537	317,463
Dempsey Road Storm Drain	2,830,000	225,222	2,604,778
Bart Project-Storm Improvement	33,000		33,000
Minor Storm Drain Projects 2016	100,000		100,000
Trash Removal Devices	600,000	294,054	305,946
Flap Gate Replacement	175,000		175,000
Storm Drain System Rehabilitation 17-19	1,400,000	259	1,399,741
Minor Storm Projects	100,000	71,463	28,537
Light Rail Median Landscaping	6,005,000	3,938,150	2,066,850
Second SCVWD Water Reservoir & Pump Station	200,000	825	199,175
Lower Penitencia Creek	1,665,000	305,641	1,359,359
Montague Pedestrian Overcrossing at Piper Drive	10,700,000	4,984,178	5,715,822
SCVWD Second Water Supply Turnout #2	100,000	643	99,357
TASP Citation-SCS	11,214,995	11,214,995	
TASP Pulte	4,160,436	4,160,436	
TASP Lennar	2,536,935	2,536,935	
TASP Sango Court	100,000	100,000	
TASP Falcon	1,183,686	1,183,686	
Total construction in progress	<u>\$115,311,485</u>	<u>\$62,885,415</u>	<u>\$52,426,070</u>

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Capital Asset Additions, Retirements and Balances

	Balance at June 30, 2018	Additions	Transfers	Balance at June 30, 2019
Capital assets not being depreciated:				
Land	\$1,133,079			\$1,133,079
Construction in progress	11,605,634	\$2,391,465	(\$1,183,184)	12,813,915
Total capital assets not being depreciated	12,738,713	2,391,465	(1,183,184)	13,946,994
Capital assets being depreciated:				
Distribution facilities	80,461,211			80,461,211
Water Service lines	15,193,903	599,610	1,142,066	16,935,579
Sewer lines	84,005,615		41,118	84,046,733
Capacity rights	71,775,302	6,201,888		77,977,190
Total capital assets being depreciated	251,436,031	6,801,498	1,183,184	259,420,713
Less accumulated depreciation for:				
Distribution facilities	(50,910,157)	(1,434,754)		(52,344,911)
Water Service lines	(6,490,970)	(333,059)		(6,824,029)
Sewer lines	(48,220,503)	(1,350,563)		(49,571,066)
Capacity rights	(22,454,108)	(2,314,116)		(24,768,224)
Total accumulated depreciation	(128,075,738)	(5,432,492)		(133,508,230)
Net capital assets being depreciated	123,360,293	1,369,006	1,183,184	125,912,483
Business-type activities capital assets, net	\$136,099,006	\$3,760,471		\$139,859,477

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8 - CAPITAL ASSETS (Continued)

Business-type activities construction in progress comprised the following at June 30, 2019:

Project	Total Budget	Actual Costs	Unexpended Budget
Sewer System Replacement 1	\$1,450,000	\$1,195,714	\$254,286
Sewer System Replacement	1,250,000	815,062	434,938
TASP Sewer Line Replacement	2,500,000	129	2,499,871
CCTV Sanitary Sewer	357,472	20,578	336,894
BART Project-Sewer Improvements	243,323	229,730	13,593
Sanitary Sewer Overflow Improvement	205,745	198,469	7,276
Sewer Pump Station Rehabilitation	300,000	151,074	148,926
Sewer Pump Station Treatment Improvement	550,000	115,176	434,824
Minor Sewer Projects	100,000	32,237	67,763
Sanitary Supervisory Control	450,000		450,000
Main Lift Station Odor Emissions Control	300,000	53,509	246,491
Sanitary Sewer Cathodic Protection Improvement	625,000	37,571	587,429
Sewer System Replacement	500,000	1,113	498,887
Well Upgrade Project	8,975,000	3,131,500	5,843,500
Water System Seismic Improvement	4,887,951	935,103	3,952,848
Hydrant Replacement	312,100	167,487	144,613
Cathodic Protection Improvements	850,000	735,830	114,170
Abel St Pipeline Extension	440,000	43,138	396,862
Dempsey Road Water Line	4,607,772	1,225,605	3,382,167
Automated Water Meter Replacement	2,771,700	831,026	1,940,674
BART Project-Water Improvements	2,503,920	1,820,243	683,677
Water Conservation Program	1,400,000	872,528	527,472
Supervisory Control	50,000		50,000
Recycled Water Pipeline Infill	300,000	71,214	228,786
Recycled Water Pipeline Segment 1	3,750,000		3,750,000
Annual Water Distribution	1,200,000	27,136	1,172,864
Minor Water Projects	200,000	20,318	179,682
Water O & M Database Management	150,000	82,425	67,575
Water Leak Detection	150,000		150,000
	<u>\$41,379,983</u>	<u>\$12,813,915</u>	<u>\$28,566,068</u>

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8 - CAPITAL ASSETS (Continued)

C. Terrace Gardens, Inc.'s Capital Assets

The following is a summary of Terrace Gardens Inc.'s changes in capital assets for the fiscal year ended December 31, 2018:

	Balance December 31, 2017	Additions	Balance December 31, 2018
Capital assets not being depreciated:			
Land	\$1,565,277		\$1,565,277
Construction in progress		\$7,000	7,000
Total capital assets not being depreciated	1,565,277	7,000	1,572,277
Capital assets being depreciated:			
Buildings	11,956,729	11,262	11,967,991
Furniture	336,393	\$15,755	352,148
Office equipment	65,096		65,096
Improvements	2,476,919	50,471	2,527,390
Total capital assets being depreciated	14,835,137	77,488	14,912,625
Less accumulated depreciation	(8,345,615)	(445,408)	(8,791,023)
Net capital assets being depreciated	6,489,522	(367,920)	6,121,602
Total capital assets, net	\$8,054,799	(\$360,920)	\$7,693,879

D. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

Governmental Activities:

General Government	\$2,782,244
Public Works	7,473,965
Engineering	2,605,822
Parks and Recreation	1,160,403
Police	672,076
Fire	323,060
Internal Service Fund	1,003,587
Total Governmental Activities	\$16,021,157

Business-Type Activities:

Water Utility	\$1,767,813
Sewer Utility	3,664,679
Total Business-Type Activities	\$5,432,492

Discretely Presented Component Unit:

Terrace Gardens, Inc.	\$445,408
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CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8 - CAPITAL ASSETS (Continued)

E. Sewer Treatment Capacity Rights

The City has a contract with the San Jose/Santa Clara Wastewater Treatment Plant, known as the Regional Wastewater Facility (RWF), which gives Milpitas and other tributary agencies rights to a percentage of the capacity of their sewage treatment facilities. The contract terminates in 2031 and requires the City to pay its share of operations, capital expenses and debt service on the treatment plant. The City also pays capital costs based on allocated flow capacity rights of 14.25 million gallons per day or about 8.53% of the total plant capacity, 167 million gallons per day. The City has capitalized its share in the amount of \$77,977,190. The operation and maintenance costs are calculated based upon actual sewage flow and strengths. In fiscal year 2019 the City's operation and maintenance share was approximately 5.659% of the total RWF operations.

NOTE 9 - LONG TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

A. Current Year Transactions and Balances

The City's debt issues and transactions are summarized below and discussed in detail thereafter.

	Original Issue Amount	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Current Portion
Governmental Activities Debt - Direct Borrowing:						
Capital Lease (Network Upgrade Project)						
4.25%, due January 21, 2023	\$952,245		\$952,245	\$223,938	\$728,307	\$170,659
Business-type Activities Debt						
Wastewater Revenue Refunding Bonds, 2017 Series						
2.0% - 5.0%, due November 1, 2026	\$4,725,000	\$4,725,000		\$480,000	\$4,245,000	\$460,000
Plus: Unamortized bond premium		637,703		70,856	566,847	
Total Business-Type Activities	\$4,725,000	\$5,362,703		\$550,856	\$4,811,847	\$460,000

B. Network Upgrade Project Capital Lease

In December 2018, the City entered into a lease purchase agreement in the amount of \$952,245 at 4.25% interest with Key Government Finance, Inc. to finance the purchase and installation of the City's Network Upgrade Project. The agreement includes a provision that in an event of default, all funds are to be disbursed to Key Government Finance, Inc. in accordance with the agreement, and the agreement terminates. Principal and interest payments of \$202,222 are due each January 21st through January 21, 2023.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 9 - LONG TERM DEBT (Continued)

C. Wastewater Revenue Refunding Bonds, Series 2017

On December 4, 2017, the City issued Wastewater Revenue Refunding Bonds, Series 2017, in the original principal amount of \$4,725,000 to provide funds to prepay an Installment Sale Agreement between the City and the Milpitas Public Financing Authority, thereby defeasing and prepaying all of the Certificates of Participation 2006 Series A and to pay the cost of issuing the 2017 Bonds. The 2006 COPs were called in January 2018. Principal on the 2017 Bonds is payable annually and interest is payable semi-annually through 2027. The 2017 Bonds contain a provision that in an event of default, the Trustee may declare the principal of the bonds, together with all accrued interest at the date of default, immediately due and payable, or exercise any and all rights and remedies available to it under applicable law, including the right to enforce from the City all payments due on the 2017 Bonds, and the City will pay all reasonable fees and expenses incurred by the Trustee and those of its attorneys.

The 2017 Bonds are collateralized by net revenues from the City's Sewer System. For the fiscal year 2019, net revenues amounted to \$10,735,607 which represented coverage of 16.51 over the \$650,273 debt service.

D. Debt Service Requirements

Annual debt service requirements are shown below:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Capital Lease		2017 Wastewater Refunding Bonds	
	Total Principal	Total Interest	Total Principal	Total Interest
2020	\$170,659	\$31,564	\$460,000	\$187,500
2021	178,055	24,167	475,000	173,700
2022	185,771	16,451	495,000	154,700
2023	193,822	8,400	515,000	134,900
2024			535,000	115,000
2025 - 2027			1,765,000	179,250
	<u>\$728,307</u>	<u>\$80,582</u>	4,245,000	<u>\$945,050</u>
Plus: Unamortized bond premium			566,847	
			<u>\$4,811,847</u>	

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – NET POSITION AND FUND BALANCES

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash, receivables and deferred outflows of resources, less its liabilities and deferred inflows of resources. Portions of a fund's balance may be restricted, committed or assigned for future expenditure.

Net Position is measured on the full accrual basis while Fund Balance is measured on the modified accrual basis, as explained in Note 1D.

A. Net Position

Net Position is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only for proprietary funds and at the Government-wide level, and are described below:

Net Investment in Capital Assets and Capacity Rights, describes the portion of Net Position which is represented by the current net book value of the City's capital assets and capacity rights, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects and redevelopment funds restricted for community development activities.

Unrestricted describes the portion of Net Position which is not restricted as to use.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash, receivables and deferred outflows of resources, less its liabilities and deferred inflows of resources.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Assets not expected to be converted to cash, such as prepaids, notes receivable, and property held for resale are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by resolution of the City Council which may be altered only by formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council and may be changed at the discretion of the City Council. This category includes: encumbrances; nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose; and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund deficits, if any, of other governmental funds.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2019, are below:

Fund Balance Classifications	General Fund	Major Special Revenue Fund	Major Capital Projects			Other Governmental Funds	Total
		Housing Authority	Street Improvement Fund	Transit Area Impact Fee Fund	General Government Project Fund		
Nonspendable:							
Loans receivable							
Prepays, materials, supplies and deposits	\$743,932	\$3,594			\$70,279	\$11,264	\$829,069
Property held for resale	4,200,000						4,200,000
Advance to other funds	5,290,250						5,290,250
Subtotal Nonspendable	10,234,182	3,594			70,279	11,264	10,319,319
Restricted for:							
Redevelopment Projects and Programs and Maintenance			\$7,409,606			3,736,789	11,146,395
Housing and community development		39,297,277				3,797,312	43,094,589
Law enforcement services						137,578	137,578
Solid waste reduction and services						1,869,841	1,869,841
Assessment district services						1,509,786	1,509,786
Hetch-Hetchy ground lease						1,604,425	1,604,425
Community planning						1,097,887	1,097,887
Community benefits						261,762	261,762
Affordable housing						1,600,770	1,600,770
Park improvement projects						24,624,716	24,624,716
Storm drain projects						8,003,309	8,003,309
Transit area capital projects				\$48,281,828			48,281,828
Subtotal Restricted		39,297,277	7,409,606	48,281,828		48,244,175	143,232,886
Committed to:							
PERS stabilization	33,871,915						33,871,915
Artificial turf replacement	980,000						980,000
Technology replacement	2,000,000						2,000,000
Facilities replacement	7,000,000						7,000,000
Subtotal Restricted	43,851,915						43,851,915
Assigned to:							
Uninsured claims payable	2,816,694						2,816,694
Public art projects						748,294	748,294
Other contracts	3,098,865						3,098,865
General government capital projects					27,783,956		27,783,956
Subtotal Assigned	5,915,559				27,783,956	748,294	34,447,809
Unassigned:							
General Fund							
Budget stabilization	9,450,000						9,450,000
Unassigned	31,204,672						31,204,672
Subtotal Unassigned	40,654,672						40,654,672
Total fund balances (deficit)	\$100,656,328	\$39,300,871	\$7,409,606	\$48,281,828	\$27,854,235	\$49,003,733	\$272,506,601

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

C. Minimum Fund Balance Policies

The City's Budget Guidelines and Fiscal Policies document the City effort to maintain the following fund balances:

- 1) 16.67% of the annual operating expenditures in the General Fund's Unassigned Fund Balance for emergencies and unforeseen operating or capital needs.
- 2) The City will maintain a Budget Stabilization Reserve in the General Fund with a target of \$8.3 million. The purpose of this reserve is to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be re-balanced within existing budget resources in any given fiscal year. This reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. Any use of the General Fund Budget Stabilization Reserve shall require majority vote by the City Council through the adoption of the Operating Budget or by appropriation action during the fiscal year. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget, as resources are available to replenish the reserve.
- 3) Maintain a \$5 million Public Employees Retirement Rate Stabilization Reserve in the General Fund. This reserve may be drawn on if the required employee contribution rates exceed previous year's contribution rates by more than 3% of payroll. The City Council must approve utilization of this reserve at the time of the budget hearing. This reserve will be replenished from unassigned fund balance after the 16.67% requirement of the operating expenditures has been met.
- 4) Maintain an artificial turf replacement reserve to provide funding for the cost of replacing artificial turf fields, such as the field installed at the Milpitas Sports Center. The initial reserve is \$750,000, with an annual set-aside amount of at least \$230,000 in the General Fund and a long-term target of \$2 million. The City Council must approve utilization of this reserve at the time of the budget hearing or by appropriation action during the fiscal year.
- 5) Maintain a technology replacement reserve to provide funding for major rehabilitation or replacement of the City's technology infrastructure or new technology initiatives. The initial reserve is \$1 million, with a long-term target for this reserve of \$5 million, and will endeavor to set-aside an annual amount of \$300,000 in the Equipment Management Internal Service Fund. The City Council must approve utilization of this reserve at the time of the budget hearing or by appropriation action during the fiscal year.
- 6) Maintain a facilities replacement reserve to provide funding for major rehabilitation or replacement of City facilities (buildings/structures). The initial reserve is \$2 million, with a long-term target for this reserve of \$10 million. The City Council must approve utilization of this reserve at the time of the budget hearing or by appropriation action during the fiscal year.
- 7) Maintain a Storm Drain replacement reserve to replace and repair storm drain pump stations. The City will endeavor to set-aside \$500,000 annually from the General Fund reserve for this purpose.
- 8) Other reserves designated in the General Fund for investment portfolio market gain and uninsured claims payable will be calculated and adjusted annually at appropriate levels.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

- 9) Maintain working capital in the Water and Sewer Utility Enterprise Funds to provide for future capital projects and unanticipated emergencies, such as water main break repairs and pump station repairs. The City will attempt to maintain a working capital reserve of approximately 30% and 25% of the annual operating and maintenance expenses in the Water Utility Fund and Sewer Utility Fund, respectively.
- 10) Maintain \$2 million infrastructure replacement funds in both the Water and Sewer Utility Enterprise Funds. The goal is to accumulate at least \$2 million a year from each utility fund to set-aside for replacement of infrastructure as the infrastructure reaches the end of its useful life.
- 11) Maintain a capital reserve in the Equipment Management Internal Service Fund to enable the timely replacement of vehicles and depreciable equipment as cost. The City will maintain a minimum fund balance of at least 30% of the replacement costs for equipment accounted for in this fund.

NOTE 11 - PENSION PLANS

A. General Information

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 11 - PENSION PLANS (Continued)

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous		
	Classic Tier I	Classic Tier II	PEPRA
	Prior to October 9, 2011	After October 9, 2011	On or after January 1, 2013
Hire date			
Benefit formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.092% - 2.418%	1.0% - 2.5%
Required employee contribution rates	8%	7%	5.75%
Required employer contribution rates	9.800%	9.800%	9.800%
Required Unfunded Actuarial Liability Contribution	\$4,727,847		

	Safety		
	Classic Tier I	Classic Tier II	PEPRA
	Prior to April 8, 2012	After April 8, 2012	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3%	2.4% - 3%	2.0% - 2.7%
Required employee contribution rates	9%	9%	10%
Required employer contribution rates	18.361%	18.361%	18.361%
Required Unfunded Actuarial Liability Contribution	\$6,321,144		

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or the City can elect a lump sum payment option. The City's required contributions for the unfunded liability in the Miscellaneous and Safety Plans were \$4,727,847 and \$6,321,144, respectively, which were made under the lump sum payment option.

Employees Covered – The following employees were covered by the benefit terms for each Plan as of the most recent actuarial valuation date of June 30, 2017 and measurement date of June 30, 2018:

	Miscellaneous			Safety		
	Classic Tier I	Classic Tier II	PEPRA Tier	Classic Tier I	Classic Tier II	PEPRA Tier
Inactive employees or beneficiaries currently receiving benefits	369			226		
Inactive employees entitled to but not yet receiving benefits	315			31		
Active employees	132	2	49	111	5	21
Total	816	2	49	368	5	21

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 11 - PENSION PLANS (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities as of the June 30, 2018 measurement date were determined using the following actuarial assumptions:

	Miscellaneous (1)	Safety (1)
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	.40% - 8.50% (2)	.97% - 17.00% (2)
Investment Rate of Return	7.15% (3)	7.15% (3)
Mortality	Derived using CalPERS Membership Data for all Funds (4)	Derived using CalPERS Membership Data for all Funds (4)
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

- (1) Actuarial assumptions are the same for all benefit tiers (Classic Tier I, Classic Tier II, and PEPRA)
- (2) Depending on age, service and type of employment
- (3) Net of pension plan investment expenses, including inflation
- (4) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the CalPERS December 2017 experience study report available on CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website at www.calpers.ca.gov.

Change of Assumptions – For the measurement date of June 30, 2018, the inflation rate reduced from 2.75% to 2.50%.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 11 - PENSION PLANS (Continued)

Discount Rate - The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class (a)	Current Target Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	- %	-0.92%
Total	100.0%		

- (a) In the System's CAFR, Fixed Income is included in Global Debt Securities;
Liquidity is included in Short-term Investments; Inflation Assets are included
in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.00% used for this period.
- (c) An expected inflation of 2.92% used for this period.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 11 - PENSION PLANS (Continued)

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follows:

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017 (Measurement Date)	\$222,345,892	\$155,168,033	\$67,177,859
Changes in the year:			
Service cost	3,042,853		3,042,853
Interest on the total pension liability	15,647,110		15,647,110
Differences between actual and expected experience	1,831,444		1,831,444
Changes in assumptions	(1,404,854)		(1,404,854)
Changes in benefit terms			
Contribution - employer		5,762,448	(5,762,448)
Contribution - employee		1,473,732	(1,473,732)
Net Plan to Plan Resource Movement		(381)	381
Net investment income		13,123,448	(13,123,448)
Administrative expenses		(241,795)	241,795
Other Miscellaneous Income/(Expense)		(459,172)	459,172
Benefit payments, including refunds of employee contributions	(10,906,398)	(10,906,398)	
Net changes	8,210,155	8,751,882	(541,727)
Balance at June 30, 2018 (Measurement Date)	\$230,556,047	\$163,919,915	\$66,636,132

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017 (Measurement Date)	\$331,735,390	\$212,142,828	\$119,592,562
Changes in the year:			
Service cost	5,975,378		5,975,378
Interest on the total pension liability	23,331,989		23,331,989
Differences between actual and expected experience	626,935		626,935
Changes in assumptions	(986,630)		(986,630)
Changes in benefit terms			
Contribution - employer		8,866,550	(8,866,550)
Contribution - employee		2,240,962	(2,240,962)
Net Plan to Plan Resource Movement		(521)	521
Net investment income		17,931,642	(17,931,642)
Administrative expenses		(330,577)	330,577
Other Miscellaneous Income/(Expense)		(627,771)	627,771
Benefit payments, including refunds of employee contributions	(16,083,729)	(16,083,729)	
Net changes	12,863,943	11,996,556	867,387
Balance at June 30, 2018 (Measurement Date)	\$344,599,333	\$224,139,384	\$120,459,949
Grand Totals - Both Plans	\$575,155,380	\$388,059,299	\$187,096,081

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 11 - PENSION PLANS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$97,065,689	\$166,810,801
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$66,636,132	\$120,459,949
1% Increase	8.15%	8.15%
Net Pension Liability	\$41,462,940	\$82,271,486

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. *Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions*

For the year ended June 30, 2019, the City recognized pension expense of \$28,504,984. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions after the measurement date	\$6,863,508	
Differences between actual and expected experience	915,722	
Changes in assumptions		(\$702,427)
Net differences between projected and actual earnings on plan investments	245,823	
Total	<u>\$8,025,053</u>	<u>(\$702,427)</u>

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 11 - PENSION PLANS (Continued)

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions after the measurement date	\$10,289,680	
Differences between actual and expected experience	1,280,536	(\$345,343)
Changes in assumptions	9,362,657	(726,991)
Net differences between projected and actual earnings on plan investments	296,240	
Total	<u>\$21,229,113</u>	<u>(\$1,072,334)</u>
Grand Totals - Both Plans	<u>\$29,254,166</u>	<u>(\$1,774,761)</u>

\$19,145,673 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Miscellaneous Plan:

Year Ended June 30	Annual Amortization
2020	\$2,158,002
2021	393,735
2022	(1,651,352)
2023	(441,267)

Safety Plan:

Year Ended June 30	Annual Amortization
2020	\$7,882,687
2021	4,934,685
2022	(2,348,789)
2023	(601,484)

E. Public Agency Retirement System

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992 be covered by either Social Security or an alternative plan.

The City's part-time, seasonal and temporary employees are covered under the Public Agency Retirement System (PARS), a defined contribution plan, which requires these employees to contribute 6% and the City to contribute 1.5% of the employees pay plus administration costs.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 11 - PENSION PLANS (Continued)

The City's required contributions of \$31,435 and the employee's required contributions of \$125,740 were made during the fiscal year ending June 30, 2019.

NOTE 12 - EMPLOYEE BENEFITS

A. *Deferred Compensation Plan*

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this Plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

B. *Retiree Medical Benefits*

The City provides postretirement health care benefits through its defined benefit Retiree Medical Benefits Plan to employees who retire in good standing from the City after attaining the age of 50 and to certain employees who retire due to disability. As of June 30, 2019 there were 295 participants receiving these health care benefits.

The City joined the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CALPERS, consisting of an aggregation of single-employer plans. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

In order to qualify for postemployment medical and dental benefits an employee must retire from the City and maintain enrollment in one of City's eligible health plans. In addition, there are eligibility rules and contribution requirements defined in the Memorandum of Understanding (MOU) with each employee group. In the MOUs, the Benefit Cap is defined as not more than the single medical premium rate paid by the City for active employees, and the Retiree Cap is 15% above the single Kaiser medical premium rate. The eligibility rules for each MOU are summarized below, starting with benefits for retirees, followed by benefits for dependents.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 12 - EMPLOYEE BENEFITS (Continued)

Medical Benefit for Retirees:

	Hire/Retirement Date	Eligibility Rule (Continuous Years of Service)	City Contribution Requirement
Professional / Technical (PROTECH)	Hired before July 1, 1995	N/A or Less than 5 At least 5 Less than 5	If retirement occurred before June 30, 1989: - PEMHCA Minimum Only If retirements occurs after July 1, 1990 but before September 1, 2002: -Any employee only medical premium rate If retirement occurs after August 31, 2002: -Benefit cap If retirements occurs after July 1, 1990 but before September 1, 2002: - PEMHCA Minimum Only
	Hired after June 30, 1995 and retired after August 31, 2002	Less than 5 5 but less than 9 9 but less than 14 14 but less than 19 At least 19	PEMHCA Minimum Only Up to 25% of the benefit cap Up to 50% of the benefit cap Up to 75% of the benefit cap Up to 100% of the benefit cap
Mid-Management and Confidential (LIUNA) (Began 9/2003)	Hired before July 1, 1995	Less than 5 At least 5	PEMHCA Minimum Only Benefit cap
	Hired after June 30, 1995	Less than 5 5 but less than 9 9 but less than 14 14 but less than 19 At least 19	PEMHCA Minimum Only Up to 25% of the benefit cap Up to 50% of the benefit cap Up to 75% of the benefit cap Up to 100% of the benefit cap
Unrepresented Miscellaneous and Fire	Hired before July 1, 1995	N/A or Less than 5 At Least 5	If retirement occurred January 1, 1989: - PEMHCA Minimum Only If retirements occurs after July 1, 1990 but before September 1, 2002: -PEMHCA Minimum Only If retirement occurs after August 31, 2002: -PEMHCA Minimum Only If retirements occurs after July 1, 1990 but before September 1, 2002: -Any employee only medical premium rate If retirement occurs after August 31, 2002: -benefit cap
	Hired after June 30, 1995	Less than 5 5 but less than 10 10 but less than 15 15 but less than 20 At least 20	PEMHCA Minimum Only Up to 25% of the benefit cap Up to 50% of the benefit cap Up to 75% of the benefit cap Up to 100% of the benefit cap

- In the grid above and on the following pages, “Benefit Cap” refers to the single medical premium rate paid by the City for active employees, currently Kaiser. “Retiree Cap” refers to 115% of the Benefit Cap.
- Upon reaching Medicare, the City contributes up to 100% of the employee only Medicare rates. “Vesting” percentages still apply.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 12 - EMPLOYEE BENEFITS (Continued)

Medical benefits for retirees (continued):

	Hire/Retirement Date	Eligibility Rule (Continuous Years of Service)	City Contribution Requirement
Unrepresented Police	Hired before July 1, 1995	N/A or Less than 5 At Least 5	If retirement occurred January 1, 1989: - PEMHCA Minimum Only If retirements occurs after December 31, 1988 but before July 1, 2003: -PEMHCA Minimum Only If retirement occurs after June 30, 2003: -PEMHCA Minimum Only If retirements occurs after December 31, 1988 but before July 1, 2003: -Any employee only medical premium rate If retirement occurs after June 30, 2003: -retiree cap
	Hired after June 30, 1995	Less than 5 5 but less than 10 10 but less than 15 15 but less than 20 At least 20	PEMHCA Minimum Only Up to 25% of the benefit cap Up to 50% of the benefit cap Up to 75% of the benefit cap Up to 100% of the benefit cap
Fire Safety (IAFF)	Hired before January 1, 1995 and retired before January 1, 1990	N/A	PEMHCA Minimum Only
	Hired before January 1, 1995 and retired after December 31, 1989 but before January 1, 1995	Less than 1 At least 11	PEMHCA Minimum Only Any employee only premium
	Hired before January 1, 1995 and retired after December 31, 1994 but before February 21, 2007	Less than 1 1 but less than 10 At least 10	PEMHCA Minimum Only 50% of the benefit cap 100% of the benefit cap
	Hired before January 1, 1995 and retired after February 20, 2007	Less than 1 1 but less than 10 At least 10	PEMHCA Minimum Only Up to 50% of the lesser of the retiree cap and the premium rate Up to 100% of the lesser of the retiree cap and the premium rate
	Hired after December 31, 1994 and retired before February 21, 2007	Less than 1 1 but less than 10 10 but less than 15 15 but less than 20 At least 20	PEMHCA Minimum Only Up to 25% of the benefit cap Up to 50% of the benefit cap Up to 75% of the benefit cap Up to 100% of the benefit cap
	Hired after December 31, 1994 and retired after February 21, 2007	Less than 1 1 but less than 10 10 but less than 15 15 but less than 20 At least 20	PEMHCA Minimum Only 25% of the lesser of the retiree cap and premium rate 50% of the lesser of the retiree cap and premium rate 75% of the lesser of the retiree cap and premium rate 100% of the lesser of the retiree cap and premium rate

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 12 – EMPLOYEE BENEFITS (Continued)

Medical benefits for retirees (continued):

	Hire/Retirement Date	Eligibility Rule (Continuous Years of Service)	City Contribution Requirement
Police (MPOA)	Hired before January 1, 1996 and retired before January 1, 1989	N/A	PEMHCA Minimum Only
	Hired before January 1, 1996 and retired after December 31, 1988 but before July 1, 2003	Less than 5	PEMHCA Minimum Only
		At least 5	Any employee only medical premium rate
	Hired before January 1, 1996 and retired after July 1, 2003	Less than 5	PEMHCA Minimum Only
		At least 5	Up to the Retiree Cap
	Hired after December 31, 1995 and retired before June 30, 2003	Less than 1	PEMHCA Minimum Only
		1 but less than 9	Up to 25% of any employee only premium
		9 but less than 14	Up to 50% of any employee only premium
		14 but less than 19	Up to 75% of any employee only premium
		At least 19	Up to 100% of any employee only premium
	Hired after December 31, 1995 and retired after June 30, 2003	Less than 1	PEMHCA Minimum Only
		1 but less than 9	Up to 25% of the retiree cap
		9 but less than 14	Up to 50% of the retiree cap
		14 but less than 19	Up to 75% of the retiree cap
		At least 19	Up to 100% of the retiree cap
Employee Association (MEA)	Hired before July 1, 1996	N/A or Less than 5	If retirement occurred before July 16, 1989: - PEMHCA Minimum Only If retirements occurs after July 17, 1989 but before March 19, 2003: -PEMHCA Minimum Only If retirement occurs after March 18, 2003: -PEMHCA Minimum Only
		At Least 5	If retirements occurs after July 17, 1989 but before March 19, 2003: -Any employee only medical premium rate If retirement occurs after March 18, 2003: -benefit cap
	Hired after June 30, 1996	Less than 1	PEMHCA Minimum Only
		1 but less than 10	Up to 25% of the benefit cap
		10 but less than 15	Up to 50% of the benefit cap
		15 but less than 20	Up to 75% of the benefit cap
		At least 20	Up to 100% of the benefit cap

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 12 – EMPLOYEE BENEFITS (Continued)

Medical benefits for retirees (continued):

		Eligibility Rule (Continuous Years of Service)	City Contribution Requirement
Hire/Retirement Date			
Supervisors (MSA) (Ended June 30, 2012)	Hired before June 30, 1995	N/A or Less than 5 At Least 5	If retirement occurred before July 1, 1996: - PEMHCA Minimum Only If retirements occurs after June 30, 1996 but before November 27, 2007: -PEMHCA Minimum Only If retirement occurs after November 26, 2007: -PEMHCA Minimum Only If retirements occurs after June 30, 1996 but before November 27, 2007: -Any employee only medical premium rate If retirement occurs after November 26, 2007: -benefit cap
	Hired after June 29, 1995 and retired after November 27, 2007	Less than 5 5 but less than 10 10 but less than 15 15 but less than 20 At least 20	PEMHCA Minimum Only Up to 25% of the benefit cap Up to 50% of the benefit cap Up to 75% of the benefit cap Up to 100% of the benefit cap

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 12 – EMPLOYEE BENEFITS (Continued)

Medical benefits for dependents:

Group	Date of Hire	Date of Retirement	Minimum Years of Continuous Service	City Contribution for Dependent Medical Premiums ¹
Professional / Technical (PROTECH)	Before July 1, 1995	After December 4, 2006	At least 5	Up to 100% of family/dependent premium
	After June 30, 1995	After December 4, 2006	5 but less than 9	Up to 25% of the family/dependent premium
			9 but less than 14	Up to 50% of the family/dependent premium
			14 but less than 19	Up to 75% of the family/dependent premium
			At least 19	Up to 100% of the family/dependent premium
Mid-Management and Confidential (LIUNA)	Before July 1, 1995	After January 1, 2007	At least 5	Up to 100% of family/dependent premium
	After June 30, 1995	After January 1, 2007	5 but less than 9	Up to 25% of the family/dependent premium
			9 but less than 14	Up to 50% of the family/dependent premium
			14 but less than 19	Up to 75% of the family/dependent premium
			At least 19	Up to 100% of the family/dependent premium
Unrepresented (UNREP-Police) ²	Before January 1, 1996	After June 30, 2003	At least 5	100% of family/dependent premiums
	After December 31, 1995	After June 30, 2003	5 but less than 9	Up to 25% of the family/dependent premium
			9 but less than 14	Up to 50% of the family/dependent premium
			14 but less than 19	Up to 75% of the family/dependent premium
			At least 19	Up to 100% of the family/dependent premium
Unrepresented (UNREP-Fire) ³	Before January 1, 1996	After September 4, 2007	At least 5	100% of family/dependent premiums
	After December 31, 1995	After September 4, 2007	5 but less than 9	Up to 25% of the family/dependent premium
			9 but less than 14	Up to 50% of the family/dependent premium
			14 but less than 19	Up to 75% of the family/dependent premium
			At least 19	Up to 100% of the family/dependent premium
Unrepresented (UNREP-Misc) ⁴	Before January 1, 1996	After June 30, 2018	At least 5	100% of family/dependent premiums
	After December 31, 1995	After June 30, 2018	5 but less than 9	Up to 25% of the family/dependent premium
			9 but less than 14	Up to 50% of the family/dependent premium
			14 but less than 19	Up to 75% of the family/dependent premium
			At least 19	Up to 100% of the family/dependent premium

¹ Family/Dependent Medical Premium is active employee Single+1 OR Family medical premium rate less active employee Single medical premium rate.

² If the UNREP-Police fund is depleted, MPOA will provide funding for the dependent benefits.

³ The Fire Chief is ineligible for dependent fund benefits.

⁴ The Fire Chief is eligible for dependent fund benefits in UNREP Misc group.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 12 – EMPLOYEE BENEFITS (Continued)

Medical benefits for dependents (continued):

Group	Date of Hire	Date of Retirement	Minimum Years of Continuous Service	City Contribution for Dependent Medical Premiums ¹
Fire Safety (IAFF) ⁵	Before January 1, 1995	After February 19, 2007	5 but less than 9	50% of family/dependent medical premiums
			At least 10	100% of family/dependent medical premiums
	After December 31, 1994	After February 19, 2007	5 but less than 9	Up to 25% of the family/dependent premium
			9 but less than 14	Up to 50% of the family/dependent premium
			14 but less than 19	Up to 75% of the family/dependent premium
			At least 19	Up to 100% of the family/dependent premium
Police (MPOA)	Before January 1, 1996	After June 30, 2003	At least 5	100% of family/dependent premiums
			5 but less than 9	Up to 25% of the family/dependent premium
	After December 31, 1995	After June 30, 2003	9 but less than 14	Up to 50% of the family/dependent premium
			14 but less than 19	Up to 75% of the family/dependent premium
			At least 19	Up to 100% of the family/dependent premium

¹ Family/Dependent Medical Premium is active employee Single+1 OR Family medical premium rate less active employee Single medical premium rate.

⁵ The amounts paid for dependents are adjusted to keep the fund viable. Currently, the IAFF dependent fund pays the following amounts:

- \$300 per month for 1 dependent
- \$500 per month for two or more dependents

Funding Policy and Contributions – The City’s policy is to prefund these benefits by accumulating assets with CERBT discussed above pursuant to the City’s annual budget approved by Council. For the year ended June 30, 2019, the City’s contributions to the Plan were \$4,651,743.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2018:

Active employees	310
Inactive employees or beneficiaries currently receiving benefit payments	277
Inactive employees entitled to but not yet receiving benefit payments	6
Total	593

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 12 - EMPLOYEE BENEFITS (Continued)

Actuarial Methods and Assumptions – The City’s net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2017, that was rolled forward using standard update procedures to determine the total OPEB liability as of June 30, 2018, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	July 1, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	7.0% (explicit subsidies) and 3.62% (implicit subsidies)
Inflation	2.75%
Salary Increase	3.25%
Assumed Wage Inflation	3.0%
Investment Rate of Return	7.0%
Mortality Rate	MacLeod Watts Scale of 2017 applied generationally
Healthcare Trend Rate	7.5% grading down to 5% for years 2024 and thereafter

The underlying mortality assumptions were based on the mortality table published by CalPERS in their 2014 study, adjusted to back out 20 years of Scale BB to central year 2008 and all other actuarial assumptions used in the July 1, 2017 valuation were based on the results of a June 30, 2016 actuarial experience study for the period 1997 to 2011, except for a different basis used to project future mortality improvements.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 12 - EMPLOYEE BENEFITS (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The City's accumulated assets are allocated using one of three diversified allocation strategies offered by CERBT. The target allocation for each major asset class using Strategy 2 are summarized in the following table:

Asset Class	Target Allocation
Global Equities	57.0%
Fixed Income	27.0%
Global Real Estate (REITs)	8.0%
Treasury Inflation Protected Securities	5.0%
Commodities	3.0%
Total	100.0%

Discount Rate

Explicit Subsidy Liability – The City expects the trust assets to yield 7.0% over the long term, based on information published by CalPERS as of the June 30, 2017 valuation date. Net contributions to the trust in recent years have been set at a level to prefund the explicit portion of benefits, with no advance funding of the implicit subsidy liability. Accordingly, the discount rate used for the City's explicit OPEB liability is 7.0%.

Implicit Subsidy Liability – The City expects to continue to fund the implicit subsidy liability on a pay-as-you-go basis. Therefore, the Fidelity 20 year AA General Obligation Municipal Bond Index was used in determining the discount rates used to calculate the implicit subsidy liability. As of the end of the Measurement Period, the discount rates for the Fidelity index were 3.62%.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 12 - EMPLOYEE BENEFITS (Continued)

Changes in Net OPEB Liability - The changes in the net OPEB liability follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2017	\$83,518,106	\$39,104,333	\$44,413,773
Changes Recognized for the Measurement Period:			
Service Cost	2,356,491		2,356,491
Interest on the total OPEB liability	5,155,080		5,155,080
Changes in benefit terms			0
Differences between expected and actual experience			0
Changes of assumptions	(113,934)		(113,934)
Contributions from the employer		4,803,893	(4,803,893)
Net investment income		3,175,844	(3,175,844)
Other Expenses		(51,721)	51,721
Administrative expenses		(21,490)	21,490
Benefit payments	(2,994,247)	(2,994,247)	0
Net changes	4,403,390	4,912,279	(508,889)
Balance at June 30, 2018 (Measurement Date)	\$87,921,496	\$44,016,612	\$43,904,884

The benefit payments and refunds include implied subsidy benefit payments in the amount of \$1,059,545.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

- The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(6.0%-2.62%)	(7.0%-3.62%)	(8.0%-4.62%)
\$54,406,479	\$43,904,884	\$35,108,475

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)		
Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
(6.5%-4.0%)	(7.5%-5.0%)	(8.5%-6.0%)
\$32,810,544	\$43,904,884	\$58,277,043

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 12 - EMPLOYEE BENEFITS (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2019, the City recognized OPEB expense of \$3,893,174. At June 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$4,651,743	
Differences between actual and expected experience		
Changes of assumptions		\$988,161
Net differences between projected and actual earnings on plan investments		1,074,521
Total	\$4,651,743	\$2,062,682

\$4,651,743 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2020	\$536,201
2021	536,201
2022	536,202
2023	278,765
2024	162,203
Thereafter	13,110

C. *Accrued Vacation and Sick Leave Liabilities*

Employees accrue vacation up to certain maximums, based on employee classification. Employees may elect to be paid a portion of their vacation at various times according to the applicable memorandum of understanding. Sick leave may be accumulated without limit. Vested sick leave may be paid upon separation from service in good standing and is based on a vesting schedule determined by years of service.

The City measures and adjusts the liability for vacation and sick leave annually at its fiscal year end. During the year ended June 30, 2019, sick leave benefits payable increased by \$291,525 and vacation benefits payable increased by \$425,579. For all governmental funds, amounts expected to be paid out for permanent liquidation are recorded as fund liability; the long-term portion is recorded in the Statement of Net Position.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 12 - EMPLOYEE BENEFITS (Continued)

The changes of the Accrued Vacation and Sick Leave Liabilities and the allocation of each liability among the departments are as follows:

	Accrued Vacation		Sick Leave	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Balance as of June 30, 2018	\$4,533,723	\$241,970	\$2,786,470	\$113,494
Additions	5,159,649	410,149	1,026,060	77,245
Payments and adjustments	(4,816,466)	(327,753)	(776,405)	(35,375)
Balance as of June 30, 2019	<u>\$4,876,906</u>	<u>\$324,366</u>	<u>\$3,036,125</u>	<u>\$155,364</u>
General Government	\$412,547		\$143,933	
Building	161,840		35,282	
Public Works	271,920		145,308	
Engineering	140,314		49,300	
Planning	88,508			
Recreation	139,243		79,697	
Police	2,504,557		992,238	
Fire	1,077,961		1,574,480	
Water Utility		\$188,473		\$77,681
Sewer Utility		135,893		77,683
Internal Service	80,016		15,887	
Total	<u>\$4,876,906</u>	<u>\$324,366</u>	<u>\$3,036,125</u>	<u>\$155,364</u>
Long-Term Portion:				
Governmental activities	\$2,622,451		\$2,053,799	
Business-type activities		\$149,042		\$136,630
Total long term portions	<u>\$2,622,451</u>	<u>\$149,042</u>	<u>\$2,053,799</u>	<u>\$136,630</u>
Current Portion:				
Governmental activities	\$2,254,455		\$982,326	
Business-type activities		\$175,324		\$18,734
Total current portions	<u>\$2,254,455</u>	<u>\$175,324</u>	<u>\$982,326</u>	<u>\$18,734</u>

Accrued Vacation and Sick Leave are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 13 - RISK MANAGEMENT

A. Risk Pool

The City participates in the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA), a joint powers authority established to provide liability insurance coverage, claims and risk management, and legal defense to its participating members. PLAN JPA provides \$5,000,000 of self-funded general liability and auto coverage and \$30,000,000 excess liability coverage per occurrence and is responsible for paying claims in excess of the City's \$100,000 deductible. PLAN JPA also provides \$2,000,000 employee theft coverage in excess of the City's \$10,000 deductible, and \$2,000,000 of government crime coverage (with various sub-limits depending on the type of crime) in excess of the City's \$10,000 deductible. PLAN JPA provides coverage for property damage up to \$1 billion. The City retains a self-insured amount of \$5,000 for each property and \$5,000 for each vehicle per occurrence.

During the fiscal year, ended June 30, 2019, the City contributed \$696,868 for the 2018/19 program year.

PLAN JPA is governed by a Board of Directors consisting of representatives from member municipalities. The Board controls the operations of PLAN JPA, consisting of funding policies and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City's annual contributions to PLAN JPA are calculated based on the ratio of the City's payroll to the total payrolls of all entities participating in the program and the City's loss experience. Actual surpluses or losses are shared according to a formula developed from overall costs and spread to member entities on a percentage basis.

Financial statements may be obtained from PLAN JPA, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

B. Workers Compensation

The City has a commercial insurance policy which provides workers compensation coverage up to a maximum of \$20,000,000. The City has a deductible or uninsured liability of up to \$750,000 per claim for miscellaneous employees and \$1,000,000 for public safety employees.

C. Dental

The City is self-insured for dental care for miscellaneous employees up to a maximum of \$14,000 per family, based on years of service. Claims are funded on a pay-as-you-go basis. During the year ended June 30, 2019 the City paid \$997,993 in dental claims and administrative fees. Public safety employees are insured under various dental care insurance plans.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 13 - RISK MANAGEMENT (Continued)

D. Liability for Uninsured Claims

The City provides for the uninsured portion of claims and judgments, including a provision for claims incurred but not reported, when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable.

The City's liability for uninsured claims is limited to worker's compensation and general liability claims, as discussed above, and was computed as follows based on claims experience:

	2019			2018
	Worker's Compensation	General Liability	Total	
Beginning balance	\$5,919,722	\$497,812	\$6,417,534	\$6,278,372
Liability for current fiscal year claims	993,628	122,094	1,115,722	774,846
Increase (decrease) in estimated liability for prior fiscal year claims and claims incurred but not reported (IBNR)	(50,978)	80,710	29,732	677,948
Claims paid	(1,006,292)	(342,023)	(1,348,315)	(1,313,632)
Ending balance	<u>\$5,856,080</u>	<u>\$358,593</u>	<u>\$6,214,673</u>	<u>\$6,417,534</u>
Due in one year	<u>\$928,097</u>	<u>\$189,855</u>	<u>\$1,117,952</u>	<u>\$1,070,347</u>

Settlements have not exceeded insurance coverage in the past three fiscal years.

NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES

A. Litigation

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

B. Federal and State Grant Programs

The City participates in several Federal and State grant programs. These programs are subject to audit by the City's independent accountants in accordance with the provisions of the federal Single Audit Act as amended and applicable State requirements. No cost disallowances have been proposed as a result of audits completed to date; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

C. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding by fund as of June 30, 2019 were as follows:

Major Governmental Funds:	
General Fund	\$3,098,865
Housing Authority Fund	6,500,000
Street Improvement Fund	1,347,491
Transit Area Impact Fee Fund	8,061,476
Non-Major Governmental Funds	<u>9,576,565</u>
Total Encumbrances	<u><u>\$28,584,397</u></u>

D. Silicon Valley Rapid Transit Program Berryessa Extension Project

In September 2010, as amended, the City entered into a Master Agreement with the Santa Clara Valley Transportation Authority (VTA) to define the respective rights and obligations of each party and to ensure future cooperation between the City and VTA in connection with the Silicon Valley Rapid Transit Program Berryessa Extension Project. The Project is funded in part with funds made available to VTA by the Federal Transit Administration, and VTA will perform all acquisition, design and construction activities related to the Project.

Under the terms of the Master Agreement, VTA is entitled to reimbursement from the City's Transit Area Specific Plan (TASP) developer fees for a portion of the costs related to the eastern segment of the Milpitas Boulevard extension. The City's reimbursement commitment for this phase of the Project is not to exceed \$17.0 million and is repayable as the TASP developer fees become available. Although the VTA has first priority to the available TASP funds, the payment is subordinated to the City's existing interfund advances to the Transit Area Impact Fee Capital Projects Fund.

The Milpitas Boulevard extension project began in fiscal year 2014 and the VTA has billed the City for project costs in the amount of \$16.9 million through June 30, 2019. During fiscal year 2017, the City paid \$5.1 million to VTA, but the Transit Area Impact Fee Capital Projects Fund did not have TASP funds available for the payment of the remaining balance due, therefore the City has recorded a liability in the amount of \$9.7 million in the Transit Area Impact Fee Capital Projects Fund as of June 30, 2017. During fiscal year 2018, the City paid \$4 million to VTA and again the Transit Area Impact Fee Capital Projects Fund did not have TASP funds available for the payment of the remaining balance due, therefore the City has recorded a liability in the amount of \$4.4 million in the Transit Area Impact Fee Capital Projects Fund as of June 30, 2018. During fiscal year 2019, the City paid \$7.8 million.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

E. South Bay Water Recycling System Facility Replacement

As required by the Water Pollution Control Plant's National Pollutant Discharge Elimination System (NPDES) permit, the regional partner agencies are responsible for maintenance and operation of the South Bay Water Recycling System. The regional partner agencies, which includes the City of Milpitas, are also responsible for the planned \$2 billion rehabilitation/replacement of the facility over the next thirty years. The City's share of the project is approximately 5.817% as discussed in Note 8E.

F. Bay Area Water Supply and Conservation Agency Revenue Bonds Surcharge

The City contracts with the City and County of San Francisco for the purchase of water from the Hetch Hetchy System operated by the San Francisco Public Utilities Commission (SFPUC). The City is also a member of the Bay Area Water Supply and Conservation Agency (BAWSCA) which represents the interests of all the 24 cities and water districts, as well as two private utilities, that purchase wholesale water from the SFPUC.

In 2009 the City entered into a new 25 year agreement with the SFPUC that includes a minimum water delivery level of 5.341MGD. One of the ways that the new agreement differs from the old is in how facilities constructed by the SFPUC that benefit the regional customers are treated from a rate and financial perspective. Under the old agreement, facilities were built, capitalized, and added to the rate base with a rate of return (interest), and then paid for over their useful lives through wholesale rates. Under the new agreement, the SFPUC issues revenue bonds and the debt service (which also includes an interest component) is paid for through rates over the life of the bonds.

During the transition from the old to the new contracts, one of the issues addressed was how to deal with the \$370 million in assets that were still being paid for by the wholesale customers under the old agreement. The assets were transferred to the new agreement, assigned a life with an agreed upon rate of return of 5.13%. Also negotiated was a provision to allow the wholesale customers to prepay any remaining existing assets' unpaid principal balance without penalty or premium. This prepayment was executed through the issuance of bonds by BAWSCA which provide a better interest rate given the favorable rate environment.

BAWSCA issued Revenue Bonds in the principal amount of \$335,780,000 in January 2013 to prepay the capital cost recovery payment obligation and fund a stabilization fund. The Bonds mature in October 2034 and are secured by surcharges to the monthly water purchase charges imposed upon the participating members. The Bonds are not a debt obligation of any member, and BAWSCA's failure to pay its Bonds would not constitute a default by any participating member.

Should any participating member fail to pay its share, BAWSCA will rely on the stabilization fund and will pursue all legal remedies to collect the shortfall from the delinquent member. In the interim, other participating members may have their portion adjusted to insure the continued payment of the debt service surcharge.

The risk of bearing the debt service expense of a defaulting member is not significantly different than the risk each member assumes currently for fluctuations in water purchase charges. Under the Bond indenture, BAWSCA maintains a stabilization fund. If surcharge revenues collected are less than needed (due to a member's failure to pay timely), BAWSCA uses the stabilization fund to fund the debt service deficiency, and increases the surcharge in the subsequent year to make up for the prior year shortfall and reimburse the stabilization fund account. Also, given that each participating agency's governing body adopted a Resolution to participate in the Bond issue, Management believes that default is generally very unlikely.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

The annual debt service surcharges are a fixed amount for each participant and are calculated by taking the subsequent fiscal year's debt service, multiplied by each participant's actual water purchase as a percent of total wholesale customer water purchases from the prior fiscal year. One-twelfth of the annual surcharge is included in the monthly bill from SFPUC. Because each participant's share of the debt service surcharge is proportional to the amount of water purchased during the prior fiscal year, the City's share of the debt service will fluctuate from year to year.

The City paid its surcharge of \$1,052,392 during fiscal year 2019, which is included as a component of purchased water expenses in the Water Enterprise Fund. The surcharge for fiscal year 2020 is estimated to be \$995,676.

G. *Sunnyhills Apartment Complex*

In October 2017, the City entered into an agreement with Sunnyhills Investors LLC to purchase affordability covenants for the Sunnyhills Apartment Complex, which has provided 149 affordable housing units to the City over the last 30 years. The City is required to pay \$250,000 per year, ending January 15, 2023, beginning in fiscal year 2019. The first payment under the agreement was made in April 2018, and was for fiscal year 2019.

H. *Housing Successor Excess Surplus*

Health and Safety Code (HSC) Section 34176.1(d) defines an excess surplus as an unencumbered balance held by the housing successor that exceeds the greater of \$1,000,000 or the aggregate amount deposited into the housing successor fund during the housing successor's preceding four fiscal years, whichever is greater. If a housing successor has an excess surplus, the HSC Section requires that the housing successor encumber the excess surplus for eligible purposes described in the HSC Section 34176.1(a)(3) or transfer the funds to another local housing successor within three fiscal years. If the housing successor fails to comply with this provision, the housing successor, within 90 days of the end of the third fiscal year, is required to transfer any excess surplus to the Department of Housing and Community Development for expenditure pursuant to the Multifamily Housing Program or the Joe Serna, Jr. Farmworker Housing Grant Program.

The Housing Authority Special Revenue Fund serves as the housing successor and as of July 1, 2018 had an excess surplus balance of \$3,711,791. As discussed in Note 5K, the Housing Authority approved a loan agreement in the amount of \$6.5 million that encumbered the excess surplus as of June 30, 2019. The loan is expected to be disbursed to the developer in fiscal year 2020.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 15 –SUCCESSOR AGENCY ACTIVITIES

A. REDEVELOPMENT DISSOLUTION

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain assets of the Redevelopment Agency Housing Reserve Fund were distributed to a Housing Successor; and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency. The Successor Agency received a finding of completion on June 27, 2014.

Under the provisions of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City's Housing Authority elected to become the Housing Successor and on February 1, 2012, certain housing assets were transferred to the City's Housing Authority Special Revenue Fund.

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established on March 26, 2012. The activities of the Successor Agency were subject to review and approval of the Oversight Board, which was comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 15 –SUCCESSOR AGENCY ACTIVITIES

On July 1, 2018, the duties of the Milpitas Oversight Board transferred to a new Santa Clara Countywide Consolidated Oversight Board, which is now responsible for overseeing the winddown affairs of all Successor Agencies in Santa Clara County, including the Successor Agency to the Milpitas Redevelopment Agency.

The activities of the Housing Successor are reported in the Housing Authority Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the County Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

Cash and investments of the Successor Agency as of June 30, 2019 are discussed in Note 3 above. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2019.

B. DEVELOPMENT AGREEMENTS

The Successor Agency assumed the obligations of the former Redevelopment Agency's Disposition and Development Agreements as follows:

Installment Purchase Agreement

The Redevelopment Agency agreed to purchase two parcels of land comprising thirty-five acres surrounding the County Correctional Facility for \$57,750,000 in cash and \$135,000,000 payable over eighteen years at no interest.

The Agency also agreed to re-sell this land to developers for a total of \$57,750,000, of which \$40,000,000 was received in fiscal 2005 and the remainder was received on the close of escrow on the second parcel in fiscal 2006. The Agency's intent in purchasing this land was to simultaneously re-sell it for development.

In addition, starting in 2024 the Agency is required to pay the County the greater of \$2,000,000 or 50% of the sales tax revenue arising out of sales originating on certain properties that are in the Midtown Area, but not to exceed \$5,000,000 annually, until the earlier of either June 30, 2038, the date that tax increment revenue allocated to the Agency has reached its limit; or the termination of the Redevelopment Plan.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 15 –SUCCESSOR AGENCY ACTIVITIES

C. LONG-TERM OBLIGATIONS

1. Current Year Transactions and Balances

The Successor Agency's debt issues and transactions are summarized below and discussed in detail thereafter.

	Balance June 30, 2018	Retirements	Balance June 30, 2019	Current Portion
Installment Purchase Agreement with the County of Santa Clara - Direct Borrowing				
due June 30, 2023	\$13,776,084	\$3,030,408	\$10,745,676	\$2,886,103
2015 Tax Allocation Bonds				
2%-5%, due September 1, 2032	108,145,000	6,475,000	101,670,000	6,735,000
Plus: Unamortized bond premium	17,467,442	1,190,962	16,276,480	
Total	<u>\$139,388,526</u>	<u>\$10,696,370</u>	<u>\$128,692,156</u>	<u>\$9,621,103</u>

2. Installment Purchase Agreement with the County of Santa Clara

The former Redevelopment Agency had a non-interest bearing Installment Purchase Agreement with the County of Santa Clara in the original principal amount of \$135,000,000, as mentioned in Note 15B(1) above. As discussed in Note 15B (1), under the Agreement, the former Redevelopment Agency purchased two parcels of land that were later sold to developers. The amount due under the Agreement does not bear interest and is payable annually through 2023. The Successor Agency has therefore recorded a liability of \$10,745,676 at June 30, 2019, representing the present value of future payments due under this Agreement.

3. 2015 Tax Allocation Refunding Bonds

In March 2015, the Successor Agency issued Tax Allocation Refunding Bonds in the original principal amount of \$127,790,000. The proceeds of the Bonds were used to advance refund and defease the outstanding balance of the 2003 Tax Allocation Bonds, which were redeemed on March 23, 2015. The Bonds are secured by Redevelopment Property Tax Trust Fund (RPTTF) revenues. In lieu of a reserve fund, the 2015 Bonds are secured by a reserve insurance policy in the amount of \$11,822,000, issued by Assured Guaranty Municipal Corp. Principal is payable annually and the interest is payable semi-annually through 2032. The 2015 Bonds contain a provision that in an event of default, the Trustee may declare the principal of the bonds, together with all accrued interest at the date of default, immediately due and payable, or (b) exercise any and all rights and remedies available to it under applicable law, including right to enforce from the Successor Agency all payments due on the Bonds, and the Successor Agency will pay all reasonable fees and expenses incurred by the Trustee and those of its attorneys.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 15 –SUCCESSOR AGENCY ACTIVITIES

4. Debt Service Requirements

Debt service requirements are shown below for all long-term debt:

Year Ending June 30	Installment Purchase Agreement with the County of Santa Clara		2015 Tax Allocation Bonds	
	Total Principal	Total Interest	Total Principal	Total Interest
2020	\$2,886,103	\$3,113,897	\$6,735,000	\$4,915,125
2021	2,748,669	3,251,331	7,070,000	4,570,000
2022	2,617,780	3,382,220	7,425,000	4,207,625
2023	2,493,124	3,506,876	7,800,000	3,827,000
2024			8,185,000	3,427,375
2025-2029			43,300,000	10,513,500
2030-2033			21,155,000	1,840,125
	<u>\$10,745,676</u>	<u>\$13,254,324</u>	101,670,000	<u>\$33,300,750</u>
Plus: Unamortized bond premium			16,276,480	
			<u>\$117,946,480</u>	

5. Defeased Bonds

As of June 30, 2019, the outstanding balance of defeased debt was \$11,865,000 for the Redevelopment Agency 1997 Tax Allocation Bonds.

D. COMMITMENTS AND CONTINGENCIES

1. State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the County Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

NOTE 16 –SUBSEQUENT EVENTS

2019 Wastewater Revenue Bonds

On November 13, 2019, the Milpitas Municipal Financing Authority issued Wastewater Revenue Bonds, Series 2019, in the original principal amount of \$29,840,000, generating proceeds in the amount of \$35,335,463, to provide funds for certain improvements to the City's wastewater system and to pay the cost of issuing the 2019 Bonds. The Bonds bear interest of 4.0% to 5.0% and interest is payable every June 1 and December 1 beginning on June 1, 2020. Principal on the bonds will be payable on June 1 beginning on June 1, 2020 through 2049. The Bonds were structured with a par optional redemption date of June 1, 2029. The Bonds are collateralized by net revenues from the City's Sewer System, on parity with the 2017 Bonds.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 16 –SUBSEQUENT EVENTS (Continued)

2019 Water Revenue Bonds

On November 13, 2019, the Milpitas Municipal Financing Authority issued Water Revenue Bonds, Series 2019, in the original principal amount of \$17,210,000, generating proceeds in the amount of \$20,272,132, to provide funds for certain improvements to the City's water system and to pay the cost of issuing the 2019 Bonds. The Bonds bear interest of 4.0% to 5.0% and interest is payable every June 1 and December 1 beginning on June 1, 2020. Principal on the bonds will be payable on June 1 beginning on June 1, 2020 through 2049. The Bonds were structured with a par optional redemption date of June 1, 2029. The Bonds are collateralized by net revenues from the City's Water System.

REQUIRED SUPPLEMENTARY INFORMATION



City of Milpitas
Required Supplementary Information

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Retiree Medical Benefits (OPEB) Plan
Last 10 fiscal years*

Measurement Date	6/30/17	6/30/18
Total OPEB Liability		
Service Cost	\$2,386,392	\$2,356,491
Interest	4,794,071	5,155,080
Changes in benefit terms		
Differences between expected and actual experience		
Changes of assumptions	(1,263,847)	(113,934)
Benefit payments	(3,325,081)	(2,994,247)
Net change in total OPEB liability	2,591,535	4,403,390
Total OPEB liability - beginning	80,926,571	83,518,106
Total OPEB liability - ending (a)	\$83,518,106	\$87,921,496
Plan fiduciary net position		
Contributions - employer	\$4,959,756	\$4,803,893
Contributions - employee		
Net investment income	3,708,342	3,175,844
Administrative expense	(18,732)	(21,490)
Benefit payments	(3,325,081)	(2,994,247)
Other Expenses		(51,721)
Net change in plan fiduciary net position	5,324,285	4,912,279
Plan fiduciary net position - beginning	33,780,048	39,104,333
Plan fiduciary net position - ending (b)	\$39,104,333	\$44,016,612
 Net OPEB liability - ending (a)-(b)	 \$44,413,773	 \$43,904,884
 Plan fiduciary net position as a percentage of the total OPEB liability	 46.82%	 50.06%
 Covered-employee payroll	 \$42,017,236	 \$43,375,678
 Net OPEB liability as a percentage of covered-employee payroll	 105.70%	 101.22%

* Fiscal year 2018 was the first year of implementation.

City of Milpitas
Required Supplementary Information

SCHEDULE OF CONTRIBUTIONS

Retiree Medical Benefits (OPEB) Plan
Last 10 fiscal years*

Fiscal Year Ended June 30,	2018			2019		
	Explicit	Implicit	Total	Explicit	Implicit	Total
Actuarially determined contribution	\$3,387,020	\$1,652,641	\$5,039,661	\$3,492,808	\$1,703,307	\$5,196,115
Contributions in relation to the actuarially determined contribution	3,387,020	1,059,545	4,446,565	3,492,808	1,158,935	4,651,743
Contribution deficiency (excess)	\$0	\$593,096	\$593,096	\$0	\$544,372	\$544,372
Covered-employee payroll	\$43,375,678	\$43,375,678	\$43,375,678	\$48,788,854	\$48,788,854	\$48,788,854
Contributions as a percentage of covered-employee payroll	7.81%	2.44%	10.25%	7.16%	2.38%	9.53%

Notes to Schedule

Valuation date:

Methods and assumptions used to determine contribution rates:

Valuation Date	July 1, 2017
Actuarial Assumptions:	
Discount Rate	7.0% (explicit subsidies) and 3.62% (implicit subsidies)
Inflation	2.75%
Salary Increase	3.25%
Assumed Wage Inflation	3.0%
Investment Rate of Return	7.0%
Mortality Rate	MacLeod Watts Scale of 2017 applied generationally
Healthcare Trend Rate	7.5% grading down to 5% for years 2024 and thereafter

* Fiscal year 2018 was the first year of implementation.

City of Milpitas

Required Supplementary Information

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Miscellaneous Plan - Agent Multiple-Employer Defined Pension Plan
Last 10 Years*

Measurement Period	2013-14	2014-15	2015-16	2016-17	2017-18
Total Pension Liability					
Service Cost	\$2,652,510	\$2,664,628	\$2,666,665	\$3,008,973	\$3,042,853
Interest	13,600,615	14,114,152	14,689,192	15,078,047	15,647,110
Differences between expected and actual experience	-	(982,598)	(18,301)	(1,238,427)	1,831,444
Changes in assumptions	-	(3,463,459)	-	12,475,424	(1,404,854)
Changes in benefits	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(8,381,334)	(8,930,516)	(9,558,779)	(10,236,837)	(10,906,398)
Net change in total pension liability	7,871,791	3,402,207	7,778,777	19,087,180	8,210,155
Total pension liability - beginning	184,205,937	192,077,728	195,479,935	203,258,712	222,345,892
Total pension liability - ending (a)	\$192,077,728	\$195,479,935	\$203,258,712	\$222,345,892	\$230,556,047
Plan fiduciary net position					
Contributions - employer	\$3,356,909	\$4,076,975	\$4,519,744	\$5,048,143	\$5,762,448
Contributions - employee	1,439,932	1,326,989	1,333,019	1,266,956	1,473,732
Net investment income	22,034,637	3,281,429	775,183	16,109,364	13,123,448
Administrative expense	-	(164,523)	(89,109)	(211,414)	(241,795)
Benefit payments, including refunds of employee contributions	(8,381,334)	(8,930,516)	(9,558,779)	(10,236,837)	(10,906,398)
Other Miscellaneous Income/Expense	-	-	-	-	(459,172)
Net Plan to Plan Resource Movement	-	-	(370)	(370)	(381)
Net change in plan fiduciary net position	18,450,144	(409,646)	(3,020,312)	11,975,842	8,751,882
Plan fiduciary net position - beginning	128,172,005	146,622,149	146,212,503	143,192,191	155,168,033
Plan fiduciary net position - ending (b)	\$146,622,149	\$146,212,503	\$143,192,191	\$155,168,033	\$163,919,915
Net pension liability - ending (a)-(b)	\$45,455,579	\$49,267,432	\$60,066,521	\$67,177,859	\$66,636,132
Plan fiduciary net position as a percentage of the total pension liability	76.33%	74.80%	70.45%	69.79%	71.10%
Covered payroll	\$15,682,538	\$16,009,660	\$16,161,589	\$16,418,123	\$18,846,066
Net pension liability as percentage of covered payroll	289.85%	307.74%	371.66%	409.17%	382.47%

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2017. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions. GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. In 2018, there were no changes. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016 and 2018, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts were based on the 7.5% discount rate. All other assumptions for the June 30, 2014 measurement date were the same as those used for the June 30, 2015 and 2016 measurement dates.

* Fiscal year 2015 was the first year of implementation.

City of Milpitas
Required Supplementary Information

SCHEDULE OF CONTRIBUTIONS
Miscellaneous Plan - Agent Multiple-Employer Defined Pension Plan
Last 10 Years*

Fiscal Year Ended June 30	2015	2016	2017	2018	2019
Actuarially determined contribution	\$3,252,668	\$4,236,931	\$5,082,638	\$6,243,904	\$6,863,508
Contributions in relation to the actuarially determined contributions	3,252,668	4,236,931	5,082,638	6,243,904	6,863,508
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$16,009,660	\$16,161,589	\$16,418,123	\$18,846,066	\$22,079,190
Contributions as a percentage of covered payroll	20.32%	26.22%	30.96%	33.13%	31.09%
Notes to Schedule					
Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry age				
Amortization method	Level percentage of payroll				
Remaining amortization period	15 Years as of the Valuation Date				
Asset valuation method	Market Value of Assets				
Inflation	2.75%				
Salary increases	3.30% to 14.20% depending on Age, Service, and type of employment.				
Investment rate of return	7.50% for 2015 to 2018 and 7.375% for 2019, net of pension plan investment expense, including inflation.				
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.				
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries.				

* Fiscal year 2015 was the 1st year of implementation.

City of Milpitas

Required Supplementary Information

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Safety Plan - Agent Multiple-Employer Defined Pension Plan

Last 10 Years*

Measurement Period	2013-14	2014-15	2015-16	2016-17	2017-18
Total Pension Liability					
Service Cost	\$4,932,970	\$4,808,751	\$5,094,318	\$5,934,642	\$5,975,378
Interest	19,838,662	20,535,893	21,663,378	22,434,283	23,331,989
Differences between expected and actual experience	-	(2,363,470)	3,274,330	(690,685)	626,935
Changes in assumptions	-	(5,052,089)	-	18,725,315	(986,630)
Changes in benefits	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(13,076,629)	(13,656,196)	(14,390,575)	(14,864,837)	(16,083,729)
Net change in total pension liability	11,695,003	4,272,889	15,641,451	31,538,718	12,863,943
Total pension liability - beginning	268,587,329	280,282,332	284,555,221	300,196,672	331,735,390
Total pension liability - ending (a)	\$280,282,332	\$284,555,221	\$300,196,672	\$331,735,390	\$344,599,333
Plan fiduciary net position					
Contributions - employer	\$5,856,270	\$6,604,951	\$7,230,399	\$7,887,539	\$8,866,550
Contributions - employee	1,839,234	1,887,408	2,064,277	2,233,341	2,240,962
Net investment income	30,157,647	4,420,615	1,031,136	22,090,936	17,931,642
Administrative expense	-	(224,227)	(121,445)	(288,028)	(330,577)
Net Plan to Plan Resource Movement	-	-	-	-	(521)
Other Miscellaneous Income/Expense	-	-	-	-	(627,771)
Benefit payments, including refunds of employee contributions	(13,076,629)	(13,656,196)	(14,390,575)	(14,864,837)	(16,083,729)
Net change in plan fiduciary net position	24,776,522	(967,449)	(4,186,208)	17,058,951	11,996,556
Plan fiduciary net position - beginning	175,461,012	200,237,534	199,270,085	195,083,877	212,142,828
Plan fiduciary net position - ending (b)	\$200,237,534	\$199,270,085	\$195,083,877	\$212,142,828	\$224,139,384
Net pension liability - ending (a)-(b)	\$80,044,798	\$85,285,136	\$105,112,795	\$119,592,562	\$120,459,949
Plan fiduciary net position as a percentage of the total pension liability	71.44%	70.03%	64.99%	63.95%	65.04%
Covered payroll	\$18,310,535	\$18,810,920	\$20,170,400	\$21,078,669	\$21,698,152
Net pension liability as percentage of covered payroll	437.15%	453.38%	521.12%	567.36%	555.16%

Notes to Schedule:

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2017. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions. GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. In 2018, there were no changes. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016 and 2018, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense. All other assumptions for the June 30, 2014 measurement date were the same as those used for the June 30, 2015 and 2016 measurement dates.

* Fiscal year 2015 was the 1st year of implementation.

City of Milpitas **Required Supplementary Information**

SCHEDULE OF CONTRIBUTIONS Safety Plan - Agent Multiple-Employer Defined Pension Plan Last 10 Years*

Fiscal Year Ended June 30	2015	2016	2017	2018	2019
Actuarially determined contribution	\$5,904,019	\$7,346,983	\$8,741,506	\$9,247,165	\$10,289,680
Contributions in relation to the actuarially determined contributions	5,904,019	7,346,983	8,741,506	9,247,165	10,289,680
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$18,810,920	\$20,170,400	\$21,078,669	\$21,698,152	\$23,314,576
Contributions as a percentage of covered payroll	31.39%	36.42%	41.47%	42.62%	44.13%
Notes to Schedule					
Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry age				
Amortization method	Level percentage of payroll				
Remaining amortization period	27 Years as of the Valuation Date				
Asset valuation method	Market Value of Assets				
Inflation	2.75%				
Salary increases	3.30% to 14.20% depending on Age, Service, and type of employment.				
Investment rate of return	7.50% for 2015 to 2018 and 7.375% for 2019, net of pension plan investment expense, including inflation.				
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.				
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries.				

* Fiscal year 2015 was the 1st year of implementation.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

GAS TAX FUND

Established to account for the City's share of state gasoline taxes which are restricted for use on construction and maintenance of the street system in Milpitas.

HOUSING AND COMMUNITY DEVELOPMENT FUND

Established to account for community development block grants and expenditures.

LAW ENFORCEMENT SERVICES FUND

Established to account for the proceeds from Federal and State asset seizures. This fund also accounts for the Supplemental Law Enforcement Services grant, Local Law Enforcement Block grant, Justice Assistance grant and expenditures. These funds must be used only for specified law enforcement purposes.

SOLID WASTE REDUCTION AND SERVICES FUND

Established to account for landfill tipping fees allocated by Santa Clara County. The County allocates a fee of \$1 per ton to each City to be used in relation to the State of California Waste Reduction Act. Revenue is used for the implementation of waste reduction programs to meet the State required landfill deposits percentage reduction. The fund also accounts for special charges built into garbage rates specifically for community promotions and household hazardous waste activities.

LIGHTING AND LANDSCAPE MAINTENANCE DISTRICT FUND

Established to account for assessments collected within the district. Revenue is used for servicing and maintaining the public landscaping and additional lighting for the district.

COMMUNITY FACILITIES DISTRICT FUND

Established to account for assessments collected within the district. Revenue is used for providing City services for the district.

HETCH-HETCHY GROUND LEASE FUND

Established to account for the lease payment to the City and County of San Francisco for the permitted use of the Hetch-Hetchy land.

COMMUNITY PLANNING FUND

Established to account for fees collected to fund the General Plan update, zoning ordinance update and other long range planning documents.

COMMUNITY BENEFITS FUND

Established to account for fees collected from developers to fund Public Benefits for the Community.

AFFORDABLE HOUSING FUND

Established to account for fees collected from developers to fund Affordable Housing activities.

CAPITAL PROJECTS FUNDS:

PUBLIC ART FUND

Established to account for the acquisition and installation of public art. Financing provided by a percentage of eligible project expenditures within the City's Annual Capital Improvement Program.

PARK IMPROVEMENT FUND

Established to account for the construction and maintenance of City parks. A special park improvement fee is imposed on developments to provide financing.

STORM DRAIN DEVELOPMENT FUND

Established to account for the construction and maintenance of storm drain projects. A special storm drain fee is imposed on developments to provide financing.





CITY OF MILPITAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	SPECIAL REVENUE FUNDS				
	Gas Tax	Housing and Community Development	Law Enforcement Services	Solid Waste Reduction and Services	Lighting and Landscape Maintenance District
ASSETS					
Cash and investments available for operations	\$3,474,277	\$17,991	\$387,694	\$1,890,735	\$172,280
Receivables:					
Due from other governments	245,020	138,361	8,371	23,602	
Interest	17,492		1,542	8,428	850
Loans receivable		3,740,080			
Prepays, materials, supplies and deposits		1,030		1,134	2,677
Total Assets	<u>\$3,736,789</u>	<u>\$3,897,462</u>	<u>\$397,607</u>	<u>\$1,923,899</u>	<u>\$175,807</u>
LIABILITIES					
Accounts payable		\$98,868	\$1,322	\$13,515	\$494
Accrued payroll		252		1,899	3,865
Unearned revenue			258,707	18,667	
Refundable deposits				18,843	
Total Liabilities		<u>99,120</u>	<u>260,029</u>	<u>52,924</u>	<u>4,359</u>
FUND BALANCE					
Fund Balances:					
Nonspendable		1,030		1,134	2,677
Restricted	\$3,736,789	3,797,312	137,578	1,869,841	168,771
Assigned					
Total Fund Balances	<u>3,736,789</u>	<u>3,798,342</u>	<u>137,578</u>	<u>1,870,975</u>	<u>171,448</u>
Total Liabilities and Fund Balances	<u>\$3,736,789</u>	<u>\$3,897,462</u>	<u>\$397,607</u>	<u>\$1,923,899</u>	<u>\$175,807</u>

SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS			Total Nonmajor Governmental Funds
Community Facilities District	Hetch-Hetchy Ground Lease	Community Planning	Community Benefits	Affordable Housing	Public Art	Park Improvement	Storm Drain Development	
\$1,342,363	\$1,604,425	\$1,091,416	\$261,762	\$1,597,728	\$744,571	\$24,791,183	\$8,053,336	\$45,429,761
8,510								423,864
7,185		6,811		3,042	3,723	126,689	40,545	216,307
								3,740,080
3,506	2,917							11,264
<u>\$1,361,564</u>	<u>\$1,607,342</u>	<u>\$1,098,227</u>	<u>\$261,762</u>	<u>\$1,600,770</u>	<u>\$748,294</u>	<u>\$24,917,872</u>	<u>\$8,093,881</u>	<u>\$49,821,276</u>
\$9,325		\$17				\$289,230	\$90,348	\$503,119
7,718		323				3,926	224	18,207
								277,374
								18,843
17,043		340				293,156	90,572	817,543
3,506	\$2,917							11,264
1,341,015	1,604,425	\$1,097,887	\$261,762	\$1,600,770		24,624,716	8,003,309	48,244,175
					\$748,294			748,294
1,344,521	1,607,342	1,097,887	261,762	1,600,770	748,294	24,624,716	8,003,309	49,003,733
<u>\$1,361,564</u>	<u>\$1,607,342</u>	<u>\$1,098,227</u>	<u>\$261,762</u>	<u>\$1,600,770</u>	<u>\$748,294</u>	<u>\$24,917,872</u>	<u>\$8,093,881</u>	<u>\$49,821,276</u>

CITY OF MILPITAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS				
	Gas Tax	Housing & Community Development	Law Enforcement Services	Solid Waste Reduction and Services	Lighting and Landscape Maintenance District
REVENUES:					
Other taxes					\$380,161
Use of money and property	\$58,920	\$4,520	\$6,795	32,806	2,140
Intergovernmental	2,909,600	657,731	246,355	224,569	
Charges for services					
Developer contributions					
Other				576	
Total Revenues	2,968,520	662,251	253,150	257,951	382,301
EXPENDITURES:					
Current:					
General Government		339,146			
Public Works					290,612
Engineering				332,165	10,786
Police			207,848		
Capital outlay					
Total Expenditures		339,146	207,848	332,165	301,398
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,968,520	323,105	45,302	(74,214)	80,903
OTHER FINANCING SOURCES (USES)					
Transfers in	483,125			134,151	
Transfers (out)	(1,775,000)			(99,748)	(95,000)
Total Other Financing Sources (Uses)	(1,291,875)			34,403	(95,000)
NET CHANGE IN FUND BALANCES	1,676,645	323,105	45,302	(39,811)	(14,097)
Fund balances at beginning of year	2,060,144	3,475,237	92,276	1,910,786	185,545
FUND BALANCES AT END OF YEAR	\$3,736,789	\$3,798,342	\$137,578	\$1,870,975	\$171,448

SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS			
Community Facilities District	Hetch-Hetchy Ground Lease	Community Planning	Community Benefits	Affordable Housing	Public Art	Park Improvement	Storm Drain Development	Total Nonmajor Governmental Funds
\$2,133,307 22,530	\$41,094	\$21,205	\$7,343	\$6,398	\$19,951	\$777,708	\$146,845	\$2,513,468
		458,577						1,148,255
				600,908			1,017,027	4,038,255
					473,385			458,577
								1,617,935
								473,961
2,155,837	41,094	479,782	7,343	607,306	493,336	777,708	1,163,872	10,250,451
5,598 812,064	34,110				1,623			380,477
								1,102,676
								342,951
								207,848
						1,985,759	303,131	2,288,890
817,662	34,110				1,623	1,985,759	303,131	4,322,842
1,338,175	6,984	479,782	7,343	607,306	491,713	(1,208,051)	860,741	5,927,609
(900,000)		(250,000)	(250,000)	1,243,464		12,460,000 (140,405)	265,000	14,585,740 (3,510,153)
(900,000)		(250,000)	(250,000)	1,243,464		12,319,595	265,000	11,075,587
438,175	6,984	229,782	(242,657)	1,850,770	491,713	11,111,544	1,125,741	17,003,196
906,346	1,600,358	868,105	504,419	(250,000)	256,581	13,513,172	6,877,568	32,000,537
\$1,344,521	\$1,607,342	\$1,097,887	\$261,762	\$1,600,770	\$748,294	\$24,624,716	\$8,003,309	\$49,003,733

CITY OF MILPITAS
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP LEGAL BASIS)
FOR THE YEAR ENDED JUNE 30, 2019

	GAS TAX			HOUSING AND COMMUNITY DEVELOPMENT		
	Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)	Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
REVENUES						
Other taxes						
Use of money and property	\$23,000	\$58,920	\$35,920	\$1,000	\$4,520	\$3,520
Intergovernmental	3,172,310	2,909,600	(262,710)	427,800	657,731	229,931
Charges for services						
Developer contributions						
Other						
Total Revenues	<u>3,195,310</u>	<u>2,968,520</u>	<u>(226,790)</u>	<u>428,800</u>	<u>662,251</u>	<u>233,451</u>
EXPENDITURES						
Current:						
General Government:						
City Manager						
Finance				17,800	17,775	25
Non-departmental				726,000	620,464	105,536
Building, Safety and Housing					15,980	(15,980)
Public Works						
Engineering						
Police						
Total Expenditures				<u>743,800</u>	<u>654,219</u>	<u>89,581</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,195,310</u>	<u>2,968,520</u>	<u>(226,790)</u>	<u>(315,000)</u>	<u>8,032</u>	<u>323,032</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	483,125	483,125				
Transfers (out)	<u>(1,775,000)</u>	<u>(1,775,000)</u>				
Total Other Financing Sources (Uses)	<u>(1,291,875)</u>	<u>(1,291,875)</u>				
NET CHANGE IN FUND BALANCES	<u>\$1,903,435</u>	<u>1,676,645</u>	<u>(\$226,790)</u>	<u>(\$315,000)</u>	<u>8,032</u>	<u>\$323,032</u>
ADJUSTMENT TO BUDGETARY BASIS:						
Expenditures capitalized for GAAP purposes					315,073	
Capital Outlay						
Encumbrance adjustments						
Fund balances at beginning of year		<u>2,060,144</u>			<u>3,475,237</u>	
Fund balances at end of year		<u>\$3,736,789</u>			<u>\$3,798,342</u>	

LAW ENFORCEMENT SERVICES			SOLID WASTE REDUCTION AND SERVICES			LIGHTING AND LANDSCAPING MAINTENANCE DISTRICT		
Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)	Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)	Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
\$2,000	\$6,795	\$4,795	\$19,000	\$32,806	\$13,806	\$383,178	\$380,161	(\$3,017)
212,104	246,355	34,251	228,112	224,569	(3,543)	2,000	2,140	140
				576	576			
214,104	253,150	39,046	247,112	257,951	10,839	385,178	382,301	(2,877)
						356,685	290,612	66,073
			400,279	400,170	109	81,065	12,995	68,070
279,989	207,848	72,141						
279,989	207,848	72,141	400,279	400,170	109	437,750	303,607	134,143
(65,885)	45,302	111,187	(153,167)	(142,219)	10,948	(52,572)	78,694	131,266
			134,151	134,151				
			(99,748)	(99,748)		(95,000)	(95,000)	
			34,403	34,403		(95,000)	(95,000)	
(\$65,885)	45,302	\$111,187	(\$118,764)	(107,816)	\$10,948	(\$147,572)	(16,306)	\$131,266
				68,005			2,209	
	92,276			1,910,786			185,545	
	\$137,578			\$1,870,975			\$171,448	

(Continued)

CITY OF MILPITAS
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP LEGAL BASIS)
FOR THE YEAR ENDED JUNE 30, 2019

	COMMUNITY FACILITIES DISTRICT			HETCH-HETCHY GROUND LEASE		
	Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)	Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
REVENUES						
Other taxes	\$1,979,896	\$2,133,307	\$153,411			
Use of money and property	7,000	22,530	15,530	\$1,000	\$41,094	\$40,094
Intergovernmental						
Charges for services						
Developer contributions						
Other						
Total Revenues	<u>1,986,896</u>	<u>2,155,837</u>	<u>168,941</u>	<u>1,000</u>	<u>41,094</u>	<u>40,094</u>
EXPENDITURES						
Current:						
General Government:						
City Manager						
Finance						
Non-departmental	8,000	5,598	2,402	\$35,000	34,110	890
Building, Safety and Housing						
Public Works	1,228,353	812,064	416,289			
Engineering						
Police						
Total Expenditures	<u>1,236,353</u>	<u>817,662</u>	<u>418,691</u>	<u>35,000</u>	<u>34,110</u>	<u>890</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>750,543</u>	<u>1,338,175</u>	<u>587,632</u>	<u>(34,000)</u>	<u>6,984</u>	<u>40,984</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	<u>(900,000)</u>	<u>(900,000)</u>				
Total Other Financing Sources (Uses)	<u>(900,000)</u>	<u>(900,000)</u>				
NET CHANGE IN FUND BALANCES	<u>(\$149,457)</u>	438,175	<u>\$587,632</u>	<u>(\$34,000)</u>	6,984	<u>\$40,984</u>
ADJUSTMENT TO BUDGETARY BASIS:						
Expenditures capitalized for GAAP purposes						
Capital Outlay						
Encumbrance adjustments						
Fund balances at beginning of year		<u>906,346</u>			<u>1,600,358</u>	
Fund balances at end of year		<u>\$1,344,521</u>			<u>\$1,607,342</u>	

COMMUNITY PLANNING			COMMUNITY BENEFITS			AFFORDABLE HOUSING		
Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)	Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)	Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
\$8,000	\$21,205	\$13,205		\$7,343	\$7,343		\$6,398	\$6,398
250,000	458,577	208,577					600,908	600,908
258,000	479,782	221,782		7,343	7,343		607,306	607,306
258,000	479,782	221,782		7,343	7,343		607,306	607,306
(250,000)	(250,000)			(250,000)	(250,000)	\$993,464	1,243,464	250,000
(250,000)	(250,000)			(250,000)	(250,000)	993,464	1,243,464	250,000
<u>\$8,000</u>	229,782	<u>\$221,782</u>	<u></u>	(242,657)	<u>(\$242,657)</u>	<u>\$993,464</u>	1,850,770	<u>\$857,306</u>
	868,105			504,419			(250,000)	
	<u>\$1,097,887</u>			<u>\$261,762</u>			<u>\$1,600,770</u>	

(Continued)

CITY OF MILPITAS
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP LEGAL BASIS)
FOR THE YEAR ENDED JUNE 30, 2019

	PUBLIC ART			TOTALS		
	Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)	Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
REVENUES						
Other taxes				\$2,363,074	\$2,513,468	\$150,394
Use of money and property	\$3,000	\$19,951	\$16,951	66,000	223,702	157,702
Intergovernmental				4,040,326	4,038,255	(2,071)
Charges for services				250,000	458,577	208,577
Developer contributions		473,385	473,385		1,074,293	1,074,293
Other					576	576
Total Revenues	3,000	493,336	490,336	6,719,400	8,308,871	1,589,471
EXPENDITURES						
Current:						
General Government:						
City Manager						
Finance				17,800	17,775	25
Non-departmental	127,500	31,623	95,877	896,500	691,795	204,705
Building, Safety and Housing					15,980	(15,980)
Public Works				1,585,038	1,102,676	482,362
Engineering				481,344	413,165	68,179
Police				279,989	207,848	72,141
Total Expenditures	127,500	31,623	95,877	3,260,671	2,449,239	811,432
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(124,500)	461,713	586,213	3,458,729	5,859,632	2,400,903
OTHER FINANCING SOURCES (USES)						
Transfers in				617,276	1,860,740	1,243,464
Transfers (out)				(3,119,748)	(3,369,748)	(250,000)
Total Other Financing Sources (Uses)				(2,502,472)	(1,509,008)	993,464
	<u>(\$124,500)</u>	461,713	<u>\$586,213</u>	<u>\$956,257</u>	4,350,624	<u>\$3,394,367</u>
Expenditures capitalized for GAAP purposes					315,073	
Capital Outlay						
Encumbrance adjustments		30,000			100,214	
Fund balances at beginning of year		<u>256,581</u>			<u>11,609,797</u>	
Fund balances at end of year		<u>\$748,294</u>			<u>\$16,375,708</u>	

AGENCY FUNDS

Financial reporting standards require that Agency Funds be presented separately from the Government-wide and Fund financial statements.

Agency Funds account for assets held by the City as agent for individuals, government entities, and non-public organizations. These funds include the following:

EMPLOYEE BENEFITS FUND

Established to account for specific negotiated employee benefits.

SENIOR ADVISORY COMMISSION FUND

Established to account for the fund raising activities of the Commission.



CITY OF MILPITAS
AGENCY FUNDS
STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Employee Benefit</u>				
<u>Assets</u>				
Cash and investments available for operations	\$1,284,679	\$62,212	\$2,085	\$1,344,806
Receivables:				
Interest	4,860		4,860	
Total Assets	<u>\$1,289,539</u>	<u>\$62,212</u>	<u>\$6,945</u>	<u>\$1,344,806</u>
<u>Liabilities</u>				
Refundable deposits	<u>\$1,289,539</u>	<u>\$62,212</u>	<u>\$6,945</u>	<u>\$1,344,806</u>
Total Liabilities	<u>\$1,289,539</u>	<u>\$62,212</u>	<u>\$6,945</u>	<u>\$1,344,806</u>
<u>Senior Advisory Commission</u>				
<u>Assets</u>				
Cash and investments available for operations	\$7,884	\$2,131	\$1,926	\$8,089
Receivables:				
Interest	30		30	
Total Assets	<u>\$7,914</u>	<u>\$2,131</u>	<u>\$1,956</u>	<u>\$8,089</u>
<u>Liabilities</u>				
Refundable deposits	<u>\$7,914</u>	<u>\$2,131</u>	<u>\$1,956</u>	<u>\$8,089</u>
Total Liabilities	<u>\$7,914</u>	<u>\$2,131</u>	<u>\$1,956</u>	<u>\$8,089</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments available for operations	\$1,292,563	\$64,343	\$4,011	\$1,352,895
Receivables:				
Interest	4,890		4,890	
Total Assets	<u>\$1,297,453</u>	<u>\$64,343</u>	<u>\$8,901</u>	<u>\$1,352,895</u>
<u>Liabilities</u>				
Refundable deposits	<u>\$1,297,453</u>	<u>\$64,343</u>	<u>\$8,901</u>	<u>\$1,352,895</u>
Total Liabilities	<u>\$1,297,453</u>	<u>\$64,343</u>	<u>\$8,901</u>	<u>\$1,352,895</u>



STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

- Net Position – Schedule 1
- Changes in Net Position – Schedule 2
- Fund Balances, Governmental Funds – Schedule 3
- Changes in Fund Balance, Governmental Funds – Schedule 4

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

- Assessed Value and Actual Value of Taxable Property – Schedule 5
- Direct and Overlapping Property Taxes Rates – Schedule 6
- Principal Property Taxpayers – Schedule 7
- Property Tax Levies and Collections – Schedule 8
- Taxable Sales by Category – Schedule 9
- Direct and Overlapping Sales Tax Rates – Schedule 10
- Principal Sales Tax Payers – Schedule 11

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

- Ratios of Outstanding Debt by Type – Schedule 12
- Bonded Debt Pledged Revenue Coverage, Redevelopment Agency Tax Allocation Bonds – Schedule 13
- Computation of Direct and Overlapping Debt – Schedule 14
- Legal Debt Margin Information – Schedule 15
- Installment Payment Coverage, Sewer Certificates of Participation and Waste Water Revenue Refunding Bonds – Schedule 16

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

- Bimonthly Sewer Rates by Customer Class – Schedule 17
- Demographic and Economic Statistics – Schedule 18
- Principal Employers – Schedule 19

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

- Authorized Full-Time Equivalent Employees by Function/Program – Schedule 20
- Operating Indicators by Function/Program – Schedule 21
- Capital Asset Statistics by Function/Program – Schedule 22

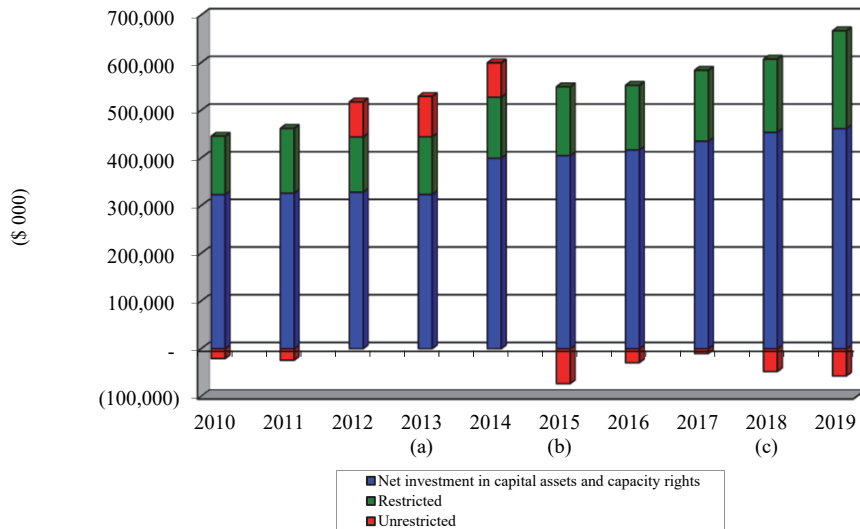
Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.



CITY OF MILPITAS
NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Dollars in Thousands)

Schedule 1



Fiscal Year Ended June 30					
	2010	2011	2012	2013 (a)	2014
Governmental activities					
Net investment in capital assets and capacity rights	\$218,878	\$218,116	\$219,034	\$217,002	\$291,704
Restricted	98,426	115,474	90,878	88,147	90,758
Unrestricted	(38,500)	(44,592)	53,417	64,876	51,315
Total governmental activities net position	<u>\$278,804</u>	<u>\$288,998</u>	<u>\$363,329</u>	<u>\$370,025</u>	<u>\$433,777</u>
Business-type activities					
Net investment in capital assets and capacity rights	\$104,370	\$107,707	\$109,146	\$106,489	\$107,816
Restricted	24,059	20,743	25,239	32,889	37,254
Unrestricted	17,851	20,577	19,838	19,799	20,880
Total business-type activities net position	<u>\$146,280</u>	<u>\$149,027</u>	<u>\$154,223</u>	<u>\$159,177</u>	<u>\$165,950</u>
Primary government					
Net investment in capital assets and capacity rights	\$323,248	\$325,823	\$328,180	\$323,491	\$399,520
Restricted	122,485	136,217	116,117	121,036	128,012
Unrestricted	(20,649)	(24,015)	73,255	84,675	72,195
Total primary government net position	<u>\$425,084</u>	<u>\$438,025</u>	<u>\$517,552</u>	<u>\$529,202</u>	<u>\$599,727</u>
Fiscal Year Ended June 30					
	2015 (b)	2016	2017	2018 (c)	2019
Governmental activities					
Net investment in capital assets and capacity rights	\$291,500	\$298,321	\$312,138	\$323,239	\$326,564
Restricted	103,829	100,327	108,630	109,726	145,983
Unrestricted	(84,598)	(44,368)	(30,091)	(63,405)	(65,799)
Total governmental activities net position	<u>\$310,731</u>	<u>\$354,280</u>	<u>\$390,677</u>	<u>\$369,560</u>	<u>\$406,748</u>
Business-type activities					
Net investment in capital assets and capacity rights	\$113,232	\$118,588	\$122,937	\$130,736	\$135,048
Restricted	40,867	35,130	40,311	43,834	59,191
Unrestricted	11,586	15,261	20,254	15,784	8,930
Total business-type activities net position	<u>\$165,685</u>	<u>\$168,979</u>	<u>\$183,502</u>	<u>\$190,354</u>	<u>\$203,169</u>
Primary government					
Net investment in capital assets and capacity rights	\$404,732	\$416,909	\$435,075	\$453,975	\$461,612
Restricted	144,696	135,457	148,941	153,560	205,174
Unrestricted	(73,012)	(29,107)	(9,837)	(47,621)	(56,869)
Total primary government net position	<u>\$476,416</u>	<u>\$523,259</u>	<u>\$574,179</u>	<u>\$559,914</u>	<u>\$609,917</u>

- (a) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position"
- (b) The City implemented the provisions of GASB Statement 68 in fiscal year 2015 that required the restatement of net position. Amounts prior to 2015 have not been restated.
- (c) The City implemented the provisions of GASB Statement 75 in fiscal year 2018 that required the restatement of net position. Amounts prior to 2018 have not been restated.

CITY OF MILPITAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (Dollars in Thousands)

	Fiscal Year Ended June 30,			
	2010	2011	2012	2013 (c)
Expenses				
Governmental activities				
General Government	\$33,535 (a)	\$21,474 (a)	\$17,418 (b)	\$15,329
Building and Safety	1,972	1,984	2,029	2,293
Building, Housing and Safety				
Recreation and Community Services				
Public Works	22,843	16,777	21,787	17,700 (d)
Engineering				
Planning and Neighborhood Services	2,874	2,155	2,144	2,553
Planning				
Parks and Recreation	6,096	6,529	5,823	3,107 (d)
Police	22,771	22,661	22,620	21,702
Fire	14,748	15,085	14,904	15,810
Interest on Long Term Debt	9,570	9,536	2,050	227
Total governmental activities expenses	114,409	96,201	88,775	78,721
Business-type activities				
Water Utility	11,788	12,766	15,229	17,195
Recycled Water Utility	476	470	599	(e)
Sewer Utility	8,730	9,240	8,399	9,418
Total business-type activities expenses	20,994	22,476	24,227	26,613
Total primary government expenses	\$135,403	\$118,677	\$113,002	\$105,334
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	\$1,165	\$1,071	\$1,349	\$1,700
Building and Safety	2,031	2,823	3,436	4,554
Building, Housing and Safety				
Recreation and Community Services				
Public Works	2,571	1,826	2,440	2,668
Engineering				
Planning and Neighborhood Services	182	139	237	301
Planning				
Parks and Recreation	1,642	1,662	1,833	1,987
Police	1,091	1,263	1,134	1,051
Fire	1,137	1,210	1,292	1,508
Operating grants and contributions	3,892	4,869	6,146	7,487
Capital grants and contributions	8,840	5,704	8,294	8,286
Total government activities program revenues	22,551	20,567	26,161	29,542
Business-type activities				
Charges for services:				
Water Utility	14,051	15,201	16,773	19,801
Recycled Water Utility	1,260	1,300	1,447	(e)
Sewer Utility	10,393	11,406	12,445	12,632
Operating grants and contributions	79	70	43	111
Capital grants and contributions	6,406	163	1,629	1,975
Total business-type activities program revenue	32,189	28,140	32,337	34,519
Total primary government program revenues	\$54,740	\$48,707	\$58,498	\$64,061
Net (Expense)/Revenue				
Governmental activities	(\$91,858)	(\$75,634)	(\$62,614)	(\$49,179)
Business-type activities	11,195	5,664	8,110	7,906
Total primary government net expense	(\$80,663)	(\$69,970)	(\$54,504)	(\$41,273)

(a) In 2011, the Redevelopment Agency began reporting tax increment gross of pass-through payments and administrative fees withheld by the County. Years prior to 2010 have not been restated to reflect this change in presentation.

(b) The Redevelopment Agency was dissolved as of January 31, 2012.

(c) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."

(d) The parks division is part of the Public Works department beginning in fiscal year 2013.

(e) Beginning in fiscal year 2013, the Recycled Water Utility is part of the Water Utility.

(f) Under the terms of a settlement agreement with the County Auditor - Controller, Successor Agency to the Milpitas Redevelopment Agency and other parties, the City and Economic Development Corporation transferred cash and certain capital assets to the Successor Agency and received certain capital assets from the Successor Agency.

(g) Public Works and Engineering are separate departments beginning in fiscal year 2016.

(h) Neighborhood Services is a component of Building, Housing and Safety, and Planning is a separate department beginning in fiscal year 2019.

2014	2015	2016	2017	2018	2019
\$21,074	\$18,118	\$18,614	\$21,174	\$19,111	\$25,281
2,684	2,617	2,513	3,389	4,148	(h)
				(h)	5,449
				5,890	7,020
18,664	17,509	12,761	16,266	15,903	20,053
		5,790 (g)	6,249 (g)	5,712 (g)	6,459 (g)
2,119	2,372	2,649	3,103	3,586	(h)
					1,851
3,012	3,098	4,090	4,949		
23,373	24,699	24,556	30,270	33,840	35,868
15,159	16,301	16,400	20,499	24,194	26,535
240	67	56	48		17
86,325	84,781	87,429	105,947	112,384	128,533
17,369	18,344	19,743	20,666	23,742	25,232
(e)	(e)	(e)	(e)	(e)	(e)
11,008	10,426	10,872	9,969	12,715	12,231
28,377	28,770	30,615	30,635	36,457	37,463
\$114,702	\$113,551	\$118,044	\$136,582	\$148,841	\$165,996
\$1,819	\$1,063	\$2,065	\$1,970	\$2,088	\$2,347
6,445	5,128	5,963	7,814	10,093	(h)
					9,718
				2,559	2,655
2,472	2,644	(g)	(g)	(g)	(g)
		2,863 (g)	2,720 (g)	2,465 (g)	2,379 (g)
432	700	747	292	418	(h)
					226
1,958	2,060	1,981	2,301		
1,091	1,151	1,138	1,184	1,089	1,130
2,120	1,885	2,440	3,224	3,326	2,172
6,195	6,201	7,320	7,880	6,521	8,277
15,483	14,711	35,195	32,256	34,003	47,194
38,015	35,543	59,712	59,641	62,562	76,098
21,354	21,136	18,709	26,318	29,667	29,355
(e)	(e)	(e)	(e)	(e)	(e)
12,753	14,453	15,964	16,803	17,139	17,830
57	127	63	89	124	114
1,402	710	1,103	4,937	2,507	2,755
35,566	36,426	35,839	48,147	49,437	50,054
\$73,581	\$71,969	\$95,551	\$107,788	\$111,999	\$126,152
(\$48,310)	(\$49,238)	(\$27,717)	(\$46,306)	(\$49,822)	(\$52,435)
7,189	7,656	5,224	17,512	12,980	12,591
(\$41,121)	(\$41,582)	(\$22,493)	(\$28,794)	(\$36,842)	(\$39,844)

(Continued)

CITY OF MILPITAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Dollars in Thousands)

	Fiscal Year Ended June 30,			
	2010	2011	2012	2013 (c)
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property taxes	\$58,012 (a)	\$55,655 (a)	\$34,029	\$20,469
Sales and use taxes	14,725	16,429	18,758	20,196
Hotel/Motel taxes	5,297	6,124	7,068	7,933
Other taxes	407	380	491	516
Franchise fees	2,993	3,083	3,218	3,270
Motor vehicle in lieu	209	323	35	37
Investment earnings	700	399	1,093	260
Gain on sale of capital assets/property	171			46
Miscellaneous	85	62	67	103
Redevelopment expense				
Transfers	(2,570)	3,374	3,304	3,045
Extraordinary item			68,882 (b)	
Special Item				
Total governmental activities	80,029	85,829	136,945	55,875
Business-type activities				
Investment earnings	857	455	390	94
Transfers	2,570	(3,374)	(3,304)	(3,045)
Total business-type activities	3,427	(2,919)	(2,914)	(2,951)
Total primary government	\$83,456	\$82,910	\$134,031	\$52,924
Change in net position				
Governmental activities	(\$11,829)	\$10,195	\$74,331	\$6,696
Business-type activities	14,622	2,745	5,196	4,955
Total primary government	\$2,793	\$12,940	\$79,527	\$11,651

(a) In 2011, the Redevelopment Agency began reporting tax increment gross of pass-through payments and administrative fees withheld by the County. Years prior to 2010 have not been restated to reflect this change in presentation.

(b) The Redevelopment Agency was dissolved as of January 31, 2012.

(c) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position."

(d) The parks division is part of the Public Works department beginning in fiscal year 2013.

(e) Beginning in fiscal year 2013, the Recycled Water Utility is part of the Water Utility.

(f) Under the terms of a settlement agreement with the County Auditor - Controller, Successor Agency to the Milpitas Redevelopment Agency and other parties, the City and Economic Development Corporation transferred cash and certain capital assets to the Successor Agency and received certain capital assets from the Successor Agency.

(g) Public Works and Engineering are separate departments beginning in fiscal year 2016.

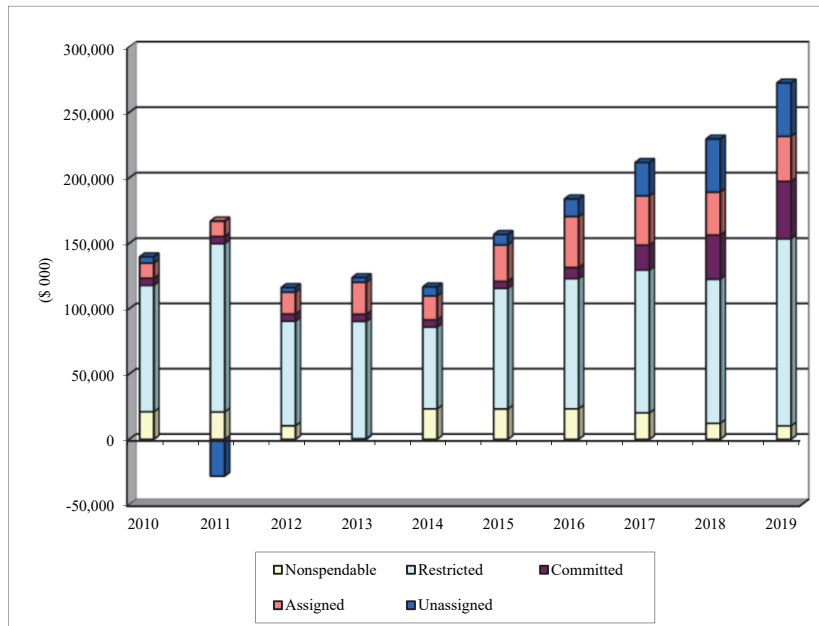
(h) Neighborhood Services is a component of Building, Housing and Safety, and Planning is a separate department beginning in fiscal year 2019.

2014	2015	2016	2017	2018	2019
\$27,607	\$24,927	\$27,068	\$30,262	\$31,893	\$33,811
19,014	18,779	23,924	25,392	26,991	27,983
9,336	10,917	11,757	11,858	12,122	14,503
672	664	822	803	814	808
3,453	3,659	3,841	3,871	4,678	5,127
31	29	29	34	39	36
844	379	913	118	301	4,474
			7,324		4
200	333	287	118	186	390
3,402	1,627	2,625	2,923	2,511	2,489
49,799				(12,432) (f)	
114,358	61,314	71,266	82,703	67,103	89,625
690	383	695	(65)	171	2,712
(3,402)	(1,627)	(2,625)	(2,923)	(2,511)	(2,489)
(2,712)	(1,244)	(1,930)	(2,988)	(2,340)	223
\$111,646	\$60,070	\$69,336	\$79,715	\$64,763	\$89,848
\$66,048	\$12,076	\$43,549	\$36,397	\$17,281	\$37,190
4,477	6,412	3,294	14,524	10,640	12,814
\$70,525	\$18,488	\$46,843	\$50,921	\$27,921	\$50,004



CITY OF MILPITAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Dollars in Thousands)

Schedule 3



	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable	\$20,977	\$20,970	\$577	\$468	\$23,279	\$23,265	\$23,387	\$20,209	\$10,043	\$10,234
Restricted		24,555								
Committed	5,433	5,433	5,433	5,433	5,433	5,433	8,440	19,026	33,643	43,852
Assigned	9,465	9,698	13,904	10,434	6,658	7,013	9,052	8,067	8,629	5,916
Unassigned	14,920	15,448	15,800	16,444	13,521	13,864	13,410	25,440	40,496	40,655
Total General Fund	\$50,795	\$76,104	\$35,714	\$32,779	\$48,891	\$49,575	\$54,289	\$72,742	\$92,811	\$100,657 (a)
All Other Governmental Funds										
Nonspendable	\$115	\$23	\$9,788	\$11	\$32	\$11	\$13	\$15	\$2,229	\$85
Restricted	96,873	104,290	80,112	89,821	62,661	92,347	99,701	109,416	110,418	143,232
Assigned	2,196	2,127	2,892	14,244	11,808	20,806	29,956	29,635	24,284	28,532
Unassigned	(10,219)	(43,624)	(12,234)	(12,955)	(6,610)	(5,932)				
Total all other governmental funds	\$88,965	\$62,816	\$80,558	\$91,121	\$67,891	\$107,232	\$129,670	\$139,066	\$136,931	\$171,849 (a)

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

CITY OF MILPITAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Dollars in Thousands)

	Fiscal Year Ended June 30,				
	2010	2011	2012	2013	2014
Revenues					
Property taxes	\$58,012 (a)	\$55,655 (a)	\$34,029 (b)	\$20,466	\$27,608
Sales taxes	15,268	16,994	19,403	20,908	19,766
Other taxes	9,495	10,917	12,230	13,343	14,992
Licenses and fines	3,481	4,309	4,956	5,875	8,193
Use of money and property	7,168	3,948	5,303	1,538	2,964
Intergovernmental	6,362	5,082	4,834	5,842	5,216
Charges for services	3,704	4,020	4,725	5,550	5,735
Developer contributions	4,739	3,360	7,549	7,987	13,975
Other	933	1,039	578	715	1,144
Total Revenues	109,162	105,324	93,607	82,224	99,593
Expenditures					
Current:					
General Government	20,602 (a)	19,003 (a)	12,753 (b)	11,871	13,204
Building and Safety	1,992	1,975	2,060	2,278	2,658
Building, Housing and Safety					
Recreation and Community Services					
Human Resources and Recreation				3,087	3,124
Parks and Recreation	6,052	5,688	5,261	(c)	(c)
Public Works	13,619	7,960	8,772	9,124	8,535
Engineering					
Planning and Neighborhood Services	2,180	2,267	2,196	2,030	2,202
Planning					
Police	22,071	21,682	21,733	20,978	22,165
Fire	14,249	14,994	14,562	15,420	14,587
Supplemental educational revenue augmentation fund payment	11,774	2,424			
Capital outlay	16,938	12,940	28,876	7,510	10,035
Debt service:					
Principal	8,169	8,225	13,153	4,209	3,828
Interest and fees	11,982	12,386	6,823	668	223
Total Expenditures	129,628	109,544	116,189	77,175	80,561
Excess (deficiency) of revenues over (under) expenditures	(20,466)	(4,220)	(22,582)	5,049	19,032
Other Financing Sources (Uses)					
Proceeds from debt issuance			21,780		
Payments to refunded debt escrow agent				46	
Proceeds/gain from sale of properties	4	5	8		6
Loss from sale/conveyance of property				(512)	
Transfers in	23,590	119,213	34,994	13,780	7,499
Transfers (out)	(23,259)	(115,839)	(31,690)	(10,735)	(4,098)
Total other financing sources (uses)	335	3,379	25,092	2,579	3,407
Extraordinary Items					
Assets transferred to Housing Successor			17,274 (b)		
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor			(42,431) (b)		
Special Item					
Assets transferred to/from Successor Agency and County					(27,261) (d)
Net Change in fund balances	(\$20,131)	(\$841)	(\$22,647)	\$7,628	\$22,439
Debt service as a percentage of noncapital expenditures	17.9%	18.5%	22.9%	7.0%	5.7%

(a) In 2011, the Redevelopment Agency began reporting tax increment gross of pass-through payments and administrative fees withheld by the County.

(b) Years prior to 2010 have not been restated to reflect this change in presentation.

b(b) The Redevelopment Agency was dissolved as of January 31, 2012.

(c) Beginning in fiscal year 2013, parks maintenance division is part of the public works department and the recreation division is part of human resources department.

However starting in fiscal year 2016, the recreation was separated out from Human Resources as an individual department

(d) Under the terms of a settlement agreement with the County Auditor - Controller, Successor Agency to the Milpitas Redevelopment Agency and other parties, the City and Economic Development Corporation transferred cash and certain capital assets to the Successor Agency and received certain capital assets from the Successor Agency.

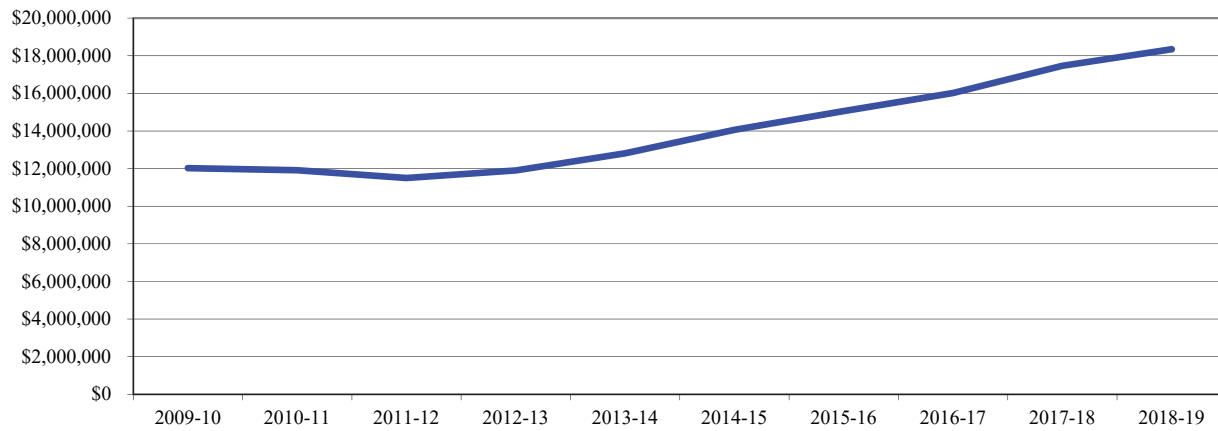
(e) Human Resources is a component of General Government and Recreation is a separate department beginning in fiscal year 2016.

(f) Neighborhood Services is a component of Building, Housing and Safety, and Planning is a separate department beginning in fiscal year 2019.

Fiscal Year Ended June 30				
2015	2016	2017	2018	2019
\$24,927	\$27,068	\$30,261	\$31,893	\$33,811
19,572	24,719	26,214	27,854	28,890
17,505	18,737	19,349	20,429	23,386
6,971	8,051	10,497	12,758	11,757
2,032	3,037	2,180	2,719	8,452
5,482	6,104	4,696	6,228	6,019
6,449	7,196	7,238	6,981	6,969
11,614	29,410	25,637	29,065	41,153
205	113	310	568	926
94,757	124,435	126,382	138,495	161,363
12,814	13,771	17,089	15,397	21,352
2,706	2,885	3,148	3,633	(f)
				5,038
	3,383	3,876	4,497	5,144
3,329	(e)	(e)	(e)	(e)
(c)	(c)	(c)	(c)	(c)
9,199	6,020	6,839	6,983	8,151
	3,257	3,527	3,103	3,201
2,570	2,805	2,978	3,153	(f)
				1,648
24,193	26,124	27,247	27,880	30,389
15,605	17,470	18,456	21,034	23,225
14,376	24,811	26,151	27,243	23,435
6,000				199
61	54	48	69	104
90,853	100,580	109,359	112,992	121,886
3,904	23,855	17,023	25,503	39,477
				952
4	160	7,324		1
			(12,437)	(152)
25,558	23,001	18,405	19,505	37,936
(19,305)	(19,864)	(14,903)	(14,637)	(35,449)
6,257	3,297	10,826	(7,569)	3,288
\$10,161	\$27,152	\$27,849	\$17,934	\$42,765
7.5%	0.1%	0.1%	0.1%	0.3%

CITY OF MILPITAS
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (Dollars in Thousands)

Schedule 5



Fiscal Year	Real Property				Unsecured	Less: Tax-Exempt Property	Total Taxable Assessed Value (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other				
2009-10	\$6,199,167	\$1,368,086	\$2,904,523	\$352,408	\$1,446,827	(\$245,778)	\$12,025,233	1%
2010-11	6,169,631	1,347,861	2,772,798	346,493	1,557,639	(282,326)	11,912,096	1%
2011-12	6,237,714	1,325,735	2,474,543	327,933	1,415,065	(282,633)	11,498,357	1%
2012-13	6,291,949	1,348,591	2,507,227	355,453	1,706,657	(309,165)	11,900,712	1%
2013-14	6,793,845	1,388,236	2,622,328	405,531	1,764,760	(161,341)	12,813,359	1%
2014-15	7,728,283	1,427,474	2,628,858	464,106	1,887,428	(75,363)	14,060,786	1%
2015-16	8,629,667	1,445,665	2,788,984	583,379	1,844,591	(233,528)	15,058,758	1%
2016-17	9,386,926	1,493,922	3,248,012	606,042	1,529,223	(245,315)	16,018,810	1%
2017-18	10,143,815	1,581,140	3,563,327	710,746	1,710,357	(244,027)	17,465,358	1%
2018-19	10,997,080	1,619,668	3,504,633	719,876	1,761,094	(258,452)	18,343,899	1%

Source: Hdl Coren & Cone, Santa Clara County Assessor Combined Tax Rolls

Notes:

- (a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.
- (b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

CITY OF MILPITAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of assessed value)

Schedule 6

Fiscal Year	City Direct Rates		Overlapping Rates (a)		
	Basic Rate (b)	Total Direct	County of Santa Clara	School Districts	Special Districts
2009-10	\$1.00	\$1.00	\$0.0412	\$0.1238	\$0.0074
2010-11	1.00	1.00	0.0412	0.1389	0.0072
2011-12	1.00	1.00	0.0412	0.1490	0.0064
2012-13	1.00	1.00	0.0412	0.1140	0.0069
2013-14	1.00	1.00	0.0412	0.0961	0.0070
2014-15	1.00	1.00	0.0412	0.0750	0.0065
2015-16	1.00	1.00	0.0412	0.0817	0.0057
2016-17	1.00	1.00	0.0412	0.0734	0.0086
2017-18	1.00	1.00	0.0412	0.0880	0.0062
2018-19	1.00	1.00	0.0412	0.0850	0.0042

Source: County of Santa Clara, Tax Rates & Information

Notes:

- (a) Overlapping rates are those of local and county governments that apply to property owners within the City of Milpitas. Not all overlapping rates apply to all Milpitas property owners. These are voter approved levies in addition to the 1% State levy.
- (b) The City's basic property tax rate can only be increased by a 2/3 vote of the City's residents.

CITY OF MILPITAS
PRINCIPAL PROPERTY TAX PAYERS
FISCAL YEARS 2018-19 and 2009-10

Taxpayer	2018-2019			2009-2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Cisco Systems Inc.	\$885,075,098	1	4.82%	\$488,396,789	1	4.06%
KLA Tencor Corporation	396,159,591	2	2.16%	211,996,269	3	1.76%
Milpitas Mills LP	329,690,347	3	1.80%	304,656,097	2	2.53%
Sandbox Expansion LLC	232,529,400	4	1.27%			
Amalfi Milpitas LLC	182,011,948	5	0.99%			
McCarthy Center Holdings LLC	179,921,637	6	0.98%			
Essex Portfolio Lp	158,021,722	7	0.86%			
Western Digital Technologies	155,866,489	8	0.85%			
Hudson Campus Center LLC	147,905,707	9	0.81%			
Milpitas-District Owner LLC	146,898,636	10	0.80%			
Silicon Valley California, Inc.				205,662,096	4	1.71%
Diversifield Real Estate Investors				186,281,172	5	1.55%
Bre Milpitas LLC				115,842,000	6	0.96%
Headway Technologies				109,699,393	7	0.91%
Linear Technology Corporation				109,235,459	8	0.91%
Lifesan Inc				102,379,831	9	0.85%
A and P Children Investment LLC				87,330,399	10	0.73%
Subtotal	<u>\$2,814,080,575</u>		<u>15.34%</u>	<u>\$1,921,479,505</u>		<u>15.98%</u>
Fiscal Year 2018-2019 Total Net Assessed Valuation			\$18,343,899,000			
Fiscal Year 2009-2010 Total Net Assessed Valuation			\$12,025,233,000			

Source: Hdl, Coren & Cone, Santa Clara County Assessor 2018/19 Combined Tax Rolls

CITY OF MILPITAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Dollars in thousands)

Schedule 8

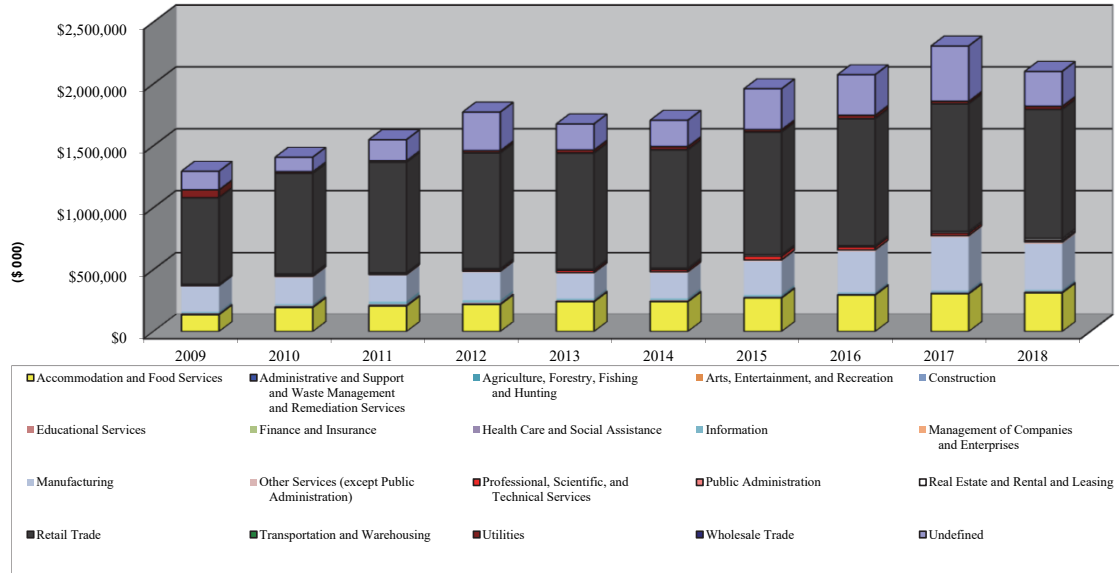
<u>Fiscal Year</u>		<u>Taxes Levied (a)</u>	<u>Current Collections (a)</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Taxes Collected (a)</u>	<u>Percent of Levy</u>
2009-10	(b)	\$58,012	\$58,012	100.00%	0	\$58,012	100.00%
2010-11	(b)	55,655	55,655	100.00%	0	55,655	100.00%
2011-12	(c)	34,029	34,029	100.00%	0	34,029	100.00%
2012-13	(c)	20,469	20,469	100.00%	0	20,469	100.00%
2013-14		27,608	27,608	100.00%	0	27,608	100.00%
2014-15		24,927	24,927	100.00%	0	24,927	100.00%
2015-16		27,068	27,068	100.00%	0	27,068	100.00%
2016-17		30,262	30,262	100.00%	0	30,262	100.00%
2017-18		31,893	31,893	100.00%	0	31,893	100.00%
2018-19		33,811	33,811	100.00%	0	33,811	100.00%

- (a) The City elected to participate in the "Teeter" plan offered by the County whereby cities receive 100% of the taxes levied in exchange for foregoing any interest and penalties collected on delinquent taxes.
- (b) In 2011, the Redevelopment Agency began reporting tax increment gross of pass-through payments and administrative fees withheld by the County.
Years prior to 2010 have not been restated to reflect this change in presentation.
- (c) The Redevelopment Agency was dissolved effective January 31, 2012 and collections of property tax increment ceased as of that date. Subsequent to that date, a Successor Agency collects property taxes of the former Redevelopment Agency.

Source: City of Milpitas Comprehensive Financial Annual Report

CITY OF MILPITAS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS
(Dollars in Thousands)

Schedule 9



	CALENDAR YEARS									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Accommodation and Food Services	\$135,892	\$193,460	\$206,343	\$217,553	\$240,611	\$240,820	\$270,320	\$294,245	\$303,929	\$311,938
Administrative and Support and Waste Management and Remediation Services	2,956	4,413	3,532	3,902	3,532	3,694	3,627	3,308	4,165	4,312
Agriculture, Forestry, Fishing and Hunting	66	-	-	-	-	2	-	6	13	3
Arts, Entertainment, and Recreation	1,907	2,444	2,611	2,866	3,214	3,188	3,564	3,574	3,507	3,421
Construction	3,821	4,230	2,831	3,241	2,528	1,943	2,751	3,942	7,652	4,267
Educational Services	1,690	2,924	2,837	2,989	2,737	2,337	262	370	476	229
Finance and Insurance	73	94	-	-	-	-	(2)	-	(19)	(5)
Health Care and Social Assistance	1,798	1,601	1,829	2,666	1,162	1,195	1,283	1,332	1,350	1,422
Information	10,703	10,894	22,163	18,502	11,461	14,326	13,982	9,194	9,767	10,139
Management of Companies and Enterprises	-	-	2	-	7	23	8	8	209	1
Manufacturing	203,933	213,959	207,597	224,511	198,765	203,288	269,436	329,399	428,504	370,727
Other Services (except Public Administration)	7,805	11,484	11,259	10,595	11,915	12,403	12,897	14,041	15,197	16,473
Professional, Scientific, and Technical Services	4,848	10,263	10,839	14,742	17,319	17,837	30,003	23,584	20,111	13,824
Public Administration	-	-	-	-	-	-	-	360	362	346
Real Estate and Rental and Leasing	5,604	8,327	3,727	6,448	9,544	10,365	12,344	10,536	13,866	14,890
Retail Trade	698,345	812,884	891,853	933,926	937,633	955,223	989,402	1,024,136	1,028,892	1,041,114
Transportation and Warehousing	888	1,111	1,652	1,788	1,514	1,545	1,088	989	1,124	1,483
Utilities	64,812	12,927	11,022	17,142	25,292	26,037	20,012	28,357	20,768	25,675
Wholesale Trade	-	11	16	11	171	746	237	213	504	295
Undefined	149,029	116,881	169,819	311,485	209,833	211,042	329,216	326,789	446,093	280,790
Total	\$1,294,170	\$1,407,907	\$1,549,932	\$1,772,367	\$1,677,238	\$1,706,014	\$1,960,430	\$2,074,383	\$2,306,470	\$2,101,344
City Direct sales tax rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: California Department of Tax and Fee Administration (CDTFA)
Muni Services Avenu Insights and Analytics Company

CITY OF MILPITAS
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

Schedule 10

Fiscal Year	City Direct Rate	Santa Clara County	State of California
2009-10	1.00	1.00	7.25
2010-11	1.00	1.00	7.25
2011-12	1.00	1.00	6.25 (a)
2012-13	1.00	1.25 (b)	6.50 (c)
2013-14	1.00	1.25	6.50
2014-15	1.00	1.25	6.50
2015-16	1.00	1.25	6.50
2016-17	1.00	1.75	6.25 (d)
2017-18	1.00	1.75	6.25
2018-19	1.00	1.75	6.25

Source: California State Board of Equalization

(a) July 1, 2011 the State decreased the State Rate 1%

(b) April 1, 2013 the County increased the rate 0.25%

(c) On both July 1, 2012 and April 1, 2013 the State increased the State Rate 0.125%

(d) On April 1, 2017, the County increased the rate 0.50% and on January 1, 2017 the State decreased the rate 0.25%.

Note: The City's sales tax rate may be changed only with approval of the State Legislature.

CITY OF MILPITAS
PRINCIPAL SALES TAX PAYERS
CALENDAR YEARS 2018 and 2008
IN ALPHABETICAL ORDER

Schedule 11

2018	2008
7-Eleven Food Stores	Arco AM/PM Mini Mars
Acme Construction Supply	Best Buy Stores
Best Buy Stores	Burlington Coat Factory
Burlington Coat Factory	Chevron Service Stations
Chevron	Contract Office Group
Cisco Systems Inc.	Credence System Corp
Coach Stores	Dave & Busters
Consolidated Electrical Distributors	Headway Technologies
Eplus Technology	Home Depot
Flextronics	KLA Tencor Corporation
Home Depot	Kohl's Department Stores
Hoya Corporation USA	Life Scan
Independent Electric Supply	Marshall's Store
KLA Tencor	Mervyn's Department Store
Marshall's Store	Milpitas Materials Company
McDonald's Restaurant	Neiman Marcus Department Store
Michael Kors Stores	One Workplace L Ferrari
Milpitas Materials Company	Orchard Supply Hardware
Nike Factory Store	Piercey Toyota
Piercey Toyota	Saks Fifth Avenue
Shell Service Stations	Shell Service Stations
South Bay Honda	Solectron Corporation
Union 76 Service Stations	Sportmart
Veeco Process Equipment	Tesoro Service Stations
Wal Mart Stores	Wal Mart Stores

Source: MBIA MuniServices Company

CITY OF MILPITAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollars in thousands, except per capita)

Schedule 12

Fiscal Year	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Tax Allocation Bonds	Installment Purchase Agreement	Purchase Agreement	Capital Lease	Certificates of Participation	Revenue Bonds (d)			
2009-10	\$174,180	\$36,963	\$0	\$0	\$8,460	\$0	\$219,603	0.01%	\$3,101
2010-11	168,940	33,978	0	0	8,090	0	211,008	0.01%	2,949
2011-12	0 (b)	0 (b)	14,037	0	7,710	0	21,747	0.00%	325
2012-13	0	0	9,828	360	7,315	0	17,503	0.00%	258
2013-14	0	0	6,000	274	6,910	0	13,184	0.00%	188
2014-15	0	0	0	186	6,490	0	6,676	0.00%	96
2015-16	0	0	0	94	6,055	0	6,149	0.00%	81
2016-17	0	0	0	0	5,605	0	5,605	0.00%	74
2017-18	0	0	0	0	0	5,363	5,363	0.00%	71
2018-19	0	0	0	728	0	4,812	5,540	(c)	73

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(a) See Schedule 18 for personal income and population data.

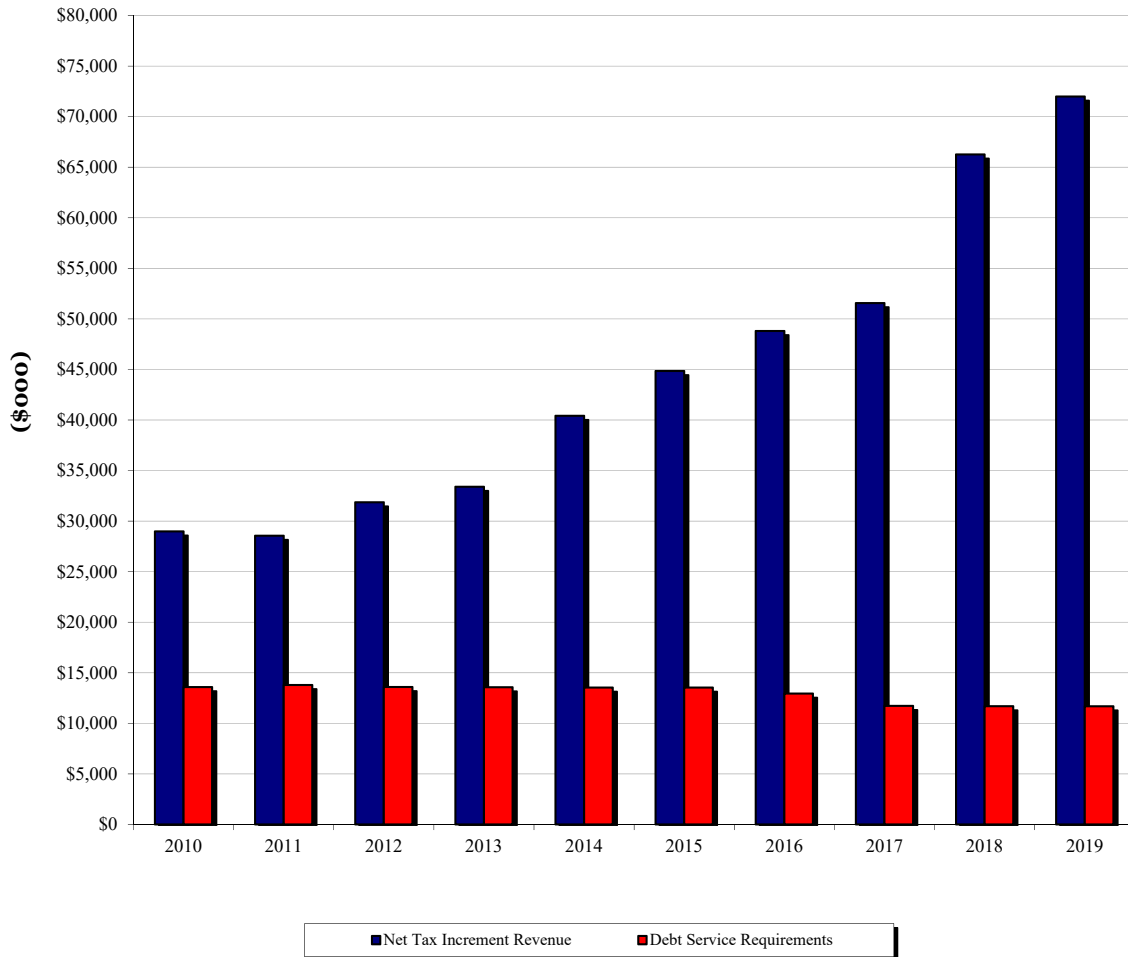
(b) The Redevelopment Agency was dissolved as of January 31, 2012 and its debt was assumed by a Successor Agency.

(c) Data for fiscal year 2018-19 not available until May of 2020.

(d) Balance of Revenue Bonds includes unamortized Bond Premium

CITY OF MILPITAS
BONDED DEBT PLEDGED REVENUE COVERAGE
REDEVELOPMENT AGENCY TAX ALLOCATION BONDS
LAST TEN FISCAL YEARS

Schedule 13



Fiscal Year Ended June 30	Redevelopment Agency Property Tax Increments (a)	Less Housing Reserve Fund	Net Tax Increment Revenue	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$37,162,281	\$8,175,650	\$28,986,631	\$5,035,000	\$8,548,558	\$13,583,558	2.13
2011	36,353,737	7,800,736	28,553,001	5,240,000	8,548,559	13,788,559	2.07
2012	31,866,464 (b) (d)	0 (b)	31,866,464	5,410,000 (c)	8,182,883 (c)	13,592,883	2.34
2013	33,401,413 (d)	0 (b)	33,401,413	5,595,000 (d)	7,973,533 (d)	13,568,533	2.46
2014	40,418,284 (d)	0 (b)	40,418,284	5,825,000 (d)	7,713,234 (d)	13,538,234	2.99
2015	44,843,881 (d)	0 (b)	44,843,881	6,120,000 (d)	7,414,608 (d)	13,534,608	3.31
2016	48,810,216 (d)	0 (b)	48,810,216	7,375,000 (d)	5,567,028 (d)	12,942,028	3.77
2017	51,563,292 (d)	0 (b)	51,563,292	6,045,000 (d)	5,682,175 (d)	11,727,175	4.40
2018	66,266,187 (d)	0 (b)	66,266,187	6,225,000 (d)	5,467,000 (d)	11,692,000	5.67
2019	71,988,412 (d)	0 (b)	71,988,412	6,475,000 (d)	5,213,000 (d)	11,688,000	6.16

- (a) Tax increments are net of pass-through payments and administrative fees withheld by the County prior to distribution to the Agency.
- (b) The Redevelopment Agency was dissolved as of January 31, 2012 and its debt was assumed by a Successor Agency. The Successor Agency collects Property Taxes, with no distinction between housing and non-housing revenues, which are used for the repayment of the former Redevelopment Agency's Bonds.
- (c) Includes debt service paid by the Redevelopment Agency prior to the dissolution and by the Successor Agency after the dissolution.
- (d) Tax increment reported in this table after the dissolution date is the amount calculated by the County Auditor-Controller as available for payment of enforceable obligations. Under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. Debt service reported was paid by the Successor Agency.

CITY OF MILPITAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2019

Schedule 14

JURISDICTION	PERCENTAGE APPLICABLE TO CITY OF MILPITAS (1)	AMOUNT APPLICABLE TO CITY OF MILPITAS
2018-19 Assessed Valuation, Direct and Overlapping Debt		\$18,343,899,235
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Santa Clara County	3.799%	\$35,984,888
San Jose- Evergreen Community College District	12.154%	56,718,537
Milpitas Unified School District	99.108%	169,786,870
East Side Union High School District	0.456%	4,252,402
Berryessa Union School District	2.989%	2,443,598
Santa Clara Valley Water District Benefits Assessment District	3.799%	2,794,924
City of Milpitas 1915 Act Bonds	100%	0
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		271,981,219
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>		
Santa Clara County General Fund Obligations	3.799%	26,993,381
Santa Clara County Pension Obligations	3.799%	13,386,874
Santa Clara County Board of Education Certificates of Participation	3.799%	161,647
San Jose- Evergreen Community College District OPEB Bonds	12.154%	5,767,073
Milpitas Unified School District Certificates of Participation	99.108%	12,664,745
East Side Union High School District OPEB Bonds	0.456%	128,615
Berryessa Union School District Certificates of Participation	2.989%	130,621
City of Milpitas	100%	0
Santa Clara County Vector District Certifications of Participations	3.799%	85,288
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		59,318,244
Less: Santa Clara County supported obligations		(12,227,783)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$47,090,461
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u>	100%	\$101,670,000
TOTAL DIRECT DEBT		\$0
TOTAL GROSS OVERLAPPING DEBT		\$432,969,463
TOTAL NET OVERLAPPING DEBT		\$420,741,680
GROSS COMBINED TOTAL DEBT		\$432,969,463 (2)
NET COMBINED TOTAL DEBT		\$420,741,680

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

<u>Ratios to 2018-19 Assessed Valuation:</u>	
Total Overlapping Tax and Assessment Debt	1.48%
<u>Ratios to Assessed Valuation:</u>	
Direct Debt %	0.00%
Total Gross Debt %	2.36%

Source: California Municipal Statistics, Inc.

CITY OF MILPITAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)

Schedule 15

Legal Debt Margin Calculation for Fiscal Year 2018-19

Assessed value (net) - June 30, 2019	<u>\$18,343,899</u>
Debt limit: 3.75% of assessed value (a)	\$687,896
Debt applicable to limit	
Total Bonded Debt	\$0
Less: Tax Allocation Bonds	
not subject to limit	0
Amount of Debt subject to limit	<u>0</u>
Legal debt margin	<u>\$687,896</u>

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a percentage of Debt Limit
2009-10	\$450,946	\$0	\$450,946	0.0%
2010-11	446,703	0	446,703	0.0%
2011-12	431,188	0	431,188	0.0%
2012-13	446,277	0	446,277	0.0%
2013-14	480,501	0	480,501	0.0%
2014-15	527,280	0	527,280	0.0%
2015-16	564,703	0	564,703	0.0%
2016-17	600,705	0	600,705	0.0%
2017-18	654,951	0	654,951	0.0%
2018-19	687,896	0	687,896	0.0%

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in being assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Source: City of Milpitas Finance Department
Santa Clara County Tax Assessor's Office

CITY OF MILPITAS
 INSTALLMENT PAYMENT COVERAGE
 SEWER CERTIFICATES OF PARTICIPATION AND
 WASTEWATER REVENUE REFUNDING BONDS
 LAST TEN FISCAL YEARS

Schedule 16

Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Installment Payments			Coverage
				Principal	Interest	Total	
2009-10	\$10,896,264	\$6,196,015	\$4,700,249	\$355,000	\$331,793	\$686,793	6.84
2010-11	11,752,362	6,420,615	5,331,747	370,000	319,468	689,468	7.73
2011-12	12,757,123	5,405,936	7,351,187	380,000	304,267	684,267	10.74
2012-13	12,785,567	6,356,621	6,428,946	395,000	292,966	687,966	9.34
2013-14	13,235,908	7,834,220	5,401,688	405,000	278,965	683,965	7.90
2014-15	14,664,759	7,263,553	7,401,206	420,000	264,528	684,528	10.81
2015-16	16,408,718	7,687,848	8,720,870	435,000	249,348	684,348	12.74
2016-17	16,803,344	6,657,757	10,145,587	450,000	233,193	683,193	14.85
2017-18	17,245,001	9,031,729	8,213,272	470,000	216,055	686,055	11.97
2018-19	19,163,495	8,427,888	10,735,607	480,000	170,273	650,273	16.51

NOTE: The Certificates of Participation were issued on November 28, 2006 and called on January 5, 2018.
 The Wastewater Revenue Refunding Bonds were issued on December 4, 2017.

- (1) Gross Revenues include sewer service charges, other operating revenues, and interest income.
 Gross Revenues exclude connection fees and capital contributions.
- (2) Operating Expenses include sewer treatment services, personnel services, services and supplies,
 and repairs and maintenance expenses.
 Operating Expenses exclude depreciation and amortization expenses.

CITY OF MILPITAS
BIMONTHLY SEWER RATES BY CUSTOMER CLASS
LAST TEN FISCAL YEARS

Schedule 17

Fiscal Year	Residential			Commercial	
	Single Family Per Dwelling Unit	Multi-Family Per Dwelling Unit	Mobile Home Parks Per Dwelling Unit	Flat Rate	Quantity Charges (a)
2009-10	\$65.08	\$46.49	\$28.73	\$10.99	0.97 - 6.52
2010-11	70.94	50.68	31.18	11.98	0.72 - 7.61
2011-12	72.95	51.06	33.36	12.82	2.38 - 6.99
2012-13	75.92	51.06	33.36	13.72	2.38 - 6.99
2013-14	75.92	51.06	33.36	13.72	2.38 - 6.99
2014-15	86.93	52.22	38.20	14.68	2.73 - 8.00
2015-16	90.27	69.32	56.97	14.97	3.94 - 8.34
2016-17	90.27	69.32	56.97	14.97	3.94 - 8.34
2017-18	90.27	69.32	56.97	14.97	3.94 - 8.34
2018-19	102.52	78.73	64.70	24.30	4.21-9.63

Source: City of Milpitas, Engineering Department

(a) For each one hundred cubic feet of water used. Charge varies depending on the business or type of business.

CITY OF MILPITAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(Personal Income in Thousands)

Schedule 18

<u>Calendar Year</u>	<u>Population</u>	<u>Population Density (Sq. Mile)</u>	<u>Total Personal Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate (%)</u>	<u>Land Area (Sq. Mile)</u>
2009	70,812	5,184	\$2,606,712	\$36,812	9,802	11.30%	13.66
2010	71,552	5,238	2,067,137	28,890	9,887	11.50%	13.66
2011	66,966	4,902	2,052,307	30,647	9,949	10.00%	13.66
2012	67,894	4,970	2,143,889	31,577	10,033	6.70%	13.66
2013	70,092	5,131	2,234,603	31,881	10,156	5.50%	13.66
2014	69,903	5,117	2,287,366	32,722	10,281	4.90%	13.66
2015	75,521	5,529	2,374,221	31,437	10,291	3.90%	13.66
2016	75,410	5,520	2,528,663	33,532	10,260	3.50%	13.66
2017	75,410	5,520	2,721,275	36,086	10,318	3.60%	13.66
2018	76,231	5,581	2,966,362	38,912	10,172	2.80%	13.66

Sources: HdL, Coren & Cone
City of Milpitas Annual Budget

CITY OF MILPITAS
PRINCIPAL EMPLOYERS
FISCAL YEAR 2018-19 and 2009-2010

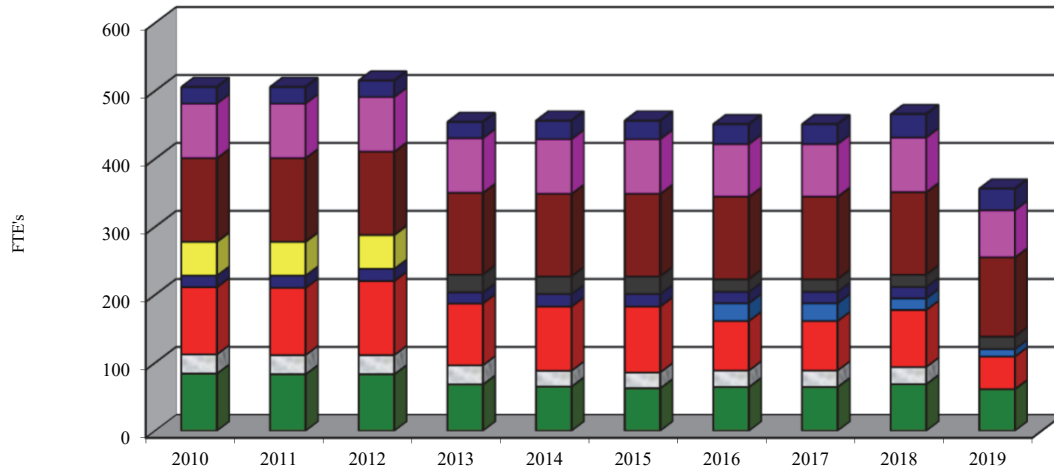
Schedule 19

Employer	2018-19			2009-10		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Cisco Systems, Inc.	3,647	1	8.70%	4,339	1	5.31%
KLA-Tencor Corporation	2,212	2	5.28%	2,000	2	2.45%
San Disk Corporation	1,888	3	4.51%	1,200	6	1.47%
Flextronics International	1,411	4	3.37%	1,850	4	2.27%
Linear Technology Corporation	1,288	5	3.07%	1,100	7	1.35%
Headway Technologies	722	6	1.72%			
Milpitas Unified School District	707	7	1.69%	808	8	0.99%
Wal-Mart	454	8	1.08%			
Hewlett Packard Enterprise	400	9	0.95%			
Nanometrics Inc	262	10	0.63%			
Great Mall				3,500	2	4.29%
LSI Logic Corporation				1,320	7	1.62%
Lifescan, Inc.				800	9	0.98%
JDS Uniphase Corporation				800	10	0.98%
Subtotal	<u>12,991</u>		<u>31.00%</u>	<u>17,717</u>		<u>21.70%</u>
Total Labor Force			41,900			81,646

Source: California Municipal Statistics, Inc.

CITY OF MILPITAS
AUTHORIZED FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Schedule 20



General Government	Building	Public Works	Engineering and Planning
Planning and Neighborhood Services	Recreation	Parks and Recreation	Police
Fire	Utilities		

	Fiscal Year Ended June 30									
Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	84.5	83.5	83.5	68.5	65.5	63.0	64.8	64.8	69.0	61.50
Building and Safety	28.0	28.0	28.0	28.0	23.0	23.0	24.0	24.0	25.0	(c)
Building, Housing and Safety										18.0
Public Works	99.0	99.0	109.0	91.0	94.5	97.0	73.0	73.0	84.0	48.0
Engineering							26.0	(b)	26.0	11.0
Planning and Neighborhood Services	17.0	18.0	18.0	16.5	18.5	18.5	17.0	(b)	17.0	(c)
Planning										15.0
Recreation				25.5 (a)	25.5	25.5	18.0	18.0	17.5	18.00
Parks and Recreation	49.5	49.5	49.5	(a)						
Police:										
Sworn Police	94.5	94.5	94.0	91.5	92.0	92.0	92.0	93.0	93.0	90.0
Civilians	29.0	29.0	29.0	29.5	30.0	30.0	30.0	29.0	29.0	27.0
Fire:										
Firefighters and Safety										
Officers	70.0	70.0	70.0	70.0	70.0	68.0	66.0	66.0	68.0	58.0
Civilians	10.0	10.0	10.0	10.0	10.0	12.0	11.0	11.0	12.0	11.0
Utilities	24.5	24.5	24.5	24.0	27.5	27.5	29.5	29.5	34.5	32.0
Total	<u>506.0</u>	<u>506.0</u>	<u>515.5</u>	<u>454.5</u>	<u>456.5</u>	<u>456.5</u>	<u>451.3</u>	<u>451.3</u>	<u>466.0</u>	<u>389.5</u>

(a) Beginning in fiscal year 2013, parks maintenance division is now under public works department and recreation division is part of human resources department, but it is reported separately here.

(b) Beginning in fiscal year 2016, Public Works and Engineering are separate departments.

(c) Neighborhood Services is a component of Building, Housing and Safety, and Planning is a separate department beginning in fiscal year 2019.

Source: City of Milpitas, final budget

CITY OF MILPITAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Schedule 21

Function/Program	Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014
Building and Safety					
Building permits issued	2,700	2,800	2,800	3,400	4,300
Plan checked performed	800	800	800	1,100	1,500
Public Works					
Street miles maintained	139	139	139	139	139
Customer Service Requests	3,900	3,000	3,350	3,500	2,880
Development projects reviewed	118	225	200	200	205
Planning and Neighborhood Services					
Customer Service Requests/Violations abated	980	800	725	725	725
Applications to Planning Commission	84	45	96	106	159
Parks and Recreation					
Sports Center members	10,000	1,200	1,400	1,600	1,450
Senior nutrition meals served	24,056	23,076	23,304	22,090	20,656
Athletic Field maintenance (hours)	2,100	1,641	n/a	n/a	n/a
Police					
Avg response time to emergency calls (minutes)	2:47	2:49	2:42	2:32	2:33
Number of anti-terrorist patrol checks	1,469	1,469	1,693	1,996	2,550
Crime prevention presentations	266	281	235	201	200
Number of vehicle citations issued	11,391	8,544	6,901	4,120	3,516
DARE presentations: schools/students	12/850	11/845	12/770	0	0
Fire					
Emergency calls for service	4,400	4,400	4,075	4,356	4,356
Public education events	90	80	120	45	45
Permits Inspections	4,000	4,000	4,334	4,510	4,510
Plan Review	1,000	900	671	807	807
Utility					
Clean sewer lines (feet)	500,000	550,000	500,000	329,313	640,255
Repair, replace or set water meters	500	380	491	149	298
Average daily consumption (thousands of gallons)	9,200	8,100	8,200	9,340	9,300

Source: City of Milpitas, final budget

Fiscal Year Ended June 30				
2015	2016	2017	2018	2019
4,300	4,200	4,090	4,200	4,300
1,400	1,500	1,610	1,700	1,600
139	139	139	298	298
2,800	2,794	2,800	3,000	2,384
190	178	158	160	225
755	755	800	850	900
236	92	92	100	419
1,504	1,600	1,325	1,450	1,575
21,231	20,158	18,678	17,206	18,322
n/a	n/a	n/a		
2:32	2:40	2:44	2:50	2:54
2,300	2,400	2,200	2,200	1,949
200	125	70	70	70
3,600	5,900	5,720	5,900	5,895
0	0	0	0	0
4,950	5,000	5,000	5,200	5,640
80	100	112	200	223
4,666	7,600	7,322	7,400	7,606
983	1,200	1,550	1,600	1,750
500,000	500,000	500,000	491,244	528,051
279	189	152	115	147
9,300	7,800	5,800	6,590	8,394

CITY OF MILPITAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Schedule 22

Function/Program	Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014
Public Works					
Miles of streets	139	139	287	287	287
Street lights	4,496	4,496	4,500	4,500	4,500
Square feet of buildings maintained (in thousands)	350	427	376	376	376
City vehicles	622	622	247	242	252
Signs	8,363	8,363	8,534	8,534	5,500
Signal lights	71	71	72	72	72
City Parks	29	31	31	33	34
Acres of Parkland	179	178	179	179	180
Playgrounds	33	33	33	24	25
Parks and recreation					
Community centers	1	1	1	1	1
Senior centers	1	1	1	1	1
Sports centers	1	1	1	1	1
Satellite centers	0	0	0	0	0
Swimming pools	4	4	3	3	3
Tennis courts	20	17	20	20	20
Football field	1	1	1	1	1
Baseball/softball fields	15	15	12	8	8
Soccer fields	5	2	3	9	9
Basketball courts	5	5	4	8	8
Volleyball courts / Horse Shoe Pits / Bocce Ball / Cricket Field / Par Course	5	4	5	4	9
Handball courts	4	4	4	5	5
Joint use:					
Russell Bobbysocks Fields	0	0	0	0	0
Soccer fields	0	0	0	0	0
Police					
Police stations	2	2	2	2	2
Police patrol vehicles	28	28	27	27	29
Fire					
Fire stations	4	4	4	4	4
Fire Apparatus	13	15	13	22	19
Fire hydrants	1,840	1,840	1,840	1,840	1,847
Utility					
Miles of water mains	213	213	213	213	214
Water Tank Storage capacity (million of gallons)	16	16	16	16	16
Miles of sanitary sewers	178	178	179	179	179
Miles of storm drain	110	110	110	110	110
Miles of recycled water main	3	3	4	4	4

Source: City of Milpitas, final budget

Fiscal Year Ended June 30				
2015	2016	2017	2018	2019
298	298	298	298	298
4,577	4,577	4,581	5,119	5,141
376	376	376	322	473
260	264	264	269	271
5,700	5,700	6,000	10,000	10,000
70	71	72	72	74
34	33	32	32	32
180	180	195	195	195
34	34	33	30	33
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
0	0	2	2	1
3	3	3	3	3
21	21	21	21	21
1	1	1	1	1
9	9	7	7	9
12	13	13	13	8
7	9	10	10	10
7	10	13	12	10
5	5	6	6	6
0	0	3	3	3
0	0	2	2	8
2	2	2	2	2
28	34	29	29	29
4	4	4	4	4
19	13	11	11	12
2,033	2,033	2,039	2,039	2,039
213	203	203	206	206
16	16	16	16	16
179	173	173	175	173
110	99	99	105	99
23	23	21	23	26



OTHER AUDIT REPORT



**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of the City Council
City of Milpitas, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Milpitas, California, as of and for the year ended June 30, 2019, and have issued our report thereon dated November 18, 2019. Our report includes a reference to other auditors who audited the financial statements of Terrace Gardens, Inc., as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or on compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control we consider to be significant deficiencies listed as item 2015-02 on the Status of Prior Year Significant Deficiencies included as part of our separately issued Memorandum on Internal Control dated November 18, 2019, which is an integral part of our audit and should be read in conjunction with this report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

The City's response to the findings identified in our audit is described in our separately issued Memorandum on Internal Control dated November 18, 2019, which is an integral part of our audit and should be read in conjunction with this report. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pleasant Hill, California
November 18, 2019

CITY OF MILPITAS
BICYCLE/PEDESTRIAN PROJECTS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2019

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CITY OF MILPITAS
Bicycle/Pedestrian Projects
Financial Statement
For the Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Honorable Members of the City Council
City of Milpitas, California

Report on Financial Statements

We have audited the financial statements of the City of Milpitas Bicycle/Pedestrian Projects (Projects) of the City of Milpitas, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Projects' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Projects' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Projects as of June 30, 2019, and the change in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Projects and do not purport to, and do not present fairly the financial position of the City as of June 30, 2019, or the changes in its financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019, on our consideration of the Projects' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Projects' internal control over financial reporting and compliance.



Pleasant Hill, California
November 18, 2019

CITY OF MILPITAS
BICYCLE/PEDESTRIAN PROJECTS
BALANCE SHEET
JUNE 30, 2019

	<u>2019</u>
ASSETS	
Receivable from MTC	<u>\$0</u>
Total Assets	<u><u>\$0</u></u>
LIABILITIES	
Due to the City	<u>\$0</u>
FUND BALANCE	
Unassigned	<u>0</u>
Total Liabilities and Fund Balance	<u><u>\$0</u></u>

See accompanying notes to financial statements

CITY OF MILPITAS
BICYCLE/PEDESTRIAN PROJECTS
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>
REVENUES	
TDA Article 3.0 (Note 2)	<u>\$108,083</u>
Total Revenues	<u>108,083</u>
EXPENDITURES	
Construction of ADA Curb Ramps (17001022)	<u>108,083</u>
Total Expenditures	<u>108,083</u>
Net change in fund balance	0
Fund balance at beginning of year	<u>0</u>
Fund balance at end of year	<u><u>\$0</u></u>

See accompanying notes to financial statements

**CITY OF MILPITAS
BICYCLE/PEDESTRIAN PROJECTS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
--

The City of Milpitas has developed the Bicycle/Pedestrian Projects (Projects) under the Transportation Development Act (TDA), Article 3.0 for the construction of pedestrian pathways and wheelchair ramps and bicycle master plan studies. The Projects are funded by TDA grants.

The TDA Fund is distributed through the Metropolitan Transportation Commission (MTC) which is the agency responsible for allocation of funds to eligible claimants within the greater San Francisco Bay Area.

The following is a summary of significant accounting policies applicable to the Projects which conform to generally accepted accounting principles as applicable to governments.

A. *Fund Accounting*

The Projects are accounted for as part of the General Government Capital Projects Fund of the City of Milpitas. This fund is a set of self-balancing accounts which comprise its assets, deferred inflows/outflows of resources, liabilities, fund balance, revenues and expenditures.

B. *Basis of Accounting*

Basis of accounting refers to when revenues and expenditures are recognized. The Projects are accounted for in a governmental fund type and the modified accrual basis of accounting is used. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. The Projects considers all revenues reported in the governmental funds to be available if the revenues are collected within forty-five days after year-end. Expenditures are recognized when they are incurred.

C. *Deferred Inflows and Deferred Outflows of Resources*

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**CITY OF MILPITAS
BICYCLE/PEDESTRIAN PROJECTS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 2 - TDA ARTICLE 3.0 REVENUE

For the year ended June 30, 2019 the City had allocation instructions from the Metropolitan Transportation Commission for the following projects:

Instruction Number	Project Name	Grant Award	Expended in June 30, 2019	Revenue in Fiscal Year 2019
17001022	Construction of ADA Curb Ramps	\$108,083	\$108,083	\$108,083
19001050	ADA Curb Ramp Transition Program 2019	127,587		
		<u>\$235,670</u>	<u>\$108,083</u>	<u>\$108,083</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING, ON COMPLIANCE WITH THE TRANSPORTATION
DEVELOPMENT ACT AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the City Council
City of Milpitas, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Milpitas Bicycle/Pedestrian Projects (Projects) as of and for the year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Projects' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Projects' internal control. Accordingly, we do not express an opinion on the effectiveness of Projects' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Projects' financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Projects' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our procedures included the applicable audit procedures contained in §6666 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 18, 2019 which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Projects' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Metropolitan Transportation Commission, management, City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.



Pleasant Hill, California
November 18, 2019

CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL
FOR THE YEAR ENDED
JUNE 30, 2019

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**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

For the Year Ended June 30, 2019

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MEMORANDUM ON INTERNAL CONTROL

To the City Council of
the City of Milpitas, California

We have audited the basic financial statements of the City of Milpitas, California, for the year ended June 30, 2019, and have issued our report thereon dated November 18, 2019. Our opinions on the basic financial statements and this report, insofar as they relate to Terrace Gardens, Inc., are based solely on the report of other auditors. In planning and performing our audit of the basic financial statements of the City, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control included as item 2015-02 on the Status of Prior Year Significant Deficiencies to be a significant deficiency.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

Management responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, City Council, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

Maye & Associates

Pleasant Hill, California
November 18, 2019

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

2019-01 Reconciliation of Parking Citations to Collections

The City's Police Department contracts with Phoenix, a third-party administrator, to process and collect fees associated with parking citations. The City mails out the original parking citations to Phoenix for the processing of collections and delinquencies. On a monthly basis, the third-party will send a report along with the collected fees to the Finance Department. The parking citations provided to Phoenix should be reconciled to the collection fees remitted to the City on a monthly, or at least quarterly, basis.

Per inquiry with Police department and Finance department personnel, it appears the City does not perform a reconciliation between citations sent to Phoenix and citation fees remitted to the City from Phoenix.

Without a reconciliation and review process, there is an increased risk of cash receipt interception and uncollectible receivables.

The Police Department and the Finance Department should develop a reconciliation process to ensure all citation collections are properly captured and recorded by the City.

Management's Response:

Finance has worked with the Police Department to develop a monthly reconciliation process. Once Police sends the citation tickets to a third party for processing, a listing of citations will then be submitted to Finance and Finance will compare the information to the remittances in the Phoenix software. This process was effective April 2019.

2019-02 Compliance with CAL-Card Manual and Procedures over Review and Approval of Monthly Statements

The City's CAL-Card Manual dated August 25, 2017 requires that monthly Statement of Accounts must be reviewed, reconciled, and approved by the Cardholder and Approving Official within a maximum of 10 working days from the Cardholder's receipt of the Statement of Account.

We reviewed the Statements of Accounts for the City Manager and two Department Heads for two billing cycles each, for a total of six Statements, and noted that although the Statements did include documentation that they had been reviewed, five out of the six were not reviewed within the 10 working day requirement as follows:

- City Manager: the periods ending 9/24/18 and 10/22/18 were not signed and reviewed until 2/7/19 and 2/6/19, respectively.
- Building and Housing Director: the period ending 9/24/18 was not signed until 12/4/18.
- Planning Director: the periods ending 12/24/18 and 2/22/19 were not reviewed until 1/17/19 and 4/2/19, respectively.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

2019-02 Compliance with CAL-Card Manual and Procedures over Review and Approval of Monthly Statements (Continued)

In addition, for the City Manager's two statements we understand the Finance Department was initially provided with photocopies of the statements so payment could be processed, but the approved statements were not remitted until February 2019.

Delays in reviewing and approving Statements results in a delay in Accounts Payable processing the Statements for payment to the U.S. Bank, and potential fraudulent charges not being reported timely.

The City should ensure all employees with CAL-Cards submit their Statement of Accounts and supporting documents to within 10 working days of receipt of the statement. In addition, follow-ups and reminders must be made to applicable employees to ensure compliance is maintained.

Management's Response:

The City is developing a process to improve timely submittal of approved monthly statements.

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking affect in the next few years. We cite them here to keep you informed of developments:

EFFECTIVE FISCAL YEAR 2019/20:

GASB 84 – Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

GASB 84 – *Fiduciary Activities (Continued)*

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2020/21:

GASB 87 – Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2021/22:

GASB 91 – Conduit Debt Obligations

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics:

- There are at least three parties involved:
 - (1) an issuer
 - (2) a third-party obligor, and
 - (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

GASB 91 – Conduit Debt Obligations (Continued)

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

How the Changes in this Statement will Improve Financial Reporting

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR
SIGNIFICANT DEFICIENCIES**

2015-02 Vendor Database Review

Good internal controls require that employees with access to the City's assets not have access to the City's accounting records for the same assets. As an example, employees with access to the vendor database should not also have access to processing accounts payable. If segregation of those duties is not possible, changes to the vendor database should be reviewed and approved by another employee who does not process accounts payable.

During our review of the Accounts Payable process, we noted the Accounts Payable clerks who process disbursements also have access to makes changes to the vendor database, but the changes are not reviewed and approved by a second appropriate employee.

We understand that the City has not designated staff to review the vendor database changes. Without an independent review, the City is exposed to the risk of ghost vendors and/or unauthorized changes to vendor accounts.

The City should remove the access to the vendor database from the Accounts Payable clerks. In the event this segregation of duties is not feasible, then changes to the vendor database should be reviewed and approved by an employee who does not have access to the database on a regular basis, such as prior to each check run.

Current Status:

The City worked with the Financial system Vendor to create a new vendor log so that the Senior Accountant in charge of Accounts Payable was able to develop a process to review the new vendor log on a weekly basis. This new process was implemented effective June 2019.

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**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR
OTHER MATTERS**

2018-01 Timely Review of Monthly Treasurer's Reports

Timely review and approval is an important element of the City's internal control structure. In order to be an effective control, the Treasurer's Report should be prepared and subsequently reviewed for accuracy in within 30-45 days after month-end.

We reviewed the October 2017 and January 2018 Treasurer's Reports and noted that they were not reviewed until January 26, 2018 and April 9, 2018, respectively, which is more than 45 days after month-end. And, the date of preparation was not documented, so we were unable to determine if they were prepared timely.

Update for June 30, 2019 Audit:

We reviewed the July 2018 and January 2019 Treasurer's Reports and noted that they were prepared timely, but not reviewed until October 18, 2018 and March 2, 2019, respectively, which is more than 45 days after month-end.

A delay in the review and approval of investment reconciliations increases the risk of errors and other misstatements not being detected and corrected in a timely manner. The City should develop procedures to ensure investment reconciliations are reviewed in a timely manner, and the date of preparation should be documented.

Current Status:

Currently, the monthly Treasurer's Report is prepared and reviewed by City staff. Finance has transitioned the review of the monthly Treasurer's Report from one Senior Accountant to another Senior Accountant to align with staff capacity. Further, as approved in the FY 2019-20 Adopted Operating Budget, Finance issued a Request for Proposal to outsource Investment Services which includes the preparation of the monthly Treasurer's Report. If the contract for outsourcing the investment function is approved by Council, then Finance staff will only have to review the monthly report.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR
OTHER MATTERS**

2018-02 Quarterly Review of Investment Securities and Documentation of the Review

The Safekeeping of Securities Section of the City's Investment Policy adopted on August 1, 2017 requires that securities held in custody for the City be reviewed and verified quarterly by Finance staff that has not been assigned to the investment function.

We understand that the monthly investment reports are reviewed by a Senior Accountant that is not involved with the investment function for 8 months of the year; however, we also understand approval of the reports is made verbally and no written documentation is provided to support the review and approval. And, the four quarter-end reports are not reviewed by the Senior Accountant due to the short amount of time between completion of the investment report and inclusion of the report on the City Council agenda.

Finance staff indicated that the time constraints to present the quarterly Treasurer's Reports to Council prevent the review of those reports by a staff member that is not assigned to the investment function. In addition, formal documentation of the review of the reports throughout the year by that staff member is not in place.

The City is not in compliance with the Safekeeping of Securities review provision of the Investment Policy. The City should develop procedures to ensure the investments held in custody for the City are reviewed and verified quarterly by a staff member that is not involved with the investment function, and that evidence of the review is documented in a formal manner.

Current Status:

Currently, the monthly Treasurer's Report is prepared and reviewed by City staff. Finance has transitioned the review of the monthly Treasurer's Report from one Senior Accountant to another Senior Account to align with staff capacity. Further, as approved in the FY 2019-20 Adopted Operating Budget, Finance issued a Request for Proposal to outsource Investment Services which includes the preparation of the monthly Treasurer's Report. If the contract for outsourcing the investment function is approved by Council, then Finance staff will only have to review the monthly report.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR
OTHER MATTERS**

2018-03 Compliance with CAL-Card Manual – Periodic Audits of Credit Card Statements

The City has a Manual and a number of Standard Operating Procedures (SOPs) that govern the use of City-issued credit cards. In response to the prior year issues related to the City's CAL-Card program, the City adopted a new CAL-Card Manual dated August 25, 2017. The new Manual requires that the Finance Department periodically perform audits on all credit card statements to determine compliance with City of Milpitas policies and procedures

We inquired about whether City staff is performing the periodic audits on credit card statements and we understand that outside of the monthly review completed by the Approving Officials and Accounts Payable staff, no such audits are being performed. However, we also understand that the Accounts Payable staff were unaware that the review of each credit card statement was supposed to serve as the audit required by the Manual.

Without a periodic audit of the credit card statements, there is an increased risk that prohibited purchases may be made and not caught in a timely manner, and the City is not in compliance with the provisions of its CAL-Card Manual.

The City should develop procedures to ensure the periodic audits of all credit card statements are completed and documented, or revise the CAL-Card Manual to reflect current procedures in place.

Current Status:

The City is developing a process to improve timely submittal of approved monthly statements.

2018-04 Retention of Retiree Personnel Files to Support Pension and Other Post-Employment Benefits (OPEB) Census Data File

The City must maintain personnel records to ensure the accuracy of pension and OPEB census data files.

We selected fifty-three active personnel for the pension plans and twenty-five active and retiree personnel for testing of eligibility to receive benefits and inclusion in the census data files based on various criteria, including newly eligible employees during the period to the census data, active employees and retirees in the census data and active employees in the payroll register to trace to census data.

During our testing, we noted that 21 former employee personnel files could not be located.

The 21 missing personnel files could not be located by the Human Resources Department, because the files were beyond the records retention policy. However, City staff located information to support that the retiree or separated employee had been previously employed by the City.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR
OTHER MATTERS**

2018-04 Retention of Retiree Personnel Files to Support Pension and Other Post-Employment Benefits (OPEB) Census Data File (Continued)

The City must develop record keeping, review and reconciliation procedures to ensure the pension and OPEB census data is supported, up to date and accurate. In the event the City records retention policy does not provide for retention of personnel files for retirees still receiving benefits, at a minimum, the policy should be revised to require the retention of personnel data to support the documentation of eligibility to receive the benefits.

Current Status:

The City will develop procedures to ensure the pension and OPEB census data is supported, up to date and accurate. All personnel who were separated from the City after January 1999 will be kept in the City's Enterprise Resource Planning (ERP) system.

2016-05 Information Systems Best Practices

We conducted an Information Systems Review with our audit which encompassed the City's financial information system and the network environment that houses it. We expanded our work in previous years beyond simply looking at financial information systems as a result of greater risks of unauthorized access caused by overall industry growth of web-based commerce and internet based financial systems. Internal controls that are present in the overall network environment have become more important and relevant to understanding the internal controls over the financial system. We believe Information System controls must be continuously improved and enhanced to stay ahead of the ever increasing sophistication of hackers and criminals.

Currently, there are no Information Systems standards to which local governments are required to conform. Indeed there are a wide variety of informal guidelines and suggested controls from many different organizations which local governments can use to implement appropriate controls to ensure adequate security over information technology. A voluntary risk-based Cybersecurity Framework has been developed by the National Institute of Standards and Technology (NIST) per Presidential Executive Order 13636 (12 FEB 2013). The *Framework for Improving Critical Infrastructure Cybersecurity* version 1.0 (12 FEB 2014) offers a number of appropriate standards. Our Information Systems auditors have reviewed the voluntary framework and concluded that the risk management framework developed by NIST for the Federal Information Security Management Act (FISMA) is the most appropriate for local governments¹. The NIST risk management framework represents the minimum security requirements for federal government agencies and recommends these controls for private industry and state and local governments.

While the results of our work did not indicate material weaknesses, we noted a few areas which could be improved. A summary of these recommendations which we believe are "best practices" are as follows:

¹ "State, local, and tribal governments, as well as private sector organizations are encouraged to consider using these guidelines, as appropriate." NIST SP 800-37 Rev 1 pg 11

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR
OTHER MATTERS**

2016-05 Information Systems Best Practices (Continued)

Payment Card Industry Compliance

The City is not in compliance with the Payment Card Industry Data Security Standard (PCI-DSS). Any organization that processes credit cards is required to comply with PCI-DSS, even if the processing is outsourced. Failure to meet compliance requirements results in higher transaction fees and liability if a security breach is found. Because the City accepts credit cards as a form of payment, the City must be compliant with the applicable controls.

Business Continuity Planning with Regards to Information Technology

The City does not have a formal written information technology business continuity policy. As organizations rely more and more on information technology and electronic data storage for an increasingly wider scope of processes, it becomes more and more important to develop a plan to make those resources available during and after some form of disaster. A formal disaster recovery business continuity policy serves to show management's intent and due diligence for the continuity of operations. A disaster recovery policy or contingency plan should address what to do in case of a disaster and how to prepare for a disaster that cripples or closes the computer center such as a fire, flood, natural or manmade disaster. The City should consider developing and implementing an IT contingency plan which would include procedures for periodic information backup and offsite storage, along with an alternative processing site that would allow the City to continue to operate in the event of a disaster.²

Current Status:

Payment Card Industry Compliance – Implemented.

Business Continuity Planning with Regards to Information Technology – The City implemented its Business Continuity Plan in December 2018. But since then, the City implemented some major changes to its infrastructure, like moving Exchange and Office applications to Office 365. The City is currently working on moving servers and data services to virtualization and to the Cloud. Due to these changes, the City will be working with Mission Critical Partners on developing and implementing new Disaster Recovery and Business Continuity Plan.

2015-05 Finance Personnel Super-User Rights

Good internal controls are based a segregation of duties, and no one finance employee should have access to an asset and the controlling documentation that supports that asset. Ideally, one employee should retain authorization to use an asset and another employee should maintain the records over that asset. Super-user rights give an individual the potential to obtain both of these functions. Due to the reasons mentioned above, Finance staff should not normally be allowed to have super-user rights in the City's general ledger system.

We understand that the City is in the process of upgrading the Cayenta general ledger system and the Accounting Manager was granted with Super-User rights for the convenience of system implementation. However, we recommend the City remove the Super-User login access to Finance staff immediately upon completion of the upgrade. And, additional review/approval procedures may be necessary to mitigate any potential control risks during the time those staff have such rights.

² For more information see "Contingency Planning Guide for Information Technology Systems" NIST SP 800-34.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR
OTHER MATTERS**

2015-05 Finance Personnel Super-User Rights (Continued)

In the future, City should review the necessity of granting any employee the super-user rights to the financial system. For any module within the financial system that these employees do not need to edit, their access should be limited to read-only.

Current Status:

City reviews on a regular basis a few processes in order to make sure that staff with super-user rights are unable to create new vendors or increase their own pay rate.

2015-06 Periodic Review of the General Ledger Access Log

Employee access to the various modules of the General Ledger must be monitored periodically to ensure that the access of each individual is appropriate according to their specific job duties.

As we recommended in 2011 and 2013, due to the new system implementation in 2011, City staff found that the Access Log was not readily available in one document in the system. A document as important as this should be readily available to City staff throughout the year. The Access Log is an important tool for the City to monitor employee access to the financial system.

We understand that the City has worked with the software provider, Cayenta, to provide an Access Log from the financial system and it was expected to be available as of May 2013. However, the Log is still in the testing phase and the City is still working with Cayenta to determine how a concise report of employee access to the key financial functions and duties can be produced.

A designated managerial staff should review the system access periodically to ensure that access to the various system modules is authorized and appropriate.

Current Status:

The City has dedicated a staff member to work with the financial system vendor to provide a security access report.

CITY OF MILPITAS
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED
JUNE 30, 2019

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CITY OF MILPITAS
REQUIRED COMMUNICATIONS
For the Year Ended June 30, 2019

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REQUIRED COMMUNICATIONS

To the City Council of
the City of Milpitas, California

We have audited the basic financial statements of the City of Milpitas, California, for the year ended June 30, 2019. We did not audit the discretely presented component unit financial statements of Terrace Gardens, Inc. as of and for the year ended December 31, 2018, which represent 1.22%, 1.66%, and 1.02% of the assets, net position and revenues, respectively, of the primary government. These component unit financial statements were audited by another auditor, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of the other auditor.

Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards and *Government Auditing Standards* and Uniform Guidance.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

GASB 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The pronouncement became effective and resulted in revisions to the debt-related disclosures in Note 9 to the financial statements.

The following pronouncement became effective, but did not have a material effect on the financial statements:

GASB 83 – Certain Asset Retirement Obligations

Unusual Transactions, Controversial or Emerging Areas

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were as follows:

Estimated Fair Value of Investments: As of June 30, 2019, the City held approximately \$340.9 million of cash and investments as measured by fair value as disclosed in Note 3 to the Financial Statements. Fair value is essentially market pricing in effect as of June 30, 2019. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2019.

Estimated Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 8 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net pension liabilities and deferred outflows/inflows of resources are disclosed in Note 11 to the financial statements and are based on accounting valuations determined by the California Public Employees Retirement System, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net OPEB Liability and OPEB-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net OPEB liability are disclosed in Note 12B to the financial statements and is based on actuarial study determined by a consultant, which is based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Compensated Absences: Accrued compensated absences, which are comprised of accrued vacation and sick leave, is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year, and are disclosed in Note 12C to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Claims Liabilities: Management's estimate of the claims liabilities payable is disclosed in Note 13 to the financial statements and is based on estimates determined by the City's risk pool and third party claims administrator, which are based on the claims experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the City Council.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated November 18, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information Accompanying the Financial Statements

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information, which accompanies the financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections which accompany the financial statements, but are not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

This information is intended solely for the use of City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Maize & Associates

Pleasant Hill, California
November 18, 2019

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES FOR
COMPLIANCE WITH THE PROPOSITION 111
2018-2019 APPROPRIATIONS LIMIT INCREMENT**

Honorable Mayor and Members of the City Council
City of Milpitas, California

We have performed the procedures below, which were agreed to by the City of Milpitas, on the Appropriations Limit Worksheet (Worksheet) for the year ended June 30, 2019. The City's management is responsible for the Worksheet. These procedures, which were suggested by the League of California Cities and presented in their Article XIII B Appropriations Limitation Uniform Guidelines, were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The sufficiency of these procedures is solely the responsibility of the City. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures you requested us to perform and our findings were as follows:

- A. We obtained the Worksheet (Attachment No. 1 to the Resolution) and determined that the 2018-2019 Appropriations Limit of \$101,169,019 and annual adjustment factors were adopted by Resolution of the City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.
- B. We recomputed the 2018-2019 Appropriations Limit by multiplying the 2017-2018 Prior Year Appropriations Limit by the Total Growth Factor. We recomputed the Total Growth Factor by multiplying the population option by the inflation option.
- C. For the Worksheet, we agreed the Per Capita Income Factor, City Population and County Population Factors to California State Department of Finance Worksheets.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Worksheet. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the City Council and is not intended to be and should not be used by anyone other than those specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Maze & Associates

Pleasant Hill, California
April 17, 2019

Accountancy Corporation
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CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Amending the City of Milpitas Classification Plan to Establish the Community Services Specialist Position and to Reclassify One Program Coordinator Position to One Community Services Specialist Position
Category:	Leadership and Support Services
Meeting Date:	12/17/2019
Staff Contact:	Liz Brown, Human Resources Director, 408-586-3086
Recommendation:	Adopt a Resolution amending the Classification Plan to establish the Community Services Specialist position and to reclassify one Program Coordinator position to one Community Services Specialist position.

Background:

On June 11, 2019, the City Council approved the City's Operating Budget for Fiscal Year 2019-20. The adopted Budget includes a reclassification of a Case Manager position to a new Program Coordinator position. This position will be based out of the Senior Center and will report directly to the Community Engagement and Inclusion Administrator. This position will engage with the community on a variety of social services and will manage programs to provide these services.

Services would include assisting the greater community with Medicare, Medi-Cal, Supplemental Security Income, Social Security, Disability, Immigration and Naturalization Services, food vouchers/programs, In-Home Supportive Services, transportation needs, and manage the intake, review and approval of residents for the new Milpitas Assistance Program. In addition, this position will oversee critical mental health services access and education to our high school-age population at the Teen Center and will serve as the City's primary liaison to local service agencies such as NAMI, Health Trust, Catholic Charities, Milpitas Food Pantry, and other similar-type service providers. This position will also work closely with the Neighborhood and Services Housing Manager in the Building Safety and Housing department, to coordinate and collaborate on housing related services being provided to the community.

At the June 11, 2019 meeting, the Council asked staff to include bilingual skills and a masters degree in social work as position requirements. To ensure the minimum qualifications were substantiated and the internal salary relationship of the new classification was equitable among internal classifications, the City engaged in a Professional Services Agreement with Koff and Associates (consultant), a Human Resources consulting service.

Analysis:

Class and compensation work typically requires a thorough analysis and understanding of the body of work in order to establish minimum qualification standards, essential functions, and an equitable level of pay. This work is necessary because it objectively defines the duties of a position, which in turn, will enhance the City's recruitment and retention efforts by clearly stating the position description and what is required of the job. The City's consultant conducted a comprehensive classification and compensation study on the new Recreation and Community Services classification that consisted of the following:

- Initial meeting with Human Resources to define the study scope and purpose
- Review of the classification description for the City's Program Coordinator classification

- Review of the Position Description Questionnaire (PDQ) and supporting documentation completed by the Recreation and Community Services Director (Director).
- Meeting with the Director to better understand the scope of the work anticipated to be assigned to the new position
- Survey of the City's labor market for comparable bodies of work.
- Survey of external jurisdictions for similar classifications. However, they were unsuccessful in finding positions that encompass all the duties of this one singular classification. For statistical analysis purposes, Koff and Associates requires at least four comparable matches within a labor market to be considered a comparable body of work.
- A draft classification and compensation study report and a recommendation for salary placement

Based on the analysis, the consultant found that the City's current classification system does not include a classification which adequately captures the work proposed for the new position. This position will perform a wide variety of specialized and technical work involved in the coordination of social services programs and activities for at-risk groups including seniors, teens, and economically disadvantaged families. This is a journey level position that will aide and support at-risk groups by assessing clients' needs and eligibility and connecting clients with the appropriate programs and/or community services that are available.

The consultant recommended this position be named Community Services Specialist with a salary range 26.54% above the classification of Program Coordinator due to the technical focus of this classification. A new classification description for Community Services Specialist was created along with the proposed new salary range to align with the programmatic and administrative responsibilities of this new position.

The consultant also evaluated the minimum education qualifications for the proposed classification, based on the duties, knowledge, and abilities required for the position. The consultant found the requirement of a master's degree and bilingual skills not warranted since there is no direct correlation between the duties of the classification and the requested requirements. Since establishing minimum education requirements that are not substantiated by the duties assigned to the class creates an inequitable barrier to employment, the consultant has proposed including a bachelor's degree as the minimum education requirement for the classification. However, for purposes of recruiting, staff can include a master's degree and bilingual skills, specifically tailored to languages widely spoken in the Milpitas community.

Policy Alternative:

Alternative: Do not approve the staff recommendation

Pros: No increase in salary expenditures.

Cons: The Community Services Specialist position requires specific expertise and knowledge that is different from the Program Coordinator position. Using the existing classification may not attract the appropriate pool of candidates for the position.

Reason not recommended: Using the existing classification could limit the quality of candidates interested in this position, and thus affect the quality of the program and services this position will manage for the City of Milpitas residents.

Fiscal Impact:

The fiscal impact is the incremental difference in salary from the approved salary range to the proposed salary range. This reclassification results in a total compensation variance of \$43,000. The current budget for this position covers the cost to fill the position for the remainder of the fiscal year, since a full-time hire will not be appointed until mid-way through the budget cycle. If this recommendation is approved, the incremental cost will be incorporated into the FY 2020-21 Proposed Budget.

California Environmental Quality Act:

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act pursuant to CEQA Guidelines section 15378(b)(5) in that it is a government organizational or administrative activity that will not result in direct or indirect changes in the environment.

Recommendation:

Adopt a Resolution amending the Classification Plan to establish the Community Services Specialist position and to reclassify one Program Coordinator position to one Community Services Specialist position in the Recreation and Community Services Department.

Attachment:

Resolution to Amend Classification Plan

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING
RESOLUTION NO. 1626, THE CLASSIFICATION PLAN, TO ESTABLISH THE COMMUNITY
SERVICES SPECIALIST CLASSIFICATION AND RECLASSIFY A POSITION IN THE
RECREATION AND COMMUNITY SERVICES DEPARTMENT**

WHEREAS, the City of Milpitas has a Classification Plan adopted as Resolution No. 1626 on December 17, 1968, which has been amended from time to time, and which is in accordance with the Personnel Rules and Regulations of the City of Milpitas (Resolution No. 792 as amended); and

WHEREAS, amendments to the Classification Plan are necessary to account for changes within the organization, transfer of duties, new job responsibilities, and adjustments to salary ranges; and

NOW THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Resolution No. 1626, as amended, is hereby amended effective December 17, 2019, as follows:
 - A. Establish the classification of Community Services Specialist with the salary range of \$89,214.06 - \$117,426.14.
 - B. Approve the Job Description for the Community Services Specialist classification attached hereto as **Exhibit A**.
 - C. Reclassify one (1) Program Coordinator position to one (1) Community Services Specialist position in the Recreation and Community Services Department to more closely align the position's tasks and responsibilities.

PASSED AND ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Rich Tran, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney

EXHIBIT A

December 2019
FLSA: NON-EXEMPT
Unit: Mid Con

COMMUNITY SERVICES SPECIALIST

DEFINITION

Under direction, performs a wide variety of specialized and technical work involved in the coordination of social services programs and activities for at-risk groups including seniors, teens, and economically disadvantaged families; performs intake activities for clients including needs assessment and eligibility evaluation; serves as a conduit between clients and community organizations providing needed services and resources; administers and participates in the development and implementation of processes, procedures, and activities of assigned programs; and performs related work as required.

DISTINGUISHING CHARACTERISTICS

This journey level, single position classification develops and implements policies and procedures for social services and community outreach programs and initiatives for at-risk and economically disadvantaged community groups including senior, teens, and families which includes budget and contract administration, program evaluation, and organizational and operational studies and analyses. Incumbents facilitate communication with sponsors, stakeholders, community groups, and members of the public. The work has technical and programmatic aspects requiring the interpretation and application of policies, procedures, and regulations and involves frequent contact with the public. Positions at this level perform the full range of duties as assigned working independently and exercising judgment and initiative. Positions at this level receive only occasional instruction or assistance as new or unusual situations arise and are fully aware of the operating procedures and policies of the work unit. This classification is distinguished from the Recreation Coordinator in that the latter focuses on the development and execution of recreation programs. This class is further distinguished from the Recreation Supervisor in that the latter has supervisory responsibility for assigned recreation programs, activities, and staff.

SUPERVISION RECEIVED AND EXERCISED

Receives general direction from the Community Engagement and Inclusion Administrator/Assistant Director of Recreation and Community Services. Exercises no direct supervision over Full-time staff, however may oversee interns and/or part-time staff in their program area.

EXAMPLES OF DUTIES (Illustrative Only)

Management reserves the right to add, modify, change, or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees can perform the typical functions of the job.

- Develops, administers, and evaluates social and community services programs for at-risk and economically disadvantaged community groups including seniors, teens, and families; performs intake activities to assess client needs and program eligibility; performs and assists in a wide variety of duties required to inform citizens and community groups of City social service activities and available services and resources.

- Participates in the development of program goals, objectives, policies, procedures, work standards, and administrative control systems of assigned programs and activities.
- Plans, oversees, and administers assigned programs and projects; assists in the development and administration of program budgets, including revenue and expenditures projections, multi-year cash flow analysis, cost containment, and grant funds disbursement; directs all aspects of assigned programs including legal and regulatory compliance.
- Performs intake activities of clients including interviews and needs assessment; evaluates psychosocial, economic, and health status; links clients to available resources based on assessments and eligibility.
- Assist clients with the completion and submission of forms and applications to receive benefits from outside organizations and agencies such as the Social Security Administration, Area Agencies on Aging, and MediCal; assists clients with follow up activities including phone calls, providing additional documentation, etc.
- Administers the City-funded assistance program for economically disadvantaged residents or residents experiencing temporary financial hardships; receives and evaluates applications and supporting documentation for program eligibility; ensures that awards stay within funding limits and are in compliance with program criteria.
- Performs community outreach activities to publicize the services and activities available through assigned programs; attends and administers informational booths at community activities and events; creates and maintains outreach materials for display with partner organizations and City facilities.
- Develops and maintains effective partnerships with community and regional organizations, agencies, and other groups providing services related to the areas of assignment.
- Performs a variety of operational and programmatic studies, analyses, and evaluations; develops, recommends, and implements program modification after approval.
- Maintains a variety of records and statistical information related to areas of assignment; develops and presents reports on program metrics and activities; assists in the preparation of staff reports for the City Council.
- Participates in a variety of committees and task forces relative to the areas of assignment.
- Performs other duties as assigned.

QUALIFICATIONS

Knowledge of:

- Intake and basic needs assessment practices and techniques as they relate to social services programs and activities including indicators of persons at-risk for abuse, neglect, and self-harm.
- Social services programs, organizations, agencies, and resources.
- Basic principles, practices, and procedures of funding sources and grant funds disbursement.
- Project and/or program management, analytical processes, and report preparation techniques.
- Organizational and management practices as applied to the analysis, evaluation, development, and implementation of programs, policies, and procedures.
- Basic principles and practices of public administration as applied to the operational unit and program administration.
- Research and reporting methods, techniques, and procedures.
- Applicable Federal, State, and local laws, regulatory codes, ordinances, and procedures relevant to assigned areas of responsibility.
- Record keeping principles and procedures.
- Principles and practices of data collection and report preparation.
- Business mathematics and statistical techniques.
- Techniques for effectively representing the City in contacts with governmental agencies, community groups, and various business, professional, educational, regulatory, and legislative organizations.

- Techniques for providing a high level of customer service by effectively dealing with the public, vendors, contractors, and City staff.
- The structure and content of the English language, including the meaning and spelling of words, rules of composition, and grammar.
- Modern equipment and communication tools used for business functions and program, project, and task coordination, including computers and software programs relevant to work performed.

Ability to:

- Assist in the development of goals, objectives, policies, procedures, and work standards for the department.
- Coordinate and oversee programmatic administrative, budgeting, and fiscal reporting activities.
- Perform responsible and difficult administrative work involving the use of independent judgment and personal initiative.
- Plan and conduct effective administrative, programmatic, and operational studies.
- Conduct research on a wide variety of topics including social services programs and trends, operational and programmatic alternatives, grant funding, contract feasibility, and budget and staffing proposals.
- Analyze, interpret, summarize, and present administrative and technical information and data in an effective manner.
- Evaluate and develop improvements in operations, procedures, policies, or methods.
- Research, analyze, and evaluate new service delivery methods, procedures, and techniques.
- Prepare clear and concise reports, correspondence, policies, procedures, and other written materials.
- Interpret, apply, explain, and ensure compliance with applicable Federal, State, and local policies, procedures, laws, and regulations.
- Maintain confidentiality and be discreet in handling and processing confidential information and data.
- Participate in the preparation of program budget, including gathering and analyzing data related to expenditures and monitoring budget expenditures and revenues.
- Understand the organization and operation of the City and of outside agencies as necessary to assume assigned responsibilities.
- Make accurate arithmetic, financial, and statistical computations.
- Establish and maintain a variety of filing, record-keeping, and tracking systems.
- Understand, interpret, and apply all pertinent laws, codes, regulations, policies and procedures, and standards relevant to work performed.
- Effectively represent the department and the City in meetings with governmental agencies; community groups; various business, professional, and regulatory organizations; and in meetings with individuals.
- Independently organize work, set priorities, meet critical deadlines, and follow-up on assignments.
- Use tact, initiative, prudence, and independent judgment within general policy, and procedural, guidelines.
- Effectively use computer systems, software applications relevant to work performed, and modern business equipment to perform a variety of work tasks.
- Communicate clearly and concisely, both orally and in writing, using appropriate English grammar and syntax.
- Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.

Education and Experience:

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

Education: Equivalent to a bachelor's degree from an accredited college or university with major coursework in social services, sociology, psychology, or a closely related field.

Experience: Three years of increasingly responsible experience in the administration of a social or community services program which included at least one year of case management related to the delivery of social or community services.

License or Certificate

- Possession of, or ability to obtain by the time of appointment, a valid California Driver License.
- Possession of, or ability to obtain Certification in CPR and First Aid from the American Red Cross within 90 days of appointment.

SPECIAL REQUIREMENTS

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; to operate a motor vehicle and visit various City site; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone. This is primarily a sedentary office classification although standing in work areas and walking between work areas may be required. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification occasionally bend, stoop, kneel, reach, push, and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push, and pull materials and objects up to 10 pounds.

Approved by:

City Manager

Date

Human Resources Director

Date

In compliance with the Americans with Disabilities Act, the City of Milpitas will provide reasonable accommodation to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the Human Resources Department.

The City of Milpitas is an Equal Opportunity Employer.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive an Update on the Sister Cities Program (Contact: Mayor Tran, 408-586-3029)
Category:	Community Development
Meeting Date:	12/17/2019
Staff Contact:	Rich Tran, Mayor, 408-586-3029
Recommendation:	1. Receive background information and preliminary analysis on Sister Cities Programming. 2. Consider request for a Sister Cities Memorandum of Understanding with the City of Dagupan (Philippines).

Background:

On November 19, 2019, City Council directed staff to include an agenda item on the December 3, 2019 Council meeting to consider renewing the expired Sister Cities MOU with the City of Dagupan, Philippines. In addition, there was general consensus by the City Council to review and discuss the matter further. This item was deferred to the December 17, 2019 Council meeting.

Analysis:

The previous City of Milpitas Sister Cities program was established on May 21, 1996. Through the years, the City has had relationships with various international cities. At the moment, the City is not engaged in any official Sister Cities partnerships. Below is current Sister Cities' relationships status:

Sister City	Status
Huizhou, China	MOU expired October 15, 2018
Dagupan, Philippines	MOU expired October 7, 2019; City of Dagupan is interested in a MOU renewal consideration through Mayor Rich Tran
Tsukuba, Japan	MOU expired October 7, 2019; City of Tsukuba representatives have informed staff that they are unable to renew an MOU

The City of Milpitas and community have enjoyed a long-lasting affiliation with the City of Dagupan. There is a strong desire from the community that the relationship be officially established once again through a renewed MOU (Attachment A).

Staff has completed preliminary research on various local Sister Cities programs to better understand their organizational structure, administration, funding, primary purpose, programmatic efforts, and partnerships. An Information Memorandum is attached which provides greater detail and background (Attachment B).

Fiscal Impact:

Although signing a Sister Cities MOU agreement will not in itself have a fiscal impact, re-establishing a City sponsored Sister Cities program would require some level of City resources in the future. Various approaches range from the former City staffed/Sister Cities Commission to a volunteer-based community driven Sister Cities program led by an entity other than the City. The fiscal impact to the General Fund will vary with Council direction and expectation for City support and resources.

California Environmental Quality Act:

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, this action does not qualify as a “project” for the purpose of CEQA as this action has no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Recommendation:

1. Receive background information and preliminary analysis on Sister Cities Programing.
2. Consider request for a Sister Cities Memorandum of Understanding with the City of Dagupan (Philippines).

Attachments:

- A. Draft Memorandum of Understanding by and between the City of Milpitas and City of Dagupan
- B. Information Memorandum – City of Milpitas Sister Cities Program
 - Comparison Matrix of Sister Cities Programs (Preliminary Findings)

ATTACHMENT A



MEMORANDUM OF UNDERSTANDING

AGREEMENT FOR THE CONTINUATION OF A SISTER CITY RELATIONSHIP BETWEEN THE CITY OF MILPITAS AND CITY OF DAGUPAN

WHEREAS, the Cities of Milpitas and Dagupan executed their first memorandum of understanding on April 15, 2003, establishing a Sister City relationship between the City of Milpitas and City of Dagupan to enrich cultural understanding, create adult and student exchange opportunities and broaden cooperation to encourage goodwill between the Cities, and;

WHEREAS, the City of Milpitas and City of Dagupan support the promotion of mutual understanding, expansion of official and non-governmental exchanges, and friendship through promotion of peace, stability and prosperity in the Asia-Pacific Region and the world at large, and;

WHEREAS, in order to consolidate and further develop the friendship and cooperation between the City of Dagupan and the City of Milpitas, both cities agree to continue the Sister City relationship on the following terms:

1. To promote common prosperity and development, both cities will organize, on the basis of equality, mutual benefit and goodwill, cultural exchanges, contacts to support an electronic "pen pal" program for students, and other information sharing that may include art, business, commerce, science, technology, culture, history, education, sports, public health and administration.
2. Citizens, civic and business groups of each city are recognized as ambassadors of goodwill to organize cultural exchanges that may include art, history, education, health and sports interests, business and commerce, and other information sharing.
3. To the extent possible, one cultural exchange visit to each city shall be organized involving adults and students within the duration of this Memorandum of Understanding. Each visit shall be reviewed in advance between the Milpitas Sister Cities Commission and the City of Dagupan or its designee.

4. Cultural exchange visit details and activities shall be cooperatively agreed upon by organizing citizens and civic and business groups. Activities shall be provided with the objective to deepen cultural awareness and friendship between citizens, business leaders and government officials.
5. The leaders and top-level department administrators of both cities shall maintain and facilitate open channels of communication to expedite consultation, exchange and cooperation on questions and issues of common concern.
6. The effective term for this Memorandum of Understanding shall be for five years following the date of execution of the Memorandum. Prior to expiration of this Memorandum of Understanding, the Sister City Relationship shall be reviewed by the City of Milpitas Sister Cities Commission and City of Dagupan or its designee to evaluate the progress of the relationship, as well as recommend whether the relationship shall continue.
7. This agreement represents the entire agreement between the cities. It may not be changed or modified without a resolution signed by the leaders of both cities.

The City of Milpitas and City of Dagupan, by mutual agreement, hereby execute this renewed Memorandum of Understanding this 3rd day of December at Milpitas City Hall, California, United States of America. This agreement is for five years, set to expire on December 3, 2024.

DAGUPAN CITY
On its behalf

CITY OF MILPITAS
On its behalf

Marc Brian Lim, Mayor

Rich Tran, Mayor

ATTACHMENT B – INFORMATION MEMORANDUM

Sister Cities Program:

According to Sister Cities International, “At the foundation of every successful Sister City partnership lies a strong local program with volunteers who are willing to commit time, talent and resources to develop a long-term relationship with their counterparts abroad.” Generally, Sister City organizations are incorporated as 501(c)(3) nonprofits, although in some cases, municipal governments have representation or a formal relationship with the foreign city. Critical to the success of a Sister City program is its ability to develop beneficial, needs-specific projects that lead to deeper ties between the two communities, such as supporting educational and cultural exchange, promoting sustainability, cooperation and friendship, and in some cases, stimulating economic development.

The City of Milpitas’ Sister Cities program was established on May 21, 1996. The Sister Cities program has historically been a broad-based, long-term partnership between the City and various foreign cities. A relationship is officially recognized after both communities execute a mutually agreed upon Memorandum of Understanding (MOU) to become Sister Cities. Each Sister City organization is independent and pursues the activities and thematic areas that are important to them and their community including municipal, business, educational, and cultural exchanges and projects with their Sister City.

In Milpitas, the Sister Cities program was administered through a Sister Cities Commission with significant staff support. Over the years, community volunteer interest and support for active programming and visits waned, leading to expanded staff support. Below is current Sister Cities’ relationships status:

Sister City	Status
Huizhou, China	MOU expired October 15, 2018
Dagupan, Philippines	MOU expired October 7, 2019; City of Dagupan is interested in a MOU renewal consideration through Mayor Rich Tran
Tsukuba, Japan	MOU expired October 7, 2019; City of Tsukuba representatives have contacted staff and are interested in a MOU renewal consideration

In 2007, the Sister Cities Commission began an ePal Project with the Digital Business Academy (DBA) at Milpitas High School (MHS). Sophomores were matched with a Sister City student in the fall for one academic year to communicate using email. Students were engaged to learn about each other’s interests through assignments that keep conversations relevant and consistent.

Focus Areas and Activities

Milpitas’ Sister Cities program partnered with the aforementioned cities to ensure there was an engaged network. Below is information on specific focus areas and activities specific to Huizhou, Dagupan and Tsukuba.

Huizhou:

The City of Huizhou sends one group of appointed officials to Milpitas every 1-2 years. Huizhou and Milpitas participate in the ePal Project. The City of Huizhou desired coordinated support to open a trade office in Milpitas. City of Huizhou representatives requested that Milpitas officials visit Huizhou with delegations of students and officials. Only one visit by Milpitas representatives has occurred (April 2005).

Dagupan:

City of Dagupan participates in annual visits with approximately 10 students (attending MHS and home stays with MHS families) and 4-10 adult officials. The City of Dagupan has had sporadic participation in the ePal Project.

Tsukuba:

The City of Tsukuba preferred to conduct activities between students of high school age through annual holiday cards and art exchange, exchanges of community photos and information for display at public events and facilities. The City of Tsukuba participated in ePal Project with select students studying English. They did not desire to conduct visits and exchanges but was open to receiving Milpitas students visiting on a one-day basis.

Office of Economic Development

On August 21, 2018, the City Council approved a merger of the Economic Development Commission with the Sister Cities Commission topics to form the Economic Development and Trade Commission (EDTC), effectively incorporating a trade component of the former Sister Cities Commission.

The Office of Economic Development is actively incorporating “trade” into EDTC in various ways. On April 16, 2019, one former Sister Cities Commissioner was appointed to the EDTC by Council to integrate topics formerly associated with the Sister Cities Commission. Per Council direction, EDTC is now charged with enhancing relationships with Milpitas-based businesses that have a global presence for trade and commerce, business-to-business opportunities and workforce development, with potential business partnerships with View, Flex, KLA, Nanometrics, Infineon, Cisco and other businesses that have global offices throughout Western and Eastern Europe, Middle East, Asia, Latin America, Australia, Canada and Africa. The current objective is to establish new foreign relationships. On October 15, 2019, Casey McNeil (Flex) was appointed by Council and serves as EDTC’s technology and trade representative, which further aides staff in achieving Council’s direction on incorporating trade.

Concurrently, staff has established a relationship with Governor Gavin Newsom’s Office of Business and Economic Development via monthly calls with the International Affairs and Trade team to cover topics regarding state and federal resources, foreign direct investment, foreign trade shows, etc. And, the International Affairs and Trade team has pledged support in guiding staff in developing a successful City trade program.

The adoption of the 2019-20 City Operating Budget included \$25,863 funding for a one-time, part-time employee to evaluate the transition of the Sister Cities program and make recommendations on resources required for the potential continuation and success with various entities and improved community support. Staff expects a Consultant to assist the Office of Economic Development on the Sister Cities program evaluation and recommendations, as well as other economic development work plan items commencing the week of December 2, 2019.

Sister Cities Programming – Preliminary Research Results

Staff has completed preliminary research on various local Sister Cities programs to better understand their organizational structure, administration, funding, primary purpose, programmatic efforts, and partnerships. Results are as follows:

- Eight (8) Sister Cities researched (matrix below) - Campbell does not have a Sister Cities program and Fremont dissolved their Sister Cities program in 2009. The City of Milpitas has been included for reference only.

- One (1) of the eight (8) Sister Cities programs are administered through their respective cities: San Jose's Sister Cities program starts with the Mayor and is administered through staff. Cupertino's program also commences with the Mayor, but is then administered through volunteers thereafter.
- Four (4) of eight (8) cities are administered through 501 C-3 non-profit organizations.
- Seven (7) Sister Cities programs are volunteer based.
- Five (5) Sister Cities programs receive donations, fundraise, receive corporate sponsorships and/or have membership fees for annual funding.
- The primary purpose for Sister Cities programs includes supporting education, culture, friendship, understanding and acceptance. The most common attributes were supporting educational and cultural exchange. One City includes commerce, while another is trying to stimulate economic development.
- Four (4) Sister Cities programs partner with either the Chamber and/or local school. Four (4) Sister Cities programs did not specify partnership status.

For more Sister Cities preliminary research details, see the Comparison Matrix below.

Conclusion

A strong Sister Cities program serves its community well. Sister Cities programs typically involves volunteer participation and can include nonprofits, municipal governments, private sector, and civic and social organizations. Should the Sister Cities program continue based on Council direction and leadership, the City of Milpitas will need to outline its goals and objectives clearly. Although staff has already conducted preliminary Sister Cities research, the Office of Economic Development is now prepared to commence a full evaluation and put forth program recommendations. Staff anticipates Council consideration of a Sister Cities report at the February 18, 2020 City Council meeting.

Comparison Matrix (Sister City Programs)

City	Org. Structure	Administered by	Funding	Primary Purpose	Chamber/School District Involvement
Fremont	Sister cities commission was dissolved in 2009 ¹	Previously administered through the Sister Cities Commission	N/A	N/A	N/A
Palo Alto	Non-profit Org	Administered through Neighbors Abroad, a volunteer community organization founded after Palo Alto City Council initiated a Sister City organization	Donations, membership fees, and business partnerships with local businesses and government agencies. Donations vary from \$25-\$1,000	Aims to support education, culture, commerce and sustainability	Palo Alto Chamber of Commerce and Palo Alto Adult School
Sunnyvale	Non-profit Org	Sunnyvale Sister Cities Association (SSCA), an all-volunteer 501 C3 organization ²	Receives funding through donations as well as sponsors and corporate matching. Sponsor amounts vary from \$500-\$2,000 p/yr.	The SSCA supports education beyond the classroom and idea exchange beyond the office—programs at home/abroad that allow participants to effect real change in the world	No, but they do have sponsorships from companies such as Google and Panasonic. Host events at local schools (unclear if they coordinate w/ school district)
Cupertino	Starts with the Mayor and his/her counterpart from the other city formalizing an MOU	Administered by Mayor	Not Specified	Celebrates and enhances the community through people-to-people international diplomacy, cooperation and friendship. ³	Not Specified
Mountain View	Non-profit Org	Administered by Board of Directors led by President Leslie Imai	Funding through membership fees: <u>Individual:</u> \$15 <u>Family:</u> \$30 <u>Corporate:</u> \$75	Promote international understanding and acceptance	Yes, through student exchange program with MV/Los Altos School District (educational and cultural exchange)
Milpitas	Evaluating	Economic Development (?)	TBD	Foster continuing relationships of mutual concern between City of	Former Sister Cities Commission coordinating w/ MUSD

¹ <https://www.eastbaytimes.com/2009/10/07/fremont-dissolves-sister-cities-commission/>

² <https://sunnyvalesistercity.org/index.htm>

³ <https://www.cupertino.org/our-city/sister-friendship-cities>

				Milpitas residents and the people of established sister cities ⁴	and other support groups
San Jose	Not Specified	Board of Directors, led by Chairman and Mayor Sam Liccardo	Funded through crowdfunding ⁵	To create and strengthen partnerships between two cities at a municipal level to promote cultural understanding and to stimulate economic development	Not Specified
Santa Clara	SCSCA (Santa Clara Sister Cities Assoc.) is a non-profit org, volunteer-based w/ board of directors	Board of Directors	SCSCA is funded through fundraising which they do year long, as well as membership fees. ⁶	Bring different cultures that work together with people to people relationship, as well as improving students' lives through cultural exchanges	Student exchange program is done in coordination with local schools

***Campbell – does not have a Sister Cities program**

Fremont Sister Cities: (1) Elizabeth, Australia (2) Fukaya, Japan

Palo Alto Sister Cities: (1) Palo, Philippines (2) Oaxaca, Mexico (3) Albi, France (4) Linkoping, Sweden (5) Enschede, Netherlands (6) Tsuchiura, Japan (7) Heidelberg, Germany (8) Yangpu District, Shanghai China

Sunnyvale Sister Cities: (1) Iizuka, Japan

Cupertino Sister Cities: (1) Copertino, Italy (2) Toyokawa, Japan (3) Hsinchu, Taiwan (4) Bhubaneswar, India

Mountain View Sister Cities: (1) Iwata, Japan (2) Hasselt, Belgium

Milpitas Sister Cities: (1) Dagupan, Philippines (2) Huizhou, China (3) Tsukuba, Japan

San Jose Sister Cities: (1) Okayama, Japan (2) San Jose, Costa Rica (3) Veracruz, Mexico (4) Tainan, Taiwan (5) Dublin, Ireland (6) Pune, India (7) Ekaterinburg, Russia (8) Guadalajara, Mexico

Santa Clara Sister Cities: (1) Coimbra, Portugal (2) Izumo, Japan, (3) Limerick, Ireland

⁴ <http://www.ci.milpitas.ca.gov/our-government/commission/sister-cities/>

⁵ <https://www.crowdrise.com/sistercitiesgivingtower2015>

⁶ <https://www.santaclarasistercities.org/fundraising>



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Consider Mayor Tran's Recommendations for Appointments and Re-appointments to Ten City of Milpitas Commissions (Contact: Mayor Tran, 408-586-3029)
Category:	Reports of Mayor and Councilmembers
Meeting Date:	12/17/2019
Staff Contact:	Mayor Rich Tran, 408-586-3029
Recommendation:	Receive Mayor Tran's recommendations and approve new appointments and re-appointments of current Commissioners and Alternate Members to 10 City of Milpitas Commissions: Arts; Community Advisory; Energy and Environmental Sustainability; Library and Education; Parks, Recreation and Cultural Resources; Public Safety & Emergency Preparedness; Senior Advisory; Science Technology & Innovation; Veterans; and Youth Advisory.

Background:

The City of Milpitas has 12 Commissions, with members appointed by the Mayor and confirmed by the City Council, that advise the Milpitas elected officials on a variety of community interest and policy areas. There are currently 21 Commissioner and Alternate Member vacancies, 27 Commissioners and Alternates eligible for reappointment, and 12 Commissioners who have met the Council established limit of three terms and thus are ineligible for reappointment.

Mayor Tran makes the following recommendations for new appointments to Commissions, moving up Alternate Members to voting Commissioners, and re-appointments of current Commissioners.

Arts Commission

1. Newly appoint Joyita Ghose to serve as a commissioner with a term to expire in October 2022 (seat currently held by Commissioner Robin Hays who was respectfully termed out in October 2016)
2. Newly appoint Sandeep Umarani to serve as a new commissioner with a term to expire in October 2022 (seat currently held by Commissioner Tess Santos who was respectfully termed out in October 2019)
3. Newly appoint Jennifer Carol Tan Torai to serve as a commissioner with a term to expire in October 2020 (seat currently held by Commissioner Becky Strauss who was respectfully termed out in October 2017)

Community Advisory Commission

1. Re-appoint Van Lan Truong with a term to expire in January 2023
2. Re-appoint Thelma Batilo with a term to expire in January 2023
3. Re-appoint Ashish Kathapurkar with a term to expire in January 2022
4. Re-appoint Jose Rosario with a term to expire in January 2022
5. Re-appoint Oscar Leon with a term to expire in January 2022
6. Move current Alternate #1 George Chen into a vacant seat with a term to expire in January 2021
7. Move current Alternate #2 Vishal Gandhi into a vacant seat with a term to expire in January 2023

8. Newly appoint Gilroy Casanova III to serve as Alternate #1 with a term to expire January 2021
9. Newly appoint Kavita Sreedhar to serve as Alternate #2 with a term to expire January 2023

Energy and Environmental Sustainability Commission

1. Re-appoint Marta Martinez with a term to expire in October 2022
2. Re-appoint Manpreet Badesha with a term to expire in October 2022
3. Re-appoint Brian Shreve with a term to expire in October 2021
4. Move current Alternate #2 Yue George Liu into a vacant seat with a term to expire in October 2022
5. Newly appoint Charles Lingle to serve as Alternate #1 with a term to expire in October 2022

Library and Education Advisory Commission

1. Re-appoint Nonie McDonald with a term to expire in June 2022
2. Move current Alternate #1 Dana Arbaugh into a vacant Commissioner seat with a term to expire in June 2020
3. Move current Alternate #2 Therese Hoang into a vacant Commissioner seat with a term to expire in June 2021
4. Newly appoint Susan Loh into Alternate #1 seat with a term to expire in June 2022

Parks, Recreation and Cultural Resources Commission

1. Move current Alternate #1 Ricky Davis into a vacant Commissioner seat with a term to expire in June 2021
2. Move current Alternate #2 Molly Current into a vacant Commissioner seat with a term to expire in June 2022
3. Newly appoint Becky Strauss into Alternate #1 seat with a term to expire in June 2020
4. Newly appoint Aaron Aquino into Alternate #2 seat with a term to expire in June 2022
5. Re-appoint Aakar Shah as Commissioner with a term to expire in June 2022.

Public Safety & Emergency Preparedness Commission

1. Re-appoint Jonathan Nakapalau with a term to expire in June 2022
2. Re-appoint Don Clendenin with a term to expire in June 2022
3. Move current Alternate #1 Aleck Bittencurt into a vacant Commissioner seat with a term to expire in June 2022
4. Newly appoint Joe Nichols to Alternate #1 seat with a term to expire in June 2022

Senior Advisory Commission

1. Re-appoint Patrick Yung with a term to expire in December 2022
2. Re-appoint Jenny Berryhill with a term to expire in December 2022
3. Re-appoint Alternate #1 Willy Wong with a term to expire in December 2020
4. Re-appoint Alternate #2 Nona Tolentino with a term to expire in December 2021

Science, Technology & Innovation Commission

1. Newly appoint Nasir Lalani to serve as Commissioner with a term to expire in January 2021 (seat currently held by Commissioner Dinesh Gupta* who was respectfully termed out in January 2018)
2. Newly appoint Urvishkumar Mehta to serve as Commissioner with a term to expire in January 2021 (seat currently held by Commissioner Niranjan Gupta* who was respectfully termed out in January 2018)
3. Newly appoint Binh Xuan Nguyen to serve as Commissioner with a term to expire in January 2022 (seat currently held by Commissioner William Lam who was respectfully termed out in January 2019)

4. Re-appoint Ernesto Bautista with a term to expire in January 2022
5. Re-appoint Anh Bao with a term to expire in January 2022
6. Move current Alternate #1 Ratan Choudhury to a vacant seat with a term to expire in January 2022
7. Move current Alternate #2 Guy Haas to Alternate #1 with a term to expire in January 2021

Veterans Commission

1. Move Alternate #1 Bruce Choy into a vacant seat as Commissioner with a term to expire in February 2022
2. Newly appoint Darl Travis into vacant seat as Commissioner with a term to expire in February 2022

Youth Advisory Commission

1. Newly appoint Tejas Balebail as Alternate #1 with a term to expire in September 2022
2. Newly appoint Andrea Xinyu Liu as Alternate #2 with a term to expire in September 2022

Policy Alternative

Alternative : Do not approve Commissioner appointments and reappointments

Pros: This alternative allows City Council Members to recommend alternative residents who have applied for City commissions.

Cons: Delays in appointments to vacant commissioner and alternate seats could create commission meeting cancellations due to lack of quorum, and the delay of important recommendations to City Council.

Reason not recommended: Delays in appointments to vacant commissioner and alternate seats could create commission meeting cancellations due to lack of quorum, and the delay of important recommendations to City Council.

Fiscal Impact:

There is no fiscal impact with this recommendation.

Recommendation:

Receive Mayor Tran's recommendations and approve new appointments and re-appointments of current Commissioners and Alternate Members to 10 City of Milpitas Commissions: Arts; Community Advisory; Energy and Environmental Sustainability; Library and Education; Parks, Recreation and Cultural Resources; Public Safety and Emergency Preparedness; Senior Advisory; Science Technology and Innovation; Veterans; and Youth Advisory.

Attachments:

All current City of Milpitas Commission applications on file

COMMISSION APPLYING FOR: Arts Commission

Title Mrs.

Name Joyita B Ghose

Address Type Residence

Address 1301 Elkwood Dr.

City Milpitas

Postal/Zip Code 95035

Mobile Number (408) 219-1537

E-Mail Address joyitabg@yahoo.com

City Clerk's Office
MAR 11 2019
RECEIVED

Present Employer Poshag Silks

Occupation Business

College, Professional, Vocational, or other schools attended UCSCE, West Valley College, Lady Brabourne College

Major Subject English Literature

Degree BA

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization Women's Caucus of Art

Member Member

Name of Organization West Valley College, Fashion Design Program

Member Advisory Board Member

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I am an artist and entrepreneur with almost 12 years of experience, building a Made in America product line of wearable art, Poshag Silks. I feel, I will be an asset to this group as I introduce creative solutions to discussions and have art as my focus always. I have traveled to many states to introduce my art-wear at trade shows. In my travels I have come across many ideas of art enrichment that other organizations are using to encourage and empower creativity among people as a means of viable income. Milpitas is a very diverse city and with it comes a plethora of creativity that one carries through their heritage and culture. I would definitely like to encourage the promotion of learning and sharing different kinds of arts and crafts through this diverse population of Milpitas.

Upload a File



spring flower for print.jpg

Date

Mar 08, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:

Arts Commission

Title

Mrs.

Name

Jennifer Carol Tan Torai

Address Type

Residence

Address

261 La Honda Drive

City

Milpitas

Postal/Zip Code

95035

Mobile Number

(669) 300-9334

E-Mail Address

jenntorai@gmail.com

City Clerk's Office
JUN 04 2019
RECEIVED

Present Employer

Silicon Valley Council of Nonprofits

Other Phone

(669) 272-8103

Business Address (Optional)

1400 Parkmoor Avenue, Suite 130

City

San Jose

Postal / Zip code

95126

Occupation

Director of Training and Leadership

College, Professional, Vocational, or other schools attended

San Jose State University, UC Santa Cruz

Major Subject

Social Work

Degree

Master

List community organizations to which you belong or have belonged (additional information may be attached).**Name of Organization**

National Association of Social Workers

Member

Board of Directors, Professional Development Committee

Name of Organization

State Council on Developmental Disabilities

Member

Regional Advisory Committee

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).**Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):**

I strongly believe in a sense of community, and have a passion for artwork. Artwork can help to tie a community together, create a sense of belonging, and instill pride in residents. I believe that artists from Milpitas can illustrate the narrative of our community - our history, our richness, our cultural diversity - and I would like to help uncover some of the hidden talents within our city. I am able to engage with people from various backgrounds, and would like to connect Milpitas residents to the activities within our city - especially those who have not yet been engaged. As a member of the Arts Commission, I would leverage my networks and person-centered approach to create a more welcoming and beautiful city for all.

Upload a FileJTorai Resume May2019.pdf**Date**

Jun 04, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

A handwritten signature in black ink, consisting of a large, stylized 'O' followed by a vertical line and a small flourish.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR: Arts Commission
Title Mr.
Name Sandeep Kashinath Umarani
Address Type Residence
Address 1450 N Hillview Drive
City Milpitas
Postal/Zip Code 95035
Mobile Number (408) 826-1323
E-Mail Address sandeep.umarani@gmail.com

City Clerk's Office
MAY 30 2019
RECEIVED

Present Employer Synopsys Inc / Snaps By Sandeep

Occupation Electrical Engineer and weekend photographer

Education: If Youth Advisory Commission applicant, indicate your grade/school: M.S.

College, Professional, Vocational, or other schools attended Wright State University, Ohio

Major Subject Electrical

Degree MS

List community organizations to which you belong or have belonged (additional information may be attached).

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I am submitting this application to be part of Milpitas Arts Commission. I strongly believe that I have the skills required to serve for this position.

As a brief background, I possess Master of Science degree in Electrical Engineering and I work in chip design/information & technology industry. The experience gained through my professional career has enabled me to be a team player with strong decision making skills. It has also empowered me with good communication skills. These qualities will help me work with different members of commission and applicants to successfully meet the standards of this commission.

Apart from my technical experience, I also own a part time photography business (www.snapsbysandeep.com). I have always been passionate about art and hence pursue this interest by engaging in photography assignments that include newborn photography, event photography and portrait photography. I believe that I have a strong artistic side to my personality and I would be a great fit for this commission.

I understand that the Milpitas Arts Commission is an advisory body to the City Council on matters related to the Arts, performance or visual in the City of Milpitas. The responsibilities will include the review of Phantom Art Gallery artist applicants, and review of the Cultural Arts Support Program. My professional experience and photography business experience makes me a perfect match for Arts Commission. Apart from this, I have recently acquired US citizenship and really looking for the opportunity to serve the local community.

I request you to consider my application and looking forward to be part of Milpitas Arts Commission.

Date May 30, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

A handwritten signature in black ink, featuring a large, stylized initial 'Q' followed by a series of connected loops and a long horizontal stroke extending to the right.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

STUDENT APPLICATION

City Clerk's Office

SEP 23 2019

RECEIVED

CITY OF MILPITAS COMMISSION APPLICATION

COMMISSION APPLYING FOR: *

ART COMMISSION ✓

Title

STUDENT COMMISSIONER

Name

John

R.

Gambao

First

Middle

Last

Address Type

☒ Residence

☐ Business

Address

1835 Trudean Way

City

San Jose

Postal/Zip Code

95132

Mobile Number

408 - 561 - 9514

###

###

####

E-Mail Address *

jjg70532@student.musd.org

Present Employer

Other Phone

____ - ____ - ____
####

Business Address (Optional)

City

Postal / Zip code

Occupation

Student

Education: If Youth Advisory Commission applicant, indicate your grade/school:

Senior Calaveras High

College, Professional, Vocational, or other schools attended

Major Subject

Degree

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization

Lions Club

Member

Name of Organization

Member

Name of Organization

Member

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Branch of Military

Officer

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

Ceramics, digital, painting, drawing, graffiti, & murals

Upload a File

SELECT FILES

Date

9 / 19 / 2019 
MM DD YYYY

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Clear

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. **Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.**

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

Submit

JOHN C. AGG

9.20.19.

City Clerk's Office

SEP 23 2019

RECEIVED

Mary Lavelle
City Clerk.

Good afternoon Mary.

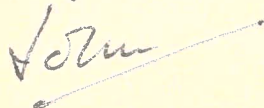
Please find attached an application by
John Gamboa for Student Commissioner - Arts
Commission.

Councilor Montano and I met John earlier
this afternoon and feel that he is well qualified
for one of the two student Commissioner positions
presently open.

John has completed the attached application
and I respectfully request that you facilitate
an expeditious review and approval.

Should you or Council have further questions
both Carmen or I would be happy to respond.

Sincerely,



cc: Carmen Montano.

STUDENT APPLICATION

CITY OF MILPITAS COMMISSION APPLICATION

COMMISSION APPLYING FOR: *

MILPITAS ARTS COMM.

City Clerk's Office

OCT 15 2019

RECEIVED

Title

COMMISSIONER (NON-VOTING)

Name

Megan

First

Grace

Middle

Hutchison

Last

Address Type



Residence



Business

Address

2903 Fallwood Ln.

City

San Jose

Postal/Zip Code

95132

Mobile Number

408

###

- 444

###

- 2966

####

E-Mail Address *

mghutch20@gmail.com

Present Employer

—

Other Phone

408 - 945 - 0423
####

Business Address (Optional)

—

City

—

Postal / Zip code

—

Occupation

—

Education: If Youth Advisory Commission applicant, indicate your grade/school:

Milpitas High School Student (grade 12)

College, Professional, Vocational, or other schools attended

None

Major Subject

—

Degree

—

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization

Mesquite Society

Member

Vice President

Name of Organization

—

Member

—

Name of Organization

—

Member

—

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Branch of Military

—

Officer

—

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

Been in Music programs every year since grade 4. Taken several dance classes in and out of school. Been a part of the MHS theater program for four years.

Upload a File

SELECT FILES

Date

9 / 20 / 2019 
MM DD YYYY

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Clear

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. **Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.**

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

Submit

JOHN C. AGG

10.12.19.

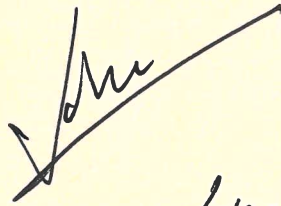
Mary Lavelle.
Milpitas City Clerk

Milpitas Arts Commission.

Dear Mary,

Please find application for Megan Hutcheson. She would represent the Commission as a non-voting member should she be approved by Mayor and Council. She is a very involved student at Milpitas High School.

Thank-you.

A handwritten signature in dark ink, appearing to read 'John C. Agg', written over a diagonal line.

John C. Agg
(650) 823-2943.

COMMISSION APPLYING FOR:

Arts Commission

Title

Mr.

Name

Nasir Lalani

Address

2235 Mesa Verde drive

City

Milpitas

Postal/Zip Code

95035

Mobile Number

(408) 802-9446

E-Mail Address

nasir.lalani@gmail.com

City Clerk's Office

MAY - 3 2019

RECEIVED

Present Employer

Retired

Occupation

IT Enginner

College, Professional, Vocational, or other schools attended

Berkely Univeristy

Major Subject

Network Management

Degree

B.S

List community organizations to which you belong or have belonged (additional information may be attached).

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

Currently serving as a commissioner of Emergency Preparedness Commission since 2012

I have lived in Milpitas for more than 25 years, raised my two children in the city and they have graduated from Milpitas High and they have advanced their education and career further in the Silicon Valley.

I find this community is the diverse and multicultural community. Diversity is the strength of the city, it is the best place to work, live, and raise the family. I would like to give back to my community my expertise, skills, time, and energy and the knowledge.

Summary of skills:

- A seasoned pro-active professional with 18+ years of diverse management and technical experience in test and manufacturing at Cisco Systems.
- Civic engagement and working closely with the people of Milpitas city
- Working as a team builder and reaching out to those who needed the most support in the county and the city
- Expertise in team development and leadership, communicate goals objectives through excellent verbal and professional presentation.
- Created extensive processes to increase efficiency and consistency for development and execution of programs

Upload a File

Milpitas Commisioner_Art.docx

Date

May 03, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

MAS IV

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

APR 16 2019

RECEIVED

COMMISSION APPLYING FOR: Arts Commission

Title Mr.

Name Minh Nguyen

Address Type Residence

Address 2042 Skyline Dr.

City Milpitas

Postal/Zip Code 95035

Mobile Number (408) 410-2157

E-Mail Address mtn_51576@yahoo.com

Present Employer Business and Realtor Agent

Other Phone (408) 410-2157

Business Address (Optional) 2042 Skyline Dr.

City Milpitas

Postal / Zip code 95035

Occupation Business man

Education: If Youth Advisory Commission applicant, indicate your grade/school: Engineer

College, Professional, Vocational, or other schools attended San Jose State University

Major Subject Electronic

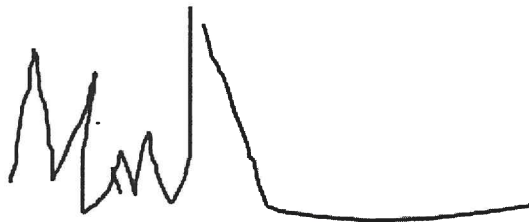
Degree BS

List community organizations to which you belong or have belonged (additional information may be attached).

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Date Apr 16, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

CITY OF MILPITAS COMMISSION APPLICATION

City Clerk's Office

JAN 16 2019

RECEIVED

Community Advisory Commission
COMMISSION APPLYING FOR ↑

PROVIDE COMPLETE INFORMATION (in black ink)

☒ Mr.
☐ Mrs./Ms./Miss

Name: Gil Roy First Galindez (middle) Casanova III Last

Address: 1362 Number Acadia Ave Street (apt. # if needed) Milpitas 95035 City & Zip Code

Telephone Number(s) (408) 515-1096 e-mail address gilroycasanova@yahoo.com

Present Employer Cisco Business Telephone _____

Business Address 3800 Zanker Rd, San Jose, CA 95134 Occupation Data Analyst

Education: If Youth Advisory Commission applicant, indicate your grade/school: _____

College, Professional, Vocational, or other schools attended	Major Subject	Date	Degree
<u>San Jose State University</u>	<u>Business Admin. Finance</u>	<u>2011-2016</u>	<u>Bachelors</u>
<u>Milpitas High School</u>	<u>High School</u>	<u>2007-2011</u>	<u>High School</u>

List community organizations to which you belong or have belonged (additional information may be attached). If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Date	Name of Organization or Branch of Military	Officer / Member

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I have been a Milpitas resident since birth and I'm eager to help make a bigger impact in the community. I believe I can give input to help make Milpitas one of the better cities in the Bay Area by tackling issues listed in the information for CAC. Furthermore, I ensure a quality work product due to my explicit attention to detail, as demonstrated in my analytical work. I will make a great asset serving the community advisory commission. I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.


Signature

1/16/2019
Date

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant.

PLEASE BE AWARE THAT ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

E-mail, send in US mail or drop off your completed application to:

City Clerk, Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035, email: miavelle@ci.milpitas.ca.gov

COMMISSION APPLYING FOR: Community Advisory Commission
Title Ms.
Name Kavita Sreedhar
Address Type Residence
Address 225 Butler St
City Milpitas
Postal/Zip Code 95035
Mobile Number (408) 660-6753
E-Mail Address kavita@pragnya.org

City Clerk's Office
JAN 29 2019
RECEIVED

Present Employer Gnan Inc.

Occupation Business

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization PRAGNYA for Autism

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

Dear Mayor Tran:

I have been a resident of Milpitas for about 11 years now and have not really taken an active part in the civic engagement process on a formal basis. I am pretty active in the south asian media space and am one of the co-founders of the most popular Radio Network among south asians called Radio Dehotties. (www.facebook.com/radiodehotties).

I am also integrally involved with a 501 c 3 non profit organization based out of Milpitas called PRAGNYA that works for children on the Autism Spectrum. I would love to serve on the Community Advisory Commission based on my unique reach via the media and also my values of fostering love, inclusion, empathy, compassion and encouraging diversity of all forms in any walk of life through the work I have been engaged in throughout my adult life. That is the tenet and philosophy that we have founded PRAGNYA on and have been successfully implementing that in our Autism Acculturation process at the organization. I also might be able to help with the Cultural commission due to my work in the media space and immense love for diverse cultural art forms.

You can look up our facebook pages :

www.facebook.com/radiodehotties

www.facebook.com/pragnyaforautism

Date Jan 29, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR: Community Advisory Commission

Title Ms.

Name Adaeze Nduaguba

Address Type Residence

Address 1672 Lee Way

City Milpitas

Postal/Zip Code 95035

Mobile Number (617) 595-0615

E-Mail Address adaeze.c.nduaguba@gmail.com

City Clerk's Office
MAY 24 2019
RECEIVED

Present Employer Google LLC

City Mountain View

Postal / Zip code 94043

Occupation Legal

College, Professional, Vocational, or other schools attended Dartmouth College

Major Subject Government

Degree Bachelor of Arts

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization About-Face

Member Board of Directors

Name of Organization Next Door Solutions to Domestic Violence

Member Board of Directors

Name of Organization Silicon Valley Young Democrats

Member Member

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I deem it critical for every representative body to include a wide variety of perspectives, values, backgrounds, and experiences. To my understanding, the City's commissions are tasked with serving and representing the interest of the public at large by gathering and analyzing public input. Therefore it is of the utmost importance that to the extent possible, every community is represented within the various commissions in order to elevate issues and narratives that may otherwise go unidentified and unaddressed. As a young black immigrant woman, I rarely see representation of women of color and in particular, black women, in positions of leadership. This means that often times issues concerning my community are often not amongst mainstream discourse, which evidently disempowers our community. Moreover, as a recent graduate, many of my peers are quite disenfranchised with all forms of government, as government is perceived to not well-represent the concerns and interests of young people. Likewise I see very few young people involved in their local governments, or any level of government. As someone who identifies with various segments of the population who are not often included in the dialogue pertaining to public and communal interest, I would really love the opportunity to step up and to be a voice to my generation, to women of color, and to immigrants, as these voices often go unheard and it's high time we all play our part in further integrating these voices into any discourse regarding public interest.

I've always been quite passionate about learning and leadership. My earliest form of leadership was when I was high school and I had the wonderful privilege of serving on the Mayor's Youth Council (MYC) for the City of Boston. MYC connects youth who are committed to improving their communities to civic participation in government. Similar to the responsibilities of the City's commissions, MYC was also tasked with representing the interests of the public, in this case the "public" being Boston youths. I really enjoyed my experience working with the Mayor's Office and having the opportunity to solicit feedback from young members of my community and

relaying these to the Mayor's Office, and have the voices of my community represented. I believe that 10 years later, as a 23 year old, I am yet again faced with the incredible opportunity of representing the concerns and interests of a community that I have been living in for nearly two years. However, as someone who is occupying multiple identities that are still not yet well represented in government at all levels, I seek to prioritize giving voice and visibility to these marginalized voices.

One of my main passions pertains to girls and women's rights and empowerment, and I am wholeheartedly inspired by the role that girls and women can play as change agents and equal contributors to the economic, social, and cultural fabric of their communities. I did a lot of work with anti-sexual assault initiatives in college, while serving as a member of the Student and Presidential Committee on Sexual

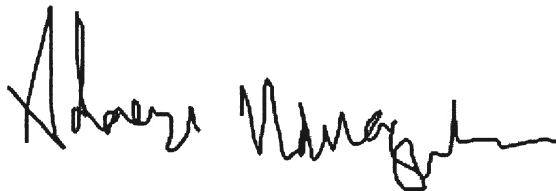
Assault, as a Sexual Assault Peer Advocate who underwent rigorous training to be a direct resource for anyone who had experienced sexual assault, dating violence, stalking, or harassment, and needed a confidential place for them to process their feelings, talk about their options, understand their rights, and feel empowered to make decisions that feel right to them. While in college, I also interned at the National Organization for Women where I developed and launched a college campus activist toolkit that would provide hundreds of campus leaders with resources on how to foster a safer and more welcoming college community for every member. Upon my relocation to the Bay Area, I joined the Board of Directors for an organization called About-Face, which seeks to arm girls with the knowledge and tools they need to fight back against a culture that diminishes and disempowers them. I also joined the Board of Directors for an organization called Next Door Solutions to Domestic Violence, a nonprofit that offers innovative prevention and intervention services pertaining to domestic violence. Additionally I am an active member of the Silicon Valley Young Democrats and am involved with various initiatives through the organization. Overall, I am passionate about issues that uplift every single member of society and improves the quality of his or her life.

In addition to my activist work, I also have quantitative experience and completed a business program at the Tuck School of Business at Dartmouth where I participated in a highly selective business program taught by MBA faculty, developing skills in corporate finance, accounting, strategy, managerial economics, marketing, spreadsheet modeling, and management communication. In this program I also conducted a team-based valuation analyses of Buffalo Wild Wings comprised of financial and strategic assessments, a DCF analysis, and final presentation of results to corporate executives and faculty. In college, I served as the Vice President of the Dartmouth Minorities in Business Association where I planned and oversaw recruiting and professional development events for 140+ members of minority communities. I also led revitalization initiatives to grow the organization and to diversify its programming. Lastly, I served as an at-large member for the Undergraduate Finance Committee at Dartmouth where I helped allocate and oversaw over \$1.2 million dollars of the student activities budget to various campus organizations. In these capacities, I am well attuned to understanding the needs of underrepresented communities, and to leading efforts on how to fairly and equitably allocate funds so that the interest of all communities may be accounted for.

Date

May 23, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR: Community Advisory Commission

Title Mr.

Name Jack Lin

Address Type Residence

Address 1923 Journey Street

City Milpitas

Postal/Zip Code 95035

Mobile Number (408) 876-0186

E-Mail Address j-lin@live.com

City Clerk's Office
APR 01 2019
RECEIVED

Present Employer First American Title

Other Phone (408) 876-0186

Business Address (Optional) 20545 Valley Green Drive

City Cupertino

Postal / Zip code 95035

Occupation Account Executive

Education: If Youth Advisory Commission applicant, indicate your grade/school: College Graduate

College, Professional, Vocational, or other schools attended University of California - Santa Barbara

Major Subject Department of Linguistics, College of Letters and Sciences

Degree Language, Culture & Society

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization Rotary Club of Santa Barbara

Member 2015

Name of Organization Santa Clara County Association of Realtors

Member 2010 - Current

Name of Organization Silicon Valley Association of Realtors

Member 2015 - Current

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

Being a Milpitas native resident, I have a unique passion for my community and the area in which I live in. My parents were first generation immigrants to the United States and were graduates of San Jose State University.

Their first house together was off Jacklin Road in Milpitas. (Thus my name Jack Lin)
My mom was pregnant with me when they moved to their first home off Mertz Court, in Milpitas. Being a regional business man in Sales, I am passionate about winning and setting a clear and a consistent line of sight for my clients everyday. I am performance and results-oriented and by understanding client values - I am able to deliver consistent results and lead change within my company in the areas of customer service, external relations, operations and community outreach.

My strong background in developing and implementing outreach and educational initiatives for the community has proven to be both valuable and priceless.

542

Additionally, I demonstrate optimism and agility in adjusting to emerging opportunities and challenges. I was a former elected board

member for the Rotary Club of Santa Barbara. I led initiatives for community engagement, educational programs, and volunteer coordinating for one of the largest and oldest Rotary Clubs on the West Coast. I have demonstrated the ability to cultivate strong relationships in diverse markets and implement community-tailored tactics to help with our local community. This is achieved by taking the initiative in solving problems, creating contingencies and maximizing effectiveness, by leveraging relationships and community leaders. I have an educational background and passion for Sociocultural Linguistics. This background sets me aside with an empathy towards markets and communities of minorities. I have taken additional steps to advance my set of cultural competency skills to reach our diverse and multicultural communities here in Silicon Valley. I am also involved with AREAA National since 2014, which is the Asian Real Estate Association of America. This non-profit group is dedicated to promoting sustainable homeownership opportunities in Asian American Communities. Being Asian American myself, I have proven to be an advocate for policy position at a local and national level and have contributed my support to reduce the economic barriers to homeownership for the AAPI community. My work since 2014 with AREAA has also helped increase business opportunities for the community I reside in. I am also the current program chair for a yearly Thanksgiving Program serving the Compassion Network in the Alameda County Area since 2006. I coordinate, plans, executes the delivery of over 100 Thanksgiving meals to low-income families in the Tri-Cities communities. Yearly budget of \$10,000. Congregation donations of over 2,500 families.

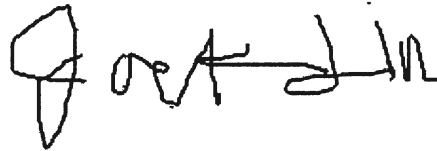
I have active membership and am a contributing member to the following professional Boards.

- Santa Clara County Association of Realtors
- Silicon Valley Association of Realtors
- Asian Real Estate Association of America
- Chinese American Real Estate Association
- Korean Association of Real Estate and Lenders
- Filipino Association of Real Estate Professionals
- Vietnamese National Association of Real Estate Professionals
- National Association of Hispanic Real Estate Professionals
- Rotary Club of Santa Barbara - Former Elected Board Member

Date

Apr 01, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:

Community Advisory Commission

Name

Ms. Kyle Roach

Address Type

Residence

Address

49 Terfidia Ln

City

MILPITAS

Postal/Zip Code

95035

Mobile Number

(408) 580-4288

E-Mail Address

keroach@yahoo.com

City Clerk's Office
NOV 07 2019
RECEIVED

Present Employer

A^3 (Acubed) by Airbus

Occupation

HR Specialist

Major Subject

Business Administration

Degree

AAS

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization

SHRM

Name of Organization

NCHRA

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I bring a logical, common-sense approach to discussions on business issues. I have years of working in corporate america in a variety of roles interacting with different personalities on all levels coming to a common ground to move business forward in a positive manner.

Date

Nov 07, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Kyle Roach

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

Mary Lavelle

From: Mary Lavelle
Sent: Wednesday, April 17, 2019 5:48 PM
To: Minh & Thanh Nguyen
Subject: rec'd your CITY OF MILPITAS COMMISSION APPLICATION

Thank you, Minh. I did receive your applications for consideration for appointment to both Arts and Community Advisory Commissions. Applications have been sent to Mayor Tran and will be valid for one year, on file in my office.

Mary Lavelle
Milpitas City Clerk

From: no-reply@ci.milpitas.ca.gov [mailto:no-reply@ci.milpitas.ca.gov]
Sent: Tuesday, April 16, 2019 12:11 PM
To: Mary Lavelle <mlavelle@ci.milpitas.ca.gov>; Mike Luu <mluu@ci.milpitas.ca.gov>
Subject: CITY OF MILPITAS COMMISSION APPLICATION [#70]

City Clerk's Office
APR 16 2019
RECEIVED

COMMISSION APPLYING FOR:	Community Advisory Commission
Title	Mr.
Name	Minh Nguyen
Address Type	Residence
Address	2042 Skyline Dr.
City	Milpitas
Postal/Zip Code	95035
Mobile Number	(408) 410-2157
E-Mail Address	mtn_51576@yahoo.com

Present Employer	Business and Realtor Agent
Other Phone	(408) 410-2157
Business Address (Optional)	2042 Skyline Dr.
City	Milpitas
Postal / Zip code	95035

Occupation	Business man
Education: If Youth Advisory Commission applicant, indicate your grade/school:	Engineer
College, Professional, Vocational, or other schools attended	San Jose State University
Major Subject	Electronic
Degree	BS

List community organizations to which you belong or have belonged (additional information may be attached).

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Date

Apr 16, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

A handwritten signature in black ink, appearing to be 'W. J. ...', written over a horizontal line.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR: Energy and Environmental Sustainability Commission

Title Mr.

Name Charles P Lingle

Address Type Residence

Address 2089 Skyline Drive

City Milpitas

Postal/Zip Code 95035

Mobile Number (408) 655-7254

E-Mail Address cplingle@comcast.net

City Clerk's Office
AUG 28 2019
RECEIVED

Present Employer Intel Corporation

City Santa Clara

Occupation Director of Graphics Research

Education: If Youth Advisory Commission applicant, indicate your grade/school: Graduate Degree

College, Professional, Vocational, or other schools attended University of Utah

Major Subject Physics

Degree Masters

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization MHS PTSA

Member Vice President, Secretary

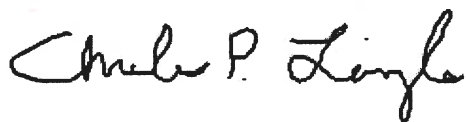
If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

As an amateur environmentalist with a career in commercial business, I want to do more for our community and environment. We are on the precipice of change to reduce pollution in many dimensions - air, water and waste to name a few. I myself have made the leap to adopt solar power, shift my home and travel to electric and reduce waste. Through a lifetime engaged in commercial enterprises, aware of the need for economic and commercial drivers behind this change, my aim is to help enable commerce to improve profitability while shifting away from carbon-based enterprises. As a resident and taxpayer, I realize that this shift cannot be made through regressive taxes or bans. Incentives and community will go a lot further - we just need to try. Therefore, I'd like to get involved and hope to bring some insights to the table.

Date Aug 27, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

COMMISSION APPLYING FOR:

Energy and Environmental Sustainability Commission

Title Mr.
Name Suraj Karuppan Viswanathan
Address Type Residence
Address 1882 Snell pl
City Milpitas
Postal/Zip Code 95035
Mobile Number (408) 898-6537
E-Mail Address surajkviswanathan@gmail.com

City Clerk's Office
JAN 15 2019
RECEIVED

Present Employer SMC Automotive Services
Other Phone (408) 898-6537
Business Address (Optional) 37600 Central Ct #261
City Newark
Postal / Zip code 94560

Occupation Business
College, Professional, Vocational, or other schools attended Madras University, Santhome High School
Major Subject Production Engineering
Degree BS

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization USA Cricket
Member Board Of Directors
Name of Organization Bay Area Cricket Alliance
Member Chairman
Name of Organization Parents Helping Parents
Member Volunteer

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I have been running several successful organizations since 2005, have experience in negotiations, market development, sales/growth management, etc. Always wanted to serve the city of Milpitas in any capacity I could, and this provides me with that opportunity.

Date Jan 15, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy.
I hereby certify that all statements contained in this application are true.

A handwritten signature in black ink, consisting of a series of connected strokes that form a stylized, somewhat abstract shape.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR: Library and Education Commission

Title Ms.

Name Sussn Loh

Address Type Residence

Address 2067 Calle Mesa Alta

City Milpitas

Postal/Zip Code 95035

Mobile Number (408) 832-0239

E-Mail Address Susanloh68@yahoo.com

City Clerk's Office
JAN 29 2019
RECEIVED

Present Employer Self

Business Address (Optional) Home maker

College, Professional, Vocational, or other schools attended Deakin University of Australis

Major Subject Accounts and

Degree Bachelor of commerce

List community organizations to which you belong or have belonged (additional information may be attached).

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I have two school aged children both attending schools within MUSD. I would like to be involved and influence in program that will help them develop skill set outside school. I have seen library in Santa Clara and San Jose offer tuition, arts, writing and college seminar programs throughout school year and during summer. I would like to shape our library program accordingly.

Upload a File Susan Loh Resume 20180915.pdf

Date Jan 29, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

CITY OF MILPITAS COMMISSION APPLICATION

City Clerk's Office

MAR 25 2019

Parks & Recreation **RECEIVED**

PROVIDE COMPLETE INFORMATION (in black ink)

COMMISSION APPLYING FOR ↑

☐ Mr.
☒ Mrs./Ms./Miss

Name: Alma (Becky) R. Strauss
First (middle) Last

Address: 2294 Lacey Dr. Milpitas-CA 95035
Number Street (apt. # if needed) City & Zip Code

Telephone Number(s) 408-718-2667 e-mail address becky@bayres.net

Present Employer Bayview Residential Business Telephone 408-718-2667

Business Address 51 E. Campbell Ave. Campbell-CA Occupation Real Estate Broker

Education: If Youth Advisory Commission applicant, indicate your grade/school: _____

College, Professional, Vocational, or other schools attended	Major Subject	Date	Degree
San Jose State	Marketing	1993	NO
California Association of Realtors	Real Estate	1994	N/A
National Association of Realtors	Mortgage		N/A

List community organizations to which you belong or have belonged (additional information may be attached). If application is for **Veterans Commission**, indicate branch and service in any U.S. military organization (retired or active duty).

Date	Name of Organization or Branch of Military	Officer / Member
	N/A	

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I have been on the Arts Commission for over 16 years, served as chair many years. I am very involved in the community: Passed President of Milpitas Kiwanis, current member of Historical Society. I can offer many ideas and participation. Current treasurer for Milpitas Foundation

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Becky Strauss
Signature

03/23/2019
Date

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. **Applications not acted upon will expire after one year** from the date submitted unless renewed by the applicant.

PLEASE BE AWARE THAT ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

E-mail, send in US mail or drop off your completed application to:

City Clerk, Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035, email: mlavelle@ci.milpitas.ca.gov

551

COMMISSION APPLYING FOR:

Parks, Recreation and Cultural Resources Commission

Title

Mr.

Name

Aaron Aquino

Address Type

Residence

Address

690 Dempsey Rd Apt A

City

Milpitas

Postal/Zip Code

95035

Mobile Number

(408) 688-4932

E-Mail Address

Aaronaquino2442@gmail.com

City Clerk's Office

JAN 29 2019

RECEIVED

Present Employer

Nanosyn/Alliance Bay Realty

Other Phone

(408) 987-2000

City

Santa Clara

Postal / Zip code

95051

Occupation

Purchasing Manager/Licensed Realtor

College, Professional, Vocational, or other schools attended

San Jose State University

Major Subject

Business Administration

Degree

Management

List community organizations to which you belong or have belonged (additional information may be attached).**If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).****Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):**

I have a B.S. in Business Administration - Management. I am also a licensed Realtor. I have been a Milpitas resident for more than 10 years and is active with sport activities, especially volleyball. I am young with lots of ideas on how to improve our community, especially in the recreation side. All I need is a chance.

Date

Jan 28, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:

Parks, Recreation and Cultural Resources Commission

Name

Luisa F Sinipata

Address Type

Residence

Address

1156 Nicklaus Ave

City

Milpitas

Postal/Zip Code

95035

Mobile Number

(650) 773-8058

E-Mail Address

luisasinipata@yahoo.com

City Clerk's Office
SEP 17 2019
RECEIVED

Present Employer

self

Occupation

housewife/mom

Education: If Youth Advisory Commission applicant, indicate your grade/school:

Law

College, Professional, Vocational, or other schools attended

SF Law

Major Subject

Law

Degree

JD

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization

Boys & Girls Club

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I have lived in Milpitas for over 5 years. I have been a stay at home mom for the past three years and have been taking my toddler around the parks of Milpitas during that timeframe. He's starting to go to preschool and I have some spare time on my hands so I would like to do something with my spare time. I feel that this is something that I can be passionate about. I feel that this is an area that Milpitas can improve in and that I can share some personal experience with.

Date

Sep 17, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:**Parks, Recreation and Cultural Resources Commission**

Title Mr.
Name Suraj Karuppan Viswanathan
Address Type Residence
Address 1882 Snell pl
City Milpitas
Postal/Zip Code 95035
Mobile Number (408) 898-6537
E-Mail Address surajkviswanathan@gmail.com

City Clerk's Office

JAN 15 2019

RECEIVED

Present Employer SMC Automotive Services
Other Phone (408) 898-6537
Business Address (Optional) 37600 Central Ct #261
City Newark
Postal / Zip code 94560

Occupation Business
College, Professional, Vocational, or other schools attended Madras University, Santhome High School
Major Subject Production Engineering
Degree BS

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization USA Cricket
Member Board Of Directors
Name of Organization Bay Area Cricket Alliance
Member Chairman
Name of Organization Parents Helping Parents
Member Volunteer

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I have been running several successful organizations since 2005, have experience in negotiations, market development, sales/growth management, etc. Always wanted to serve the city of Milpitas in any capacity I could, and this provides me with that opportunity.

Date Jan 15, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy.
I hereby certify that all statements contained in this application are true.

A handwritten signature in black ink, consisting of a series of fluid, connected strokes that form a stylized, somewhat abstract shape.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:

Public Safety and Emergency Preparedness Commission

Title

Mr.

Name

Joe William Nichols

Address Type

Residence

Address

120 Dixon Landing Road, Space 194

City

Milpitas

Postal/Zip Code

95035

Mobile Number

(408) 206-6905

E-Mail Address

KJ6YTA@gmail.com

City Clerk's Office

DEC 14 2018

RECEIVED

Present Employer

Nichols Manufacturing

Other Phone

(408) 945-0911

Business Address (Optional)

913 Hanson Court

City

Milpitas

Postal / Zip code

95035

Occupation

Admin Assistant

College, Professional, Vocational, or other schools attended

Ohlone College

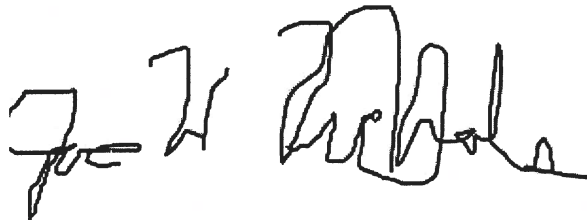
List community organizations to which you belong or have belonged (additional information may be attached).**If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).****Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):**

As a volunteer firefighter i believe i can bring a unique perspective into the Emergency planning and preparedness

Date

Dec 14, 2018

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:

Public Safety and Emergency Preparedness Commission

Title

Mrs.

Name

Stacy Brobst

Address Type

Residence

Address

180 Lonetree Court

City

Milpitas

Postal/Zip Code

95035

Mobile Number

(408) 667-7332

E-Mail Address

sbrobst@ucsd.edu

City Clerk's Office

DEC 03 2019

RECEIVED

Present Employer

Seamless Fire Prevention

Other Phone

(408) 823-5803

Occupation

Bookkeeper

Education: If Youth Advisory Commission applicant, indicate your grade/school:

College

College, Professional, Vocational, or other schools attended

UCSD, CSUN for teaching credential

Major Subject

Psychology

Degree

BA and teaching credential

List community organizations to which you belong or have belonged (additional information may be attached).**Name of Organization**

Girl Scout Troop Leader

Member

2003-2016

Name of Organization

Boy Scout Treasurer

Member

2007-2011

Name of Organization

Milpitas Food Pantry

Member

2017-present

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).**Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):**

I am dependable and eager to learn. My husband has been on the SAFE/CERT team for roughly 20 years and I have learned from him.

Date

Dec 02, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Stacy Brobst

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:

Public Safety and Emergency Preparedness Commission

Title

Ms.

Name

Betty Jo Reutter

Address Type

Residence

Address

3374 Cavendish Dr

City

San Jose

Postal/Zip Code

95132

Mobile Number

(408) 219-4491

E-Mail Address

bettyreutter@yahoo.com

City Clerk's Office

MAY 14 2019

RECEIVED

Present Employer

Retired: Faith and Finance - Accounting Services

Business Address (Optional)

1900 McCarthy Blvd

City

Milpitas

Postal / Zip code

95035

Occupation

Retired: Accountant/Financial Analyst/Business Owner

Education: If Youth Advisory Commission applicant, indicate your grade/school:

Branham HS

College, Professional, Vocational, or other schools attended

SJSU, De Anza, West Valley, Saratoga, & Foothill,

Major Subject

Finance/Accounting/Economics

Degree

BS Finance/Economics

List community organizations to which you belong or have belonged (additional information may be attached).**Name of Organization**

American Red Cross

Member

Instructor: Standard First Aid, AED, CPR (Adult/Child/Infant)

Name of Organization

Christ Community Chuvvrch

Member

Ministry Leader: Crisis Intervention & Disaster Response

Name of Organization

Milpitas Office of Emergency Services

Member

CERT & ARES/RACES

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).**Branch of Military**

N/A

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I am requesting a renewal of my volunteer service commitment on the PS&EPC Commission. I have served on the Commission since 2014 and have closely followed, attended meetings as a member of the public, and participated in outreach events since 2011. It was through my role at Christ Community Church that I became so passionate about helping our community to prepare and develop the necessary skills to survive in emergency and disaster situations. I am, and will conthonored, if I am given the privilege to serve another term.

Date

May 14, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in

this application are true.

A handwritten signature in black ink, appearing to read "Billy Roth". The signature is stylized with a large, looped "B" and a long, horizontal stroke at the end.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:

Public Safety and Emergency Preparedness Commission

Title

Mrs.

Name

VICKI S. YOUNG

Address

173 MEADOWLAND DR

City

MILPITAS

Postal/Zip Code

95035

Mobile Number

(408) 504-7177

E-Mail Address

vicki_young@pacbell.net

City Clerk's Office

JUN 11 2019

RECEIVED

College, Professional, Vocational, or other schools attended

Temple University

Major Subject

Computer & Information Science

Degree

BBA

List community organizations to which you belong or have belonged (additional information may be attached).**Name of Organization**

Chinese Information and Networking Association

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).**Date**

Jun 10, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

City Clerk's Office
NOV 18 2019
RECEIVED

November 15, 2019

Mayor Rich Tran and City Council Members
Mary Lavelle, City Clerk
City of Milpitas

Subject: Extension for Term as Commissioner for
Public Safety Emergency Preparedness Commission (PSEPC)

Dear Mayor Tran, City Council members, and Ms. Lavelle,

It will be my honor to continue serving the City of Milpitas, volunteering in ways toward giving back to our community and families through the Public Safety and Emergency Preparedness Commission.

It has been my pleasure to be part of Team of Toni-Lynn Charlop, the Office of Emergency Services Coordinator, together with Milpitas Police Department, Milpitas Fire Department and other PS&EPC team members.

I would like to continue to participate activities in helping Milpitas residents learning about emergency preparedness and public safety.

Therefore, I sincerely hope to move up from alternate position to commissioner.

Thank you for your kind consideration.

Sincerely,

Vicki Young
vicki_young@pacbell.net



#103

COMMISSION APPLYING FOR: Science, Technology and Innovation Commission

Title Mr.

Name Nasir Lalani

Address Type Residence

Address 2235 Mesa Verde Dr.

City Milpitas

Postal/Zip Code 95035

Mobile Number (408) 802-9446

E-Mail Address nasir.lalani@gmail.com

City Clerk's Office
DEC 11 2019
RECEIVED

Present Employer Self employed

Occupation IT Management

College, Professional, Vocational, or other schools attended UC Berkeley, California

Major Subject Network, IT Managment

Degree Profession in IT Management

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization Terrace Garden senior residence

Member Director/Finanace

Name of Organization Mayfield Home Owner Association

Member Director

Name of Organization AARP Tax Aid

Member Member

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I have a degree in Engineering specialized in Telecommunication and IT management. In addition I also have degree in Program Managment from George Washington University.

I have served as an Emergency Preparedness Commissioner for Milpitas from 2014 till June 2019. I have lived in Milpitas for more than 25 years and enjoyed living in this community and serving them.

Please see attached file for my complete bio-data

Upload a File Milpitas Commisioner_31.docx

Date Dec 11, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Nasir

Science, Technology & Innovation Commission

OBJECTIVE

Seeking to serve as a commissioner of **Science, Technology & Innovation Commission** for city of Milpitas.

I have served as a commissioner of **Emergency Preparedness Commission** since 2014 till June 2019.

I have lived in Milpitas for more than 25 years, raised my two children in the city and they have graduated from Milpitas High and they have advanced their education and career further in the Silicon Valle. I am proud of Milpitas community, where I have lived and thrived.

I find this community is the diverse and multicultural community. Diversity is the strength of the city, it is the best place to work, live, and raise the family. I would like to give back to my community my expertise, skills, time, and energy and the knowledge.

Summary of skills:

- I have a degree in Engineering from University of India. Major in Telecommunication and Electronics.
- A seasoned pro-active professional with 18+ years of diverse management and technical experience in test and manufacturing from **Cisco Systems**.
- Civic engagement and working closely with the people of Milpitas city
- Working as a team builder and reaching out to those who needed the most support in the county and the in city
- Expertise in team development and leadership, communicate goals objectives through excellent verbal and professional presentation.

SUMMARY OF ACCOMPLISHMENTS

- Currently serving on the board of Directors, as a Treasurer for Terrace Garden, a senior low income community in Milpitas
- Serving as a Director for Mayfield Home Owner Association.
- Currently serving as a volunteer for Health Insurance and Advocacy Program (HICAP), for the Santa Clara county residents. This program is funded by the government, to assist the Medicare beneficiaries living in Santa Clara county
- As a certified Child Advocate for Santa Clara County, I have worked with neglected and abused children.
- A volunteer for Aga Khan Foundation USA served the community in managing Outreach programs for the AKF Walk/Run events for last more than 8 years.
- Tax-Aid volunteer for AARP, serving low income Milpitas and San Jose residents for last three years
- Serving as a volunteer for Fremont Senior Center and India Culture Community (ICC-Milpitas)
- Managed team of 15 engineers, instilled new energy and infrastructure culture
- Eighteen plus years of experience at **Cisco Systems** as a Program Manager and Design Test Manager with emphasis on global deployment of projects and processes. Leading 50+ projects from concept commit to successful launch.

EDUCATION:

- **Electrical Engineering degree** - University of Pune (India)
- **Network Management degree** - University of Berkeley, CA
- **Associated Program Management** – George Washington University
- **Several career courses:** Team Building and skill development; Managing Risks and Assessment, Project finance and budgeting

COMMISSION APPLYING FOR: Science, Technology and Innovation Commission

Title Mr.

Name Urvishkumar Mehta

Address Type Residence

Address 450 Abel St POBOX 362116

City Milpitas

Postal/Zip Code 95035

Mobile Number (650) 691-5355

E-Mail Address urvish_mehta@hotmail.com

City Clerk's Office
AUG 26 2019
RECEIVED

Present Employer MobileIron

Occupation Software Engineer

Education: If Youth Advisory Commission applicant, indicate your grade/school: California State University, Los Angeles

Major Subject Computer Science

Degree Masters

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization Second Harvest Food Bank

Member 2012

Name of Organization Sonoma County Hot Air Balloon

Member 2012

Name of Organization San Francisco Marine Food Bank

Member 2012

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I believe that my experience serving as Board Member with diversified background within industry of Technology, Non-profit Organization like Food Bank and Recreational Events, Public Sector would bring and enhance economic and technology development required within city as well as help City with Agendas required to benefit Public Sector and Resident of City of Milpitas.

Upload a File UM EG.pdf

Date Aug 23, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

COMMISSION APPLYING FOR: Science, Technology and Innovation Commission

Title Mr.

Name Binh Xuan Nguyen

Address Type Residence

Address 863 Valencia Drive

City Milpitas

Postal/Zip Code 95035

Mobile Number (408) 834-6456

E-Mail Address BXNFACE@GMAIL.COM

City Clerk's Office

NOV 04 2019

RECEIVED

Present Employer Retired from Space System Loral

Occupation Retired Electrical Engineer

Education: If Youth Advisory Commission applicant, indicate your grade/school: Master of Science in Electrical Engineering

College, Professional, Vocational, or other schools attended Virginia Tech, Virginia, USA

Major Subject Electromagnetics & Communications

Degree Master of Science

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization IEEE

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

With my education in electromagnetics and communications I could be a good contributor to the Science Technology and Innovation Commission in studying or advising the City Council on the matters relating to technology policy, legislation, and implementation at the local, state, and federal levels.

Date Oct 25, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Binh Xuan Nguyen

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR: Science, Technology and Innovation Commission

Title Mr.

Name Tarun Bajaj

Address Type Residence

Address 1674 Crater Lake Avenue

City Milpitas

Postal/Zip Code 95035

Mobile Number (408) 206-0318

E-Mail Address tbajaj@hotmail.com

City Clerk's Office
JAN 30 2019
RECEIVED

Present Employer Kaiser Permanente

Occupation Design Review Consultant / Technical Architect

Education: If Youth Advisory Commission applicant, indicate your grade/school: Masters in Computer sciences and applications, Masters in Business Administration

College, Professional, Vocational, or other schools attended K.U.K. and Univ of Phoenix

Major Subject Computer Science

Degree Masters

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization KP Cares

Member Active Volunteer

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

Over 20 years of extensive experience as Technical Project Management, Applications Architect, Strong Business Analysis skills, Technical Planning, Design, Platform Integration, Electronic Medical Record System, Business Continuous Availability surrounding Medical Informatics Industry. Hands on Architecture and implementation experience in software development life cycle including requirements definition, systems analysis, system design, program construction, testing, and quality assurance. Around 4 year of experience in ASP.NET. More than 3 years of experience as Billing Analyst in Billing System Customization, Implementation, Extension and Upgrade. Over 9 months of experience in PeopleSoft CRM module, using PeopleSoft Tools. Key contributions and focus is in building Distributed Client-Server technologies based Enterprise Application Integration (EAI) solutions for Unified Customer Management requirements of Banking and Telecom Verticals. Highly skilled in database development, Proficient in Java, Visibroker for Java (CORBA), Power Builder 6.0 and it's Foundation Classes, Visual Basic, Sybase System 11, MS SQL Server 2K, Oracle 8i. MCSD.NET certified in Web Applications. Well versed in development of web-enabled applications, multi-tier architecture and remote and distributed objects. Good communication and interpersonal skills.

Specialties: Open Platforms, Medical Informatics

Date Jan 30, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

1/2/21

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:

Science, Technology and Innovation Commission

Title

Mr.

Name

Deepak Narasimhan

Address Type

Residence

Address

1551 Mt Shasta Ave

City

Milpitas

Postal/Zip Code

95035

Mobile Number

(818) 319-2080

E-Mail Address

dnarasim@gmail.com

City Clerk's Office

FEB 04 2019

RECEIVED

Present Employer

Silicon Valley Bank

Business Address (Optional)

3003 Tasman drive

City

Santa Clara

Postal / Zip code

95054

Occupation

Software Engineer

Education: If Youth Advisory Commission applicant, indicate your grade/school:

Masters

College, Professional, Vocational, or other schools attended

Santa Clara University

Major Subject

Business

Degree

MBA

List community organizations to which you belong or have belonged (additional information may be attached).**If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).****Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):**

As a technology professional working in the Bay area for around 10 years I feel that I am qualified to be part of the council. I hope to leverage my years of experience along with my desire to be a productive resident by contributing to solving technology issues.

Date

Feb 01, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:

Science, Technology and Innovation Commission

Title

Mrs.

Name

RJ Sudha

Address Type

Residence

Address

847 Canada Dr

City

Milpitas

Postal/Zip Code

95035

Mobile Number

(408) 263-7327

E-Mail Address

srajagop77@yahoo.com

City Clerk's Office

JAN 29 2019

RECEIVED

Present Employer

Self-employed - Radio Host

Other Phone

(408) 263-7327

Business Address (Optional)

162 S Hillview Dr

City

Milpitas

Postal / Zip code

95035

Occupation

Radio Show Host

Education: If Youth Advisory Commission applicant, indicate your grade/school:

Grad School,

Major Subject

Computer Science

Degree

MS

List community organizations to which you belong or have belonged (additional information may be attached).**Name of Organization**

Green Kids Now

Member

Board Member

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).**Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):**

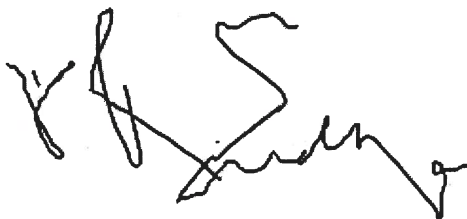
I have a Masters in Computer Science with over 20 years of Industry experience in the Telecommunications field. I am now a Radio Show Host in an Indian Radio Station.
Please check out my LinkedIn Profile:

<https://www.linkedin.com/in/sudha-rajagopalan-467196/>

Date

Jan 29, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

COMMISSION APPLYING FOR:

Science, Technology and Innovation Commission

Title Mr.
Name Suraj Karuppan Viswanathan
Address Type Residence
Address 1882 Snell pl
City Milpitas
Postal/Zip Code 95035
Mobile Number (408) 898-6537
E-Mail Address surajkviswanathan@gmail.com

Present Employer SMC Automotive Services
Other Phone (408) 898-6537
Business Address (Optional) 37600 Central Ct #261
City Newark
Postal / Zip code 94560

Occupation Business
College, Professional, Vocational, or other schools attended Madras University, Santhome High School
Major Subject Production Engineering
Degree BS

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization USA Cricket
Member Board Of Directors
Name of Organization Bay Area Cricket Alliance
Member Chairman
Name of Organization Parents Helping Parents
Member Volunteer

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I have been running several successful organizations since 2005, have experience in negotiations, market development, sales/growth management, etc. Always wanted to serve the city of Milpitas in any capacity I could, and this provides me with that opportunity.

Date Jan 15, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy.
I hereby certify that all statements contained in this application are true.

City Clerk's Office
JAN 15 2019
RECEIVED

A handwritten mark, possibly a signature or initials, consisting of a series of connected lines forming a stylized 'N' or 'Z' shape.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

CITY OF MILPITAS COMMISSION APPLICATION

City Clerk's Office

NOV 18 2019

RECEIVED

VETERANS

COMMISSION APPLYING FOR ↑

PROVIDE COMPLETE INFORMATION (in black ink)

☒ Mr.

☐ Ms. / Miss / Mrs.

Name: DARL First IVAN (middle) TRAVIS Last

Address: 1454 Number SATURN CT Street (apt. # if needed) MILPITAS 95035 City & Zip Code

Telephone Number(s) 408 - 394 3599 e-mail address TRAVIS DM54 @ YAHOO.COM

Present Employer RETIRED Business Telephone _____

Business Address _____ Occupation _____

Education: If Youth Advisory Commission applicant, indicate your grade/school: _____

College, Professional, Vocational, or other schools attended	Major Subject	Date	Degree
<u>TIMKEN VOCATIONAL HIGH SCHOOL</u> <u>(CANTON OHIO)</u>	<u>INDUSTRIAL</u> <u>COURSES</u>	<u>1949-51</u>	<u>GEO</u>

List community organizations to which you belong or have belonged (additional information may be attached). If application is for **Veterans Commission**, indicate branch and service in any U.S. military organization (retired or active duty).

Date	Name of Organization or Branch of Military	Officer / Member
<u>53/55</u>	<u>US ARMY</u>	

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

CIVIL PRIOR / DUTY (SEE ATTACHED)
STRONG WORK ETHIC
COMPUTER LITERATE
COMMUNITY INVOLVEMENT / SUPPORT

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Donald D. Jones
Signature

11/18/2019
Date

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. **Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant.**

PLEASE BE AWARE THAT ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

E-mail, send in US mail or drop off your completed application to:

City Clerk, Milpitas City Hall 3rd floor, 455 E. Calaveras Blvd., Milpitas, CA 95035, email: mlavelle@ci.milpitas.ca.gov

572

**CITY OF MILPITAS
COMMISSION APPLICATION**

City Clerk's Office

OCT 16 2019

veterans

RECEIVED

PROVIDE COMPLETE INFORMATION (in black ink)

~~SCIENCE, TECHNOLOGY AND INNOVATION COMMISSION~~

COMMISSION APPLYING FOR ↑

☒ Mr.

☐ Ms. / Miss / Mrs.

Name: URVISHKUMAR First (middle) MEHTA Last

Address: POBOX 362116 Number Street (apt. # if needed) MILPITAS CA 95036 City & Zip Code

Telephone Number(s) +1-650-691-5355 e-mail address URVISHKUMAR.MEHTA@GMAIL.COM

Present Employer MOBILEIRON Business Telephone 650-919-8100

Business Address 490 E MIDDLEFIELD RD MOUNTAIN VIEW CA 94043 Occupation SOFTWARE ENGINEER

Education: If Youth Advisory Commission applicant, indicate your grade & school: _____

College, Professional, Vocational, or other schools attended	Major Subject	Date	Degree
CALIFORNIA STATE UNIVERSITY LOS ANGELES	COMPUTER SCIENCE	DEC 2010	MASTERS

List community organizations to which you belong or have belonged (additional information may be attached). If application is for **Veterans Commission**, indicate branch and service in any U.S. military organization (retired or active duty).

Date	Name of Organization or Branch of Military	Officer / Member
2012	SONOMA COUNTY HOT AIR BALLOON FESTIVAL	BOARD MEMBER
2012	SECOND HARVEST FOOD BANK SILICON VALLEY	BOARD MEMBER
2017	UNITED STATES NAVY	OFFICER - ACTIVE

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

Technology Field Certifications - Oracle 9i Database Professional Certified

Communication Languages Proficiency (Read, Write, Speak) - ENGLISH, FRENCH, HINDI

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

URVISHKUMAR MEHTA

Signature

OCT 2, 2019

Date

Appointments to Commissions are made by the Mayor with the concurrence of the City Council. **Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant.**

PLEASE BE AWARE THAT ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

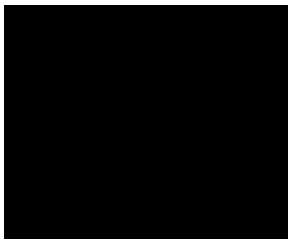
E-mail, send in US mail or drop off your completed application to:

City Clerk, Milpitas City Hall 3rd floor, 455 E. Calaveras Blvd., Milpitas, CA 95035, email: mlavelle@ci.milpitas.ca.gov

AUG 16 2019

RECEIVED

COMMISSION APPLYING FOR:

Title Youth Advisory Commission
Name Mr.
Address Type Tejas Balebail
Address Residence
City 
Postal/Zip Code
Mobile Number
E-Mail Address

Present Employer MHS student

Occupation MHS Junior

Education: If Youth Advisory Commission applicant, indicate your grade/school: MHS junior

College, Professional, Vocational, or other schools attended San Jose City College

Major Subject Computer Science

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization Indian Community Center

Member Member, Youth counselor

Name of Organization Table Tennis Club, MHS

Member Founder

Name of Organization KKNC - Indian Club

Member Volunteer

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I am extremely motivated to join Milpitas youth commission and make a difference with my emphasis on youth fitness and social web promotion of the city. I am the founder of Table tennis club at MHS, medal winner with Science olympiad at state level, active member of the indian community center especially with their table tennis club.

I would like to extend my leadership skills to promote youth activities in Milpitas and elevate Milpitas city profile in social web.

Upload a File [Youth Advisory Commission Supplemental Questionnaire - Tejas-Balebail-Google Docs.pdf](#)

Date Aug 16, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Tejas

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

Youth Advisory Commission Supplemental Questionnaire Response

1. What type of difference do you want to make for the youth in our community? (Please list two of your ideas.)

For the youth in our community, I would like to advocate opening more activities in order to allow teenagers to express themselves more freely and discover new passions by experience. One of my ideas builds on what was discussed in the Youth Commission's August meeting, specifically the transformation of the Milpitas Senior Center. I propose the idea of allocating some space for table tennis, including the supplies needed for the sport.

We currently live in the age of technology, and more and more youth are spending a lot of time on electronic devices. While technology can be help in education and expanding horizons, overuse can lead to addiction. The chronic use of technological devices have a negative impact on the development of social skills, and can also affect a child's mental health. Opening the Teen Center in a way that allows teens to socialize and offers enjoyment without excessive electronics is a natural remedy for the harmful effects they have imposed. One solution is to introduce indoor sports in the Teen Center that require concentration and the use of the brain. An ideal indoor game is table tennis, because an intense game can stimulate mental alertness, concentration, and development of mental acuity.

I also noted that the agenda of the August 9, 2018 Youth Commission Meeting stated, "This includes but is not limited to...working with MHS Clubs...and much more." I am one of the founders of a table tennis club at Milpitas High School. The addition of table tennis at the Teen Center can lead to a direct relationship with the upcoming MHS Table Club. Doing so would stay in course with one of the original intentions of the Teen Center stated in the August 9 Commission agenda.

In conclusion, the addition of table tennis would do nothing but pose benefits by giving enjoyment, remedy, and socialization to the youth of our community, all while staying near an original purpose of the Teen Center's creation and transformation.

When I was young, Peter Gill Park, the name of a park near my house, was always filled with energetic youths happily playing. As the years rolled by, the number of people and youth in the park, let alone outside, dwindled. From this incident, I gained the inspiration for my second idea, the Milpitas Youth Fitness Challenge.

To motivate youth to properly go out, I propose a challenge for all the youth of Milpitas. The youth can be split into two divisions, ages six to ten and eleven to fifteen. At the start of every month, the teen or child will run with a fitbit, and at the end of every month, the Youth Advisory Commission can check those fitbits and award the children with the most amount of quantitative exercise with a certificate or prize.

Conclusively, inserting the aspect of competition can further motivate young children to be more active. Rewarding these children will only further kindle their motivation in a young age and cause them to be more successful in the future.

Youth Advisory Commission Supplemental Questionnaire Response

2. How did you hear about the Youth Advisory Commission?

The first time I heard about the Youth Advisory Commission was from a friend. Prior to this, I had always volunteered around Milpitas but never heard much about the commission. I was talking to my friend about recent news, and the topic of the Youth Advisory Commission came up. I had never heard about it previously and was curious. They explained everything that the commission did and how they constituted meetings. After some more research, I too found interest in joining this commission. I liked the idea that children had the ability to voice their concerns and shape the future of our city of Milpitas at a young age. I researched about the August 9 meeting and it peaked my interest. I now am learning more about the commission and sincerely hope to obtain a spot and voice my suggestions.

3. What have you heard or know about the Youth Advisory Commission?

When I learned of the Youth Advisory Commission, I only knew of its basic foundations, but after my own research, I discovered a lot more. From the best of my knowledge, the Youth Advisory Commission is an establishment consisting of children from grades seven through twelve. The primary purpose is to advise the Council on any matters related to the city, specifically related to the youth of Milpitas, and members also serve a one year contract. During the meetings, which are held on the second Thursday of the month, any suggestions are brought up and the public can speak on matters as well in accordance with what is known as the Brown Act in California. If there are not enough members Because of the professional system that allows members and the public to voice concerns, I became interested in the Youth Advisory Commission and hope to join when the terms end in September.

4. Have you ever attended a Youth Advisory Commission meeting? If so, explain your experience.

As I had just learned about the Youth Advisory Commission, I have not got the chance to attend a meeting yet. However, I will be attending the meeting today on August 9, 2018, the same day as I am writing this response. I may not have attended a meeting yet, but I have researched the rules and regulations of the Youth Advisory Commission and how their meetings work. I have also formulated my idea in question one according to what will be discussed in the meeting today - the reformation of the Senior Citizen Center into the Teen Center.

COMMISSION APPLYING FOR:

Youth Advisory Commission

Title

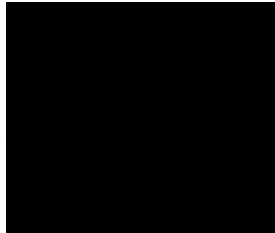
Ms.

Name

Andrea Xinyu Liu

Address Type

Residence

Address**City****Postal/Zip Code****Mobile Number****E-Mail Address**

City Clerk's Office
SEP 30 2019
RECEIVED

Occupation

Student

Education: If Youth Advisory Commission applicant, indicate your grade/school:

Grade 10, The King's Academy (Sunnyvale)

List community organizations to which you belong or have belonged (additional information may be attached).**Name of Organization**

National Junior Honor Society

Member

2016-2018

Name of Organization

Team USA Junior Dragon Boat

Member

2018-2019

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).**Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):**

I am a high achiever, and I get things done.

My grades reflect this; I have had a 4.0+ GPA consistently throughout high school.

As for leadership, I dragon boat as part of the team Oyster Point Dragons and help them plan community events; I am also the leader of an arts/crafts club in school that raises funds to donate to charity.

I am also a role model. I attended the Synopsys and California State science fairs in 2017, dragon boated as part of Team USA's junior (under 18) team in Thailand this summer, and went to Tecate, Mexico early this year for a week to build houses for those in need.

Finally, I bring diversity. I grew up in Curtner Elementary School, attended middle school in Stratford School (a private school), and am attending a private school in Sunnyvale for high school. I can evaluate best of both systems in order to benefit the youth of Milpitas.

Upload a File[Research Proposal #1.pdf](#)[Youth Advisory Supplemental Questionnaire.pdf](#)**Date**

Sep 29, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy.

I hereby certify that all statements contained in this application are true.

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RESEARCH #1:

Context: One of the goals of the switch of Milpitas' garbage cans was to make the community greener. This change was imposed upon the community and was not popular among some residents when it was first introduced.

Goals:

1. See if, over two years, 1) people have been using the system, 2) people have been sorting waste outside of home, 3) people have grown more conscious of going green, and 4) people have become more satisfied with the system.
2. Give students the opportunity to participate in research by asking citizens, interpreting the results, and presenting analysis to the City Council.

Impact: We will be able to see if imposing change is a good way to both reduce Milpitas' carbon footprint and make people more conscious about the effects of going green.

Procedure: Door-to-door surveys in a stratified (relatively representative) sample of Milpitas households. Online polls via Nextdoor/other social media can also be considered.

This survey will consist of three questions:

- *Are you participating in the sorting system?*
- *Have you been sorting waste outside of home?*
- *Have you made a bigger effort to go green?*
- *Are you happy with the change?*
 - *If not: What suggestions do you have? (optional)*

Youth Advisory Commission Supplemental Questionnaire



The City of Milpitas Youth Advisory Commission was founded in April 1996 to advise the City Council on matters pertaining to the youth and teens in Milpitas. All commissioners must be in grades 7 through 12 and live in Milpitas. There are a total of nine (9) members and four (4) alternate members that serve one-year terms (October-September). The Youth Advisory Commission meets the 2nd Thursday of every month at 7:00pm at the Milpitas Sports Center. Please submit the Supplemental Questionnaire with the Commission Application.

1. What type of difference do you want to make for the youth in our community? (Please list two of your ideas. Please use the reverse side if you need more room.)

- Provide youth with more opportunities to contribute to community events.
 - 1. More education and efficient promotion of events (social media outlets, contact with school administration and PTA's).
 - 2. More involvement in the planning process (helping by being an organizer and management of social media outlets, etc.)
- Provide youth with more educational and cultural opportunities.
 - 1. Helping out my design class to make a new sign for school.

2. How did you hear about the Youth Advisory Commission?

My dad, George Liu, is a commissioner member and told me about this commission.

3. What have you heard or know about the Youth Advisory Commission?

I believe that the Youth Advisory has potential to contribute more not only to the youth, but also to the City Council. I have not heard anything about the Youth Advisory, which is why I believe there is room for us to grow.

4. Have you ever attended a Youth Advisory Commission meeting? If so, explain your experience.

No, I have not.

COMMISSION APPLYING FOR:

Youth Advisory Commission

Title

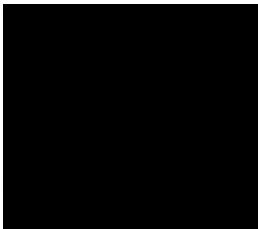
Mr.

Name

Nolan Quezon Calara

Address Type

Residence

Address**City****Postal/Zip Code****Mobile Number****E-Mail Address**

City Clerk's Office
OCT 22 2019
RECEIVED

Business Address (Optional)

421 Moretti Lane

Occupation

Full time Student

Education: If Youth Advisory Commission applicant, indicate your grade/school:

High School Junior

List community organizations to which you belong or have belonged (additional information may be attached).**Name of Organization**

Youth for Christ

Member

Since 2018

Name of Organization

2003

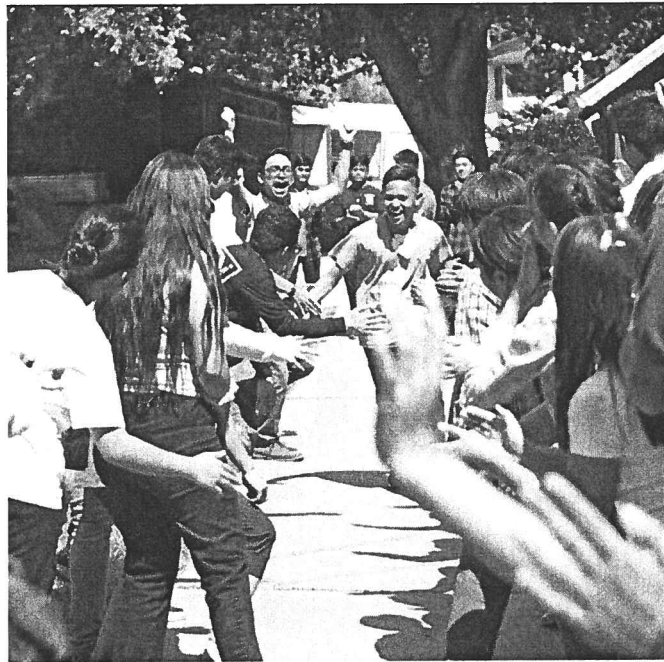
If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).**Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):**

I want to be involved in the Milpitas Youth Advisory Commission because there are so many problems going on in the city that I live in today and I believe that I could make that change. Some qualifications are that I did two years of Reserve Officer Training Core for two years and received many rewards such as honor roll, Commanding officer and Executive Officer for one year, Administrative Assistant for one year, and was became cadet of the month. I am very involved in my church as I was an alter server for Saint John the Baptist Church for 6 years, became a leader for teaching confirmation now for a second year, and involved in a non-profit organization called "Youth for Christ". Another notable thing is that I am in the academy of Travel and Tourism and received many awards such as being a selected recipient for best in World History and was voted best presenter from two out of three judges as my creativity was outstanding representing "The Philippines" as my country. Another notable thing is that I could use my social media as a platform for my work if I am chosen and probably get more youth in Milpitas High School to be involved in the City of Milpitas. I want to use my voice as a youth commissioner to represent my age, school, ethnicity, and a lot more and to connect the city together as one community.

Upload a File



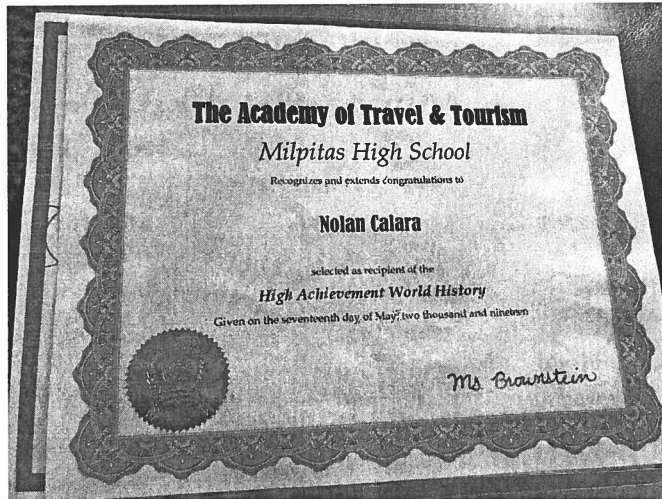
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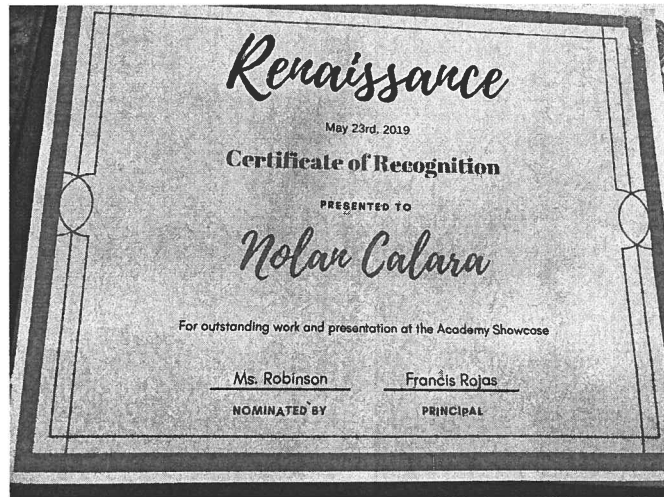
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IMG_4867.jpg



IMG_4864.JPG



IMG_4865.JPG

Date

Oct 21, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Nolan Calara

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:

Title

Youth Advisory Commission

Name

Mr.

Address Type

Brian Nguyen Dinh

Address

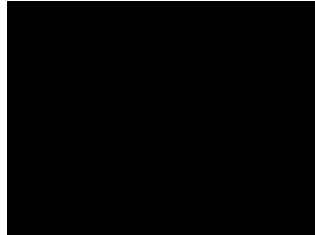
Residence

City

Postal/Zip Code

Mobile Number

E-Mail Address



City Clerk's Office

AUG 13 2019

RECEIVED

Education: If Youth Advisory Commission applicant, indicate your grade/school:

Milpitas High School. 10th grade.

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization

Young American Policy Advocates

Member

Current member.

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

My name is Brian Dinh, and I am an incoming sophomore at Milpitas High School. Over the past summer, I found a passion for serving my community when I participated in the Young American Policy Advocates program. Through this program, I learned that my local community faces many pressing social issues, like a lack of financial literacy and youth mental health. As a driven team player and member of the Milpitas Youth Advisory Commission, I hope to collaborate with my peers to represent the student voice and better the community by developing effective action plans that would improve the quality of life for youth.

Upload a File

Youth Advisory Commission Supplemental Questionnaire Brian Dinh 2019.pdf

Date

Aug 12, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

A handwritten signature in black ink that reads "Brian Dinh".

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NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

Youth Advisory Commission Supplemental Questionnaire

What type of difference do you want to make for the youth in our community? (two ideas)

In Milpitas, I have noticed that there are little to no internship opportunities for curious youth. Working with the Youth Advisory Commission, I wish to further enhance and expand the summer Milpitas Youth Force to create more accessible internship opportunities for students at local businesses. This would give students real job experience, which prepares them for the transition into adulthood and teaches them employment skills, such as problem-solving and strong work ethic.

I also wish to help empower the youth to learn about financial literacy and budgeting. Early engagement with financial education will offer youth the opportunity to develop core life skills, like critical thinking, by teaching them how to set and achieve goals. I suggest reaching out to local Milpitas financial institutions, like Commonwealth Central Credit Union, with community involvement initiatives to search for teaching volunteers.

How did you hear about the Youth Advisory Commission?

While seeking for opportunities to create positive change within my community, I discovered the Milpitas Youth Advisory Commission and immediately knew I wanted to get involved. I look forward to collaborating with other compassionate Milpitas leaders.

What have you heard or know about the Youth Advisory Commission?

I know that the Youth Advisory Commission is comprised of Milpitas students who work with the City Council to serve and improve the well-being of the youth of Milpitas. Also, the Commission helps to organize events, like hackathons, for students and volunteers around the community.

Have you ever attended a Youth Advisory Commission meeting?

No, I have not attended a Youth Advisory Commission meeting.

COMMISSION APPLYING FOR:

Youth Advisory Commission

Title

Ms.

Name

Vanessa GB Lam

Address Type

Residence

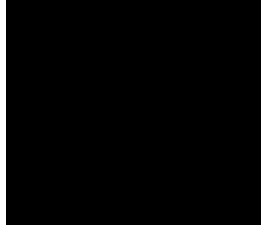
Address

City

Postal/Zip Code

Mobile Number

E-Mail Address



City Clerk's Office
MAY 29 2019
RECEIVED

Present Employer

none

Education: If Youth Advisory Commission applicant, indicate your grade/school:

Thomas Russell Middle School, 7th Grade, going to 8th

List community organizations to which you belong or have belonged (additional information may be attached).

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I can bring new ideas to the commission, I am interested in learning about how our city government operates, and I also wish to be able to contribute towards our community through my actions.

Date

May 28, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

A handwritten signature in black ink, appearing to read "Vanessa GB Lam".

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:

Youth Advisory Commission

Title

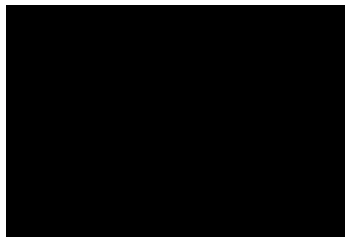
Mr.

Name

Justin Nhat Nguyen

Address Type

Residence

Address**City****Postal/Zip Code****Mobile Number****E-Mail Address**

City Clerk's Office

OCT 01 2019

RECEIVED

Present Employer

N/A

Other Phone

(408) 934-0339

Business Address (Optional)

N/A

City

N/A

Postal / Zip code

N/A

Occupation

N/A

Education: If Youth Advisory Commission applicant, indicate your grade/school:

11th/Milpitas High School

College, Professional, Vocational, or other schools attended

N/A

Major Subject

N/A

Degree

N/A

List community organizations to which you belong or have belonged (additional information may be attached).**Name of Organization**

VITAS Healthcare

Member

Case Manager

Name of Organization

MATHEasy Tutoring

Member

Tutor

Name of Organization

Milpitas Cross Country

Member

Varsity Captain

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).**Branch of Military**

N/A

Officer

N/A

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

The Youth Advisory Commission looks "to advise the Council on matters pertaining to youths and teens in Milpitas." I have had experience with six Milpitas High School athletic teams: JV Football, Varsity Wrestling, Varsity Track and Field, Varsity Cross Country, and Varsity Summer League Basketball. In between seasons, I find time to tutor my peers under programs like P15 Tutoring or MATHEasy Tutoring. From these organizations, I have learned to be sociable, focused, a leader, and organized. I can and am ready to make my contribution to the Youth Advisory Commission.

Date

Sep 30, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

A handwritten signature in black ink, appearing to read "Justin". The signature is written in a cursive, flowing style with a horizontal line above the first part of the name.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:

Youth Advisory Commission

Title

Mr.

City Clerk's Office

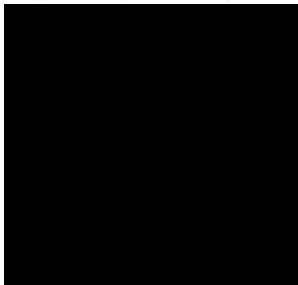
Name

Sean Xuan Nguyen

FEB 26 2019

Address Type

Residence

RECEIVED**Address****City****Postal/Zip Code****Mobile Number****E-Mail Address**

Education: If Youth Advisory Commission applicant, indicate your grade/school: Junior/Milpitas High School

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization

Milpitas Interact

Name of Organization

San Jose Peace and Justice Center

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I am a diligent student equipped with time management, collaborative working, and critical thinking. A creative mindset is an addition to energetic and overall enthusiasm. Various experiences within my extracurriculars encourage punctuality, flexibility, and comfortable social interactions. (Almost verbatim from resumé; see attached for more details)

Upload a File

Resumé.pdf

Date

Feb 25, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

A handwritten signature in black ink, appearing to read 'Sean Xuan Nguyen'.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

SEAN NGUYEN



Student at Milpitas High School seeking employment with a dynamic work environment! Diligent student equipped with time management, collaborative working, and critical thinking. Creative mindset is an addition to energetic and overall enthusiasm. Various experiences encourage punctuality, flexibility, and comfortable social interactions.

Education

Milpitas High School, Milpitas, CA – High school diploma expected June 2020

Skills/Interests (superfluous, but handy)

Painting
Playing instruments (piano, guitar, oboe)
Learning languages (currently Portuguese and Italian)
Photography/Videography
Cooking

Work Experience

Board Member, Milpitas Interact Club (2016-2017)

As a board member, I contacted popular organizations and/or fundraiser corporations. By doing so, I organized fundraisers and community service events. "Thinking outside the box" work was encouraged to accrue money directed towards Interact's service project that assisted children in arranged child marriages.

Tutor, Next Gen. Tutoring (2017-2018)

Children within the elementary and middle school quadrant that needed tutoring in various subjects such as Math, Science, English, etc. would be dropped off at the Milpitas Library at the assistance of a high schooler to watch and help kids progress through their daily homework.

Publicist, Milpitas Interact Club (2017-2018)

Volunteer events and fundraisers require a flyer or a graphically designed infographic would be made by the publicist. This position also handled various creative endeavors, usually involving video, photo, and other forms of media. Experienced in Photoshop CC.

Under-Secretary General of Publications, Milpitas Model UN – 2018-2019

Relatively new club to campus allowed for an empty canvas for graphic design/media and lot of creative breathing room. Designed the front website along with other media such as cover photos, overlays, photoshoots, and an introductory video.

Intern, San Jose Peace and Justice Center – February 2019–present

Experience in office assistance; varying errands, sending emails. Progressively transitioned towards larger humanitarian-focused projects such as migrant injustice and undocumented workers as well as organizing protests and rallies.

CITY OF MILPITAS
COMMISSION APPLICATION

City Clerk's Office

JAN 25 2019

Youth Advisory Commission
COMMISSION APPLYING FOR ↑

PROVIDE COMPLETE INFORMATION (in black ink)

☒ Mr.

☐ Mrs./Ms./Miss

Name: Kashov First Jamdagneya (middle) Sharma Last

Address: [REDACTED] Number [REDACTED] Street (apt. # if needed) Milpitas 95035 City & Zip Code

Telephone Number(s) [REDACTED] e-mail address [REDACTED]

Present Employer N/A Business Telephone N/A

Business Address N/A Occupation Student

Education: If Youth Advisory Commission applicant, indicate your grade/school: Stanford Online Highschool, 11th grad

College, Professional, Vocational, or other schools attended	Major Subject	Date	Degree
<u>N/A</u>	<u>→</u>	<u>→</u>	<u>→</u>
<u>N/A</u>	<u>→</u>	<u>→</u>	<u>→</u>

List community organizations to which you belong or have belonged (additional information may be attached). If application is for **Veterans Commission**, indicate branch and service in any U.S. military organization (retired or active duty).

Date	Name of Organization or Branch of Military	Officer / Member

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I believe I am qualified for a spot on the Youth Advisory Commission due to the collaborating and leadership skills I have developed through my various community involved activities. For instance, I am currently a Life Scout (about to become Eagle) in our local Boy Scout troop and am also the Assistant Senior Patrol Leader. Beyond Boy Scouts, I am also the International and Service to the Armed Forces Committee Coordinator for the Silicon Valley Red Cross chapter. I am also the Project Lead for the Public Speaking Mission at Agents for Change, a local youth driven volunteer program.
I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Kashov

Signature

1/13/19

Date

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant.

PLEASE BE AWARE THAT ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

E-mail, send in US mail or drop off your completed application to:

City Clerk, Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035, email: mlavelle@ci.milpitas.ca.gov

592

Youth Advisory Commission Supplemental Questionnaire



The City of Milpitas Youth Advisory Commission was founded in April 1996 to advise the City Council on matters pertaining to the youth and teens in Milpitas. All commissioners' must be in grades 7 through 12 and live in Milpitas. There are a total of nine (9) members and four (4) alternate members that serve one-year terms (October-September). The Youth Advisory Commission meets the 2nd Thursday of every month at 7:00pm at the Milpitas Sports Center. Please submit the Supplemental Questionnaire with the Commission Application.

1. What type of difference do you want to make for the youth in our community? (Please list two of your ideas. Please use the reverse side if you need more room.)

If accepted onto the Youth Advisory Commission I would advocate for the development of biking and side-walk infrastructure which would allow children and teens to have better access to the services Milpitas including our library and community center. (continues on the back)

2. How did you hear about the Youth Advisory Commission?

I heard about the Commission from a friend who was a member of another city's Youth Advisory Council. They had told me about their experience and I wanted to be part of something similar.

3. What have you heard or know about the Youth Advisory Commission?

I heard the Youth Advisory Commission works with the city government to host youth related events and make changes to benefit the youth of Milpitas

4. Have you ever attended a Youth Advisory Commission meeting? If so, explain your experience.

No, but I look forward to attending the meeting on February, 14th.

Having a safe way to travel in Milpitas will encourage independence in our youth while also increasing the use of already existing services. I would also push to increase the number of after-school activities and also make it easier and more convenient for families to access them. This would encourage more friendships in the community and reduce the likelihood teens start vaping and doing drugs. Lastly, I would try to bring in more speakers and encourage more classes to be held at the Milpitas Library by working with the library staff. This would develop our community through our great, local library.

COMMISSION APPLYING FOR:

Youth Advisory Commission

Title

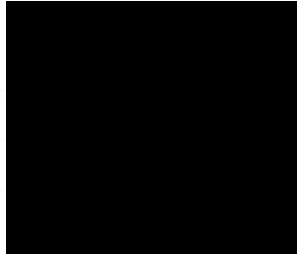
Ms.

Name

Nikita Sharma

Address Type

Residence

Address**City****Postal/Zip Code****Mobile Number****E-Mail Address**

City Clerk's Office

OCT 01 2019

RECEIVED

Education: If Youth Advisory Commission applicant, indicate your grade/school:

9th Milpitas High School

College, Professional, Vocational, or other schools attended

Challenger School Berryessa

List community organizations to which you belong or have belonged (additional information may be attached).**If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).****Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):**

I have been the leader of a robotics team, so I know how to work with different people and execute things in an organized way. I am part of a STEM girls club at my school where I will be teaching students at Weller about various STEM concepts. I have been in Student Government at my middle school (Challenger School) as a class representative.

I was also the chief financial officer of an economics store project run at my school, where my team and I sold stationery and food to students.

Date

Sep 30, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

A handwritten signature in black ink, appearing to read 'Nikita Sharma', written over a horizontal line.

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

COMMISSION APPLYING FOR:

Title

Youth Advisory Commission

Name

Ms.

Address Type

Amy Stanley

Address

Residence

City

Postal/Zip Code

Mobile Number

E-Mail Address

City Clerk's Office

AUG 20 2019

RECEIVED

Education: If Youth Advisory Commission applicant, indicate your grade/school:

11th Grade, Milpitas High School

List community organizations to which you belong or have belonged (additional information may be attached).**Name of Organization**

Silicon Valley American Red Cross

Member

Co-Chair of the 19-20 Youth Executive Board, Community Disaster Services Volunteer, and Blood Donor Ambassador.

Name of Organization

Interact D5170

Member

Rotary Club Speaker

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).**Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):**

I firmly believe that I am qualified to serve on the Youth Advisory Commission due to my numerous personal qualifications. First of all, I have been an active member of my school's Speech & Debate Team for 3 years now, thus I gained confidence and have improved my public speaking skills. Second, I am a leader in my community and school, since I serve in many leadership positions (Silicon Valley Red Cross Co-Chair and Secretary of Milpitas Model UN Team), which will allow me to contribute to the commission greatly. Last but not least, I am creative and open-minded, which will help me contribute new ideas to engage the youth in Milpitas and listen to the ideas of my fellow commissioners. As you can see, I would be an asset to the Youth Advisory Commission, since I have many qualifications that I can bring forward!

Upload a File[Supplemental Questionnaire.pdf](#)**Date**

Aug 19, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.



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NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

Youth Advisory Commission Supplemental Questionnaire



The City of Milpitas Youth Advisory Commission was founded in April 1996 to advise the City Council on matters pertaining to the youth and teens in Milpitas. All commissioners must be in grades 7 through 12 and live in Milpitas. There are a total of nine (9) members and four (4) alternate members that serve one-year terms (October-September). The Youth Advisory Commission meets the 2nd Thursday of every month at 7:00pm at the Milpitas Sports Center. Please submit the Supplemental Questionnaire with the Commission Application.

1. What type of difference do you want to make for the youth in our community? (Please list two of your ideas. Please use the reverse side if you need more room.)

As a commissioner I would want to create a
direct impact on the youth, by providing them with more
community events to engage in. To make this goal a reality
I believe that a city talent show and bi-monthly family movie
night can be initiated. With these two events, the youth of our city
can come closer together!

2. How did you hear about the Youth Advisory Commission?

I heard about the Youth Advisory Commission through the
current chair, Christie Maly. Christie has told me about the rewarding
experiences she has received by serving on the commission.

3. What have you heard or know about the Youth Advisory Commission?

I know that the Youth Advisory Commission advises the council
on matters pertaining to the youth and teens in Milpitas. I also
believe that the YAC proposes ideas that involve the youth
of our city, such as the Teen Center and annual math competition.
The commission also participates in community service events.

4. Have you ever attended a Youth Advisory Commission meeting? If so, explain your experience.

No, I have not attended a Youth Advisory Commission meeting.
However, I read the meeting minutes after the monthly
meetings to keep updated regarding the commission.

MILPITAS CITY COUNCIL MEETING

PREVIEW OF AGENDA ITEMS

JANUARY 7, 2020

PRESENTATION

Commendations – Manufacturing Day participants

CONSENT CALENDAR

- 1) Accept City Council calendar for January 2020
- 2) Approve City Council meeting minutes of December 17, 2019
- 3) Adopt a Resolution to allow Prequalification of Bidders, and Approve Prequalification Package for Fire Station No.2 Replacement, Project No. 3447 (Steve Erickson)
- 4) Adopt a Resolution to approve Purchase & Sale of McCarthy Blvd property (Steve Erickson)
- 5) Approve and Authorize Interim CM the Right of Way Agreement for Sale of Property along North McCarthy Blvd south of Dixon Landing Rd for \$104,000 (Steve Erickson)
- 6) Authorize Expenditure over \$100,000 for Upgrading Permitting Software (Mike Luu)
- 7) Approve Agreement with Second Harvest Food Bank (Renee Lorentzen)
- 8) Approve Energy Environment Commission Work Plan (Elaine Marshall)

PREVIEW NEXT AGENDA

- 9) Preview list of items for January 21, 2020 (Mary Lavelle)