



REGULAR MEETING OF THE MILPITAS CITY COUNCIL

AGENDA
TUESDAY, DECEMBER 1, 2020
MILPITAS, CA
7:00 PM

For assistance in the following languages, you may call:

Đối với Việt Nam, gọi 408-586-3122

Para sa Tagalog, tumawag sa 408-586-3051

Para español, llame 408-586-3232

City Council meeting is held via teleconference /Zoom webinar only (no physical meeting space).
You may watch the Council meeting without providing public comment by accessing it via links here.

Meeting shall be livestreamed - Go to:

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

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

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

PUBLIC COMMENT INSTRUCTIONS

Oral public comments may be provided live during the City Council meeting by first registering for the zoom meeting in advance by: providing email address (not disclosed) and a name. Here is the link to register for this meeting only:

https://ci-milpitas-ca-gov.zoom.us/webinar/register/WN_pl76zcenSLGYstU8DUdQTg

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

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

MILPITAS CITY COUNCIL CODE OF CONDUCT

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

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk (7:00 PM)

PLEDGE OF ALLEGIANCE

INVOCATION (assigned to Councilmember Phan)

PUBLIC FORUM (7:05 PM)

Those interested are invited to address City Council on any subject not on tonight's agenda, orally via zoom webinar (instructions on page 1). Speakers may provide their name and city of residence for the Clerk's record, and comments may be limited to three minutes or less. 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 AND FUTURE AGENDA ITEMS (7:20 PM)

Members of the City Council may make brief announcements or suggest future agenda items at this time. For future agenda items, the City Council shall not debate the topic or engage in discussion, but shall simply state a "yes" or "no" as to whether to direct the City Manager to place the item on a future meeting agenda. If a majority of the City Council agrees to place an item on a future meeting agenda, the City Manager shall place the item on a subsequent agenda for City Council discussion.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

READING OF THE CITY COUNCIL CODE OF CONDUCT

APPROVAL OF AGENDA

CONSENT CALENDAR (7:35 PM)

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 Calendar of Meetings for December 2020 (Staff Contact: Mary Lavelle, 408-586-3001)**

C2. **Approve City Council meeting minutes of the November 17, 2020 Regular City Council Meeting (Staff Contact: Mary Lavelle, 408-586-3001)**

Recommendation: Approve meeting minutes of the November 17, 2020 Regular City Council meeting drafted by the City Clerk.

C3. **Adopt a Resolution Certifying Election Results and Adding Tract No. 10533 to Community Facilities District 2005-1 (Annexation No. 21); Approve Final Tract Map No. 10533; and Approve and Authorize the City Manager to Execute Subdivision Improvement Agreement for Residential Development at 1005 N Park Victoria Drive (Staff Contact: Steve Erickson, 408-586-3301)**

Recommendations:

- a) Following receipt of election results from the City Clerk, adopt a resolution certifying election results and adding Tract No. 10533 to Community Facilities District 2005-1 (Annexation No. 21); and
- b) Approve Final Tract Map No. 10533, including approval of street names and accept all offers of dedications as stated and depicted on the final map upon completion and acceptance of improvements; and
- c) Approve and authorize the City Manager to execute the Subdivision Improvement Agreement between the City of Milpitas and Robson Homes, LLC.

C4. Adopt a Resolution Certifying Election Results and Adding Parcel 5 to Community Facilities District No. 2008-1, Annexation No. 20, for 355 Sango Ct. (Staff Contact: Steve Erickson, 408-586-3301)

Recommendation: Following receipt of election results from the City Clerk, adopt a resolution certifying election results and adding Parcel 5 to Community Facilities District No. 2008-1 (Annexation No. 20) for 355 Sango Ct.

C5. Adopt a Resolution to Eliminate 2021 Pay Raise for Unrepresented Miscellaneous and Safety Employees (Staff Contact: Jeannine Seher, 408-586-3086)

Recommendation: Adopt a resolution eliminating pay raise for unrepresented miscellaneous employees effective in 2021, previously authorized on June 18, 2019, as specified in Resolution No. 8888, and eliminating the 2021 raise for Unrepresented Police Management classifications and Unrepresented Fire Management classifications.

C6. Approve and Authorize the City Manager to execute the First Amendment to the 2019 State Homeland Security Grant Program Agreement (Staff Contact: John Torrez, 408-586-2408)

Recommendation: Approve and authorize the City Manager to execute the First Amendment to the 2019 State Homeland Security Grant Program Agreement.

C7. Accept the City's Comprehensive Annual Financial Report and Other Related Annual Audited Reports for the Fiscal Year Ended June 30, 2020 (Staff Contact: Walter C. 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, 2020.

C8. Per Recommendation of Mayor Tran, Re-appoint One Member of the Energy and Environmental Sustainability Commission (Contact: Mayor Tran, 408-586-3029)

Recommendation: Per recommendation from Mayor Tran, confirm his re-appointment of current Commissioner Patti Sexton - first appointed on September 18, 2018 - to a new 3-year term on the Energy and Environmental Sustainability Commission, a term which will expire in October 2023.

COMMUNITY DEVELOPMENT (7:45 PM)

9. Accept Staff Report on Unhoused Response and Prevention in Milpitas and Provide Direction on Next Steps (Staff Contact: Sharon Goei, 408-586-3260)

Recommendation: Accept staff report on Unhoused Response and Prevention in Milpitas and provide direction on next steps, if any.

10. Adopt a Resolution to Endorse the 2020-2025 Santa Clara County Community Plan to End Homelessness (Staff Contact: Sharon Goei, 408-586-3260)

Recommendation: Adopt a resolution to endorse the 2020-2025 Santa Clara County Community Plan to End Homelessness

11. Receive a Staff Report on Railroad Quiet Zone Process and Provide Direction to Staff (Staff Contact: Steve Erickson, 408-586-3301)

Recommendation: Receive staff report on Railroad Quiet Zone process and provide direction to staff.

LEADERSHIP AND SUPPORT SERVICES (9:15 PM)

- 12.** Introduce Ordinance No. 23.15 for Updates to Milpitas Municipal Code on Purchasing (Staff Contact: Walter C. Rossmann, 408-586-3111)

Recommendations: Receive presentation from staff. Following the City Attorney reading the title, move to waive the first reading beyond the title and introduce Ordinance No. 23.15 to update the municipal code section on purchasing.

- 13.** Introduce Ordinance No. 65.150 Regarding Responsible Construction (Staff Contacts: Christopher J. Diaz, 408-586-3040 and Steve McHarris, 408-586-3059)

Recommendation: Following the reading of the title by the City Attorney, move to waive the first reading beyond the title and introduce Ordinance No. 65.150, adding Chapter 32 (Responsible Construction) to Title III of the Milpitas Municipal Code.

- 14.** Discuss and provide direction to staff on negotiating a citywide Project Labor Agreement and/or adopt a resolution committing to negotiate and execute a Project Labor Agreement per project (Staff Contacts: Christopher J. Diaz, 408-586-3040 and Steve McHarris, 408-586-3059)

Recommendation: Discuss and provide direction to staff on negotiating a citywide Project Labor Agreement with the Building and Construction Trades Council and/or consider adopting a resolution committing to negotiate and execute a Project Labor Agreement per project.

REPORTS OF MAYOR & COUNCILMEMBERS (10:30 PM)

- 15.** Discuss Council Sponsored Events; and, Discuss and Provide Direction on 2020 United States Census Outreach and Any Council Sponsorship (Contact: Councilmember Dominguez, 408-586-3031)

Recommendation: Discuss City Council sponsored event process; and, discuss and provide direction on the City's 2020 US Census outreach and any Council sponsorship.

- 16.** Per Request of Councilmember Dominguez, Discuss Establishing an Emergency Cap on Business Tenant Rents in Milpitas (Contact: Councilmember Dominguez, 408-586-3031)
- 17.** Per Request of Vice Mayor, Engage in Discussion on Councilmembers' Ideas to Economically Assist the Milpitas Community During the Pandemic (Contact: Vice Mayor Nuñez, 408-586-3023)
- 18.** Per Request of Vice Mayor, Discuss Hosting a "Safety First" Community Event, Planned with/by the Milpitas Community Advisory Commission (Contact: Vice Mayor Nuñez, 408-586-3023)
- 19.** Revisit the City Council Housing Subcommittee, Discuss Potentially Dismantling it, and provide direction to staff (Contact: Councilmember Dominguez, 408-586-3031)
- 20.** Receive and Direct Staff on List of Agenda Items Requested by City Councilmembers (Contacts: Mayor and City Councilmembers, 408-586-3000)

Recommendation: Review list of items presented (list in agenda packet) that have been requested by City Councilmembers on a form, at a Council meeting, or through the City Manager. Direct items to a City Council Subcommittee, to be placed onto a specific meeting date, or specify alternate direction to staff. No substantive discussion about any specific item shall occur and the City Council shall hold all debate about the item until it is scheduled as a full agenda item.

NEXT AGENDA PREVIEW

21. Receive Preview List of Anticipated Items for the Next Regular City Council Meeting Scheduled on December 15, 2020 (Staff Contact: Mary Lavelle, 408-586-3001)

Recommendation: Receive list of anticipated agenda items for the December 15, 2020 regular City Council meeting.

ADJOURNMENT

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions and other City agencies exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and City operations are open to the people's review. For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
e-mail: cdiaz@ci.milpitas.ca.gov / Phone: 408-586-3040

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

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on City website. City Council agendas and related materials can be viewed online: www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

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

November 2020						
S	M	T	W	T	F	S
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January 2021						
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24	25	26	27	28	29	30
31						

Milpitas City Council Calendar

December 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	 7:00 PM-Virtual Tree Lighting Ceremony	6:00 PM-Closed Session 7:00 PM-City Council	2:00 PM-Santa Clara VTA Monthly Briefing - Northeast Group (BN) 5:30 PM-Veterans Commission (RT) 7:00 PM-Community Advisory Commission (BN)	5:30 PM-Milpitas Chamber of Commerce Board (CM) 5:30 PM-Santa Clara VTA Board of Directors (BN)	3:00 PM-City Council Transportation (RT/CM) 5:30 PM-Cities Association Annual Membership Meeting	
6	7:00 PM-Parks, Recreation & Cultural Resources Commission (AP)		7:00 PM-Silicon Valley Clean Energy Board of Directors (CM) 7:00 PM-Planning Commission	4:00 PM-Treatment Plant Advisory Committee (CM) 4:00 PM-Santa Clara VTA Policy Advisory Committee (KD) 7:00 PM-Youth Advisory Commission (AP) 7:00 PM-Cities Assoc of SCC (CM)		
13		Special Swearing-in City Council ?:00 PM-Closed Session 7:00 PM-City Council	6:00 PM-Energy and Environmental Sustainability Commission			
20				 CHRISTMAS EVE AND CHRISTMAS HOLIDAY CITY HALL CLOSED		
27	 CITY HALL CLOSED					

Draft CITY OF MILPITAS MEETING MINUTES

Minutes of: Regular Meeting of the Milpitas City Council
Date: Tuesday, November 17, 2020
Time: 6:00 PM Closed Session
7:00 PM Open Session
Location: Meeting held via teleconference/zoom webinar online
Milpitas, CA

CALL TO ORDER

Mayor Tran called the regular meeting to order at 6:03 PM. City Clerk Mary Lavelle called the roll. The meeting took place via teleconference/zoom webinar.

PRESENT: Mayor Tran, Vice Mayor Nuñez, Councilmember Dominguez

ABSENT: Councilmembers Montano and Phan were absent at roll call. Both arrived in Closed Session.

CLOSED SESSION

City Council convened into Closed Session (online webinar) to discuss three labor negotiation items, listed on the agenda.

At 8:00 PM, the Mayor and City Council reconvened for the Open Session.

ANNOUNCEMENT – from Closed Session

City Attorney Chris Diaz stated that City Council gave direction to staff but there was no reportable action taken in Closed Session.

PLEDGE

Mayor Tran led all in the pledge of allegiance to the flag.

INVOCATION

Councilmember Dominguez introduced Tina Ortiz and Ana Vera Rodriguez from Milpitas Girls Softball - and then she gave the invocation prayer.

PUBLIC FORUM

12 residents provided oral comments (in the zoom webinar) limited to one minute: Inderjit Mundra, Voltaire Montemayor, Rob Jung, Jessica Yu, Urvishkumar Mehta, Tina Ortiz, Jen Lee, Rita, Steve Kantonemi, Anupam Khanuja, Tom Lin and Rekha Pardeshi.

ANNOUNCEMENTS & FUTURE AGENDA ITEMS

City Manager Steve McHarris updated the public on status of Covid-19 in Santa Clara County following re-entry to the purple tier on this date, with prohibition on much indoor activity. City Hall offices would be closed for Thanksgiving holidays the following week on November 26 and 27, 2020.

Councilmember Dominguez requested two agenda items: (1) to bring back an item before the end of December for the Mayor to appoint a representative by year's end to serve on the VTA Bike Committee, which could yield grant opportunities for the City. Four Councilmembers were in favor while Councilmember Montano abstained. (2) at the next City Council meeting, schedule a vote on the County's 2025 Community Plan to End Homelessness, and all five Councilmembers agreed to add this one.

Vice Mayor Nuñez noted the following week was National Hunger Homeless Awareness Week. He mentioned a new local group called Hope for the Unhoused, providing direct assistance to the homeless in Milpitas.

**ANNOUNCEMENT OF
CONFLICT OF INTEREST
AND CAMPAIGN
CONTRIBUTIONS**

City Attorney Diaz asked the Mayor and City Councilmembers if they had any personal conflicts of interest or reportable campaign contributions. By roll call, no conflicts of interest in the last 12 months were reported.

Regarding campaign contributions, Vice Mayor Nuñez and Councilmember Phan reported one campaign contribution each received from the Santa Clara and San Benito Counties Building Trades Council.

CODE OF CONDUCT

City Attorney Diaz read aloud the City Council Code of Conduct.

APPROVAL OF AGENDA

Motion: to approve the November 17, 2020 meeting agenda, as presented

Motion/Second: Councilmember Montano/Mayor Tran

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

CONSENT CALENDAR

Motion: to approve the consent calendar items no. C1, C2, C4 – C14 and No. 17

Councilmember Phan requested to add item no. 17 (Emergency Management Plan) onto consent and to remove item no. C3 (contract for Fire Station No. 2) from consent and to hear it after the public hearing.

Regarding item no. C7 (Funding for Engie Services contract), Vice Mayor Nuñez asked for more back-up information on the contract amounts, which the City Manager agreed staff could provide to him after the meeting.

Motion/Second: Vice Mayor Nuñez/Councilmember Phan

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

C1. Council Calendar

Received the City Council calendars of upcoming meetings for November and December 2020.

C2. Meeting Minutes

Approved the meeting minutes of the November 4 and 10, 2020 Special City Council meetings.

3. Resolution

This item was removed from consent. City Engineer Steve Erickson presented the request to award a contract to Sausal Corp. for the reconstruction of Fire Station No. 2, including a full explanation of a bid protest received after the bid opening.

Mayor Tran asked for public comments and heard from Rick Solis and Urvishkumar Mehta.

Councilmembers commented on the project and asked questions of staff. Concerns were expressed over the contract change order amount, and reasons for rejecting the bid protest including subcontractors' history.

Mayor Tran asked the City Manager if the Council could receive all information regarding all project bidders and to return with this Project No. 3447 on December 15. City Manager McHarris agreed. City Attorney Diaz also clarified what the staff would bring back, in response to the Mayor.

No motion on the staff recommendation to adopt a resolution awarding the bid was made and no vote taken.

C4. Accept Funds	Accepted Santa Clara County Emergency Medical Services (EMS) Agency Trust Funds of \$18,290.37; and approve a budget adjustment in the amount of \$18,290.37 into the Fire Department's FY 2020-21 operating budget.
C5. Resolution – Cayenta	Adopted Resolution No. 9017 approving and authorizing the City Manager to execute a 3-year Support and Maintenance Agreement with Cayenta, a division of N. Harris Computer Corp. Inc., as sole source vendor for Financial and Utility Billing Software Systems in the amount of \$247,718.83 and an additional \$20,000 for contingency projects, for an amount not to exceed \$267,718.93, and a total of \$825,674.13 over 3-year term of the Agreement, subject to the annual appropriation of funds.
C6. Agreement –Stormwater Maint. at 600 Amalfi Loop	Approved and authorized the City Manager to execute a Stormwater Management Facilities Operation and Maintenance Agreement for LS-Milpitas LLC for the Amalfi II - Siena Project at 600 Amalfi Loop.
C7. Fund Energy Services Agreement with Engie	Approved various budget amendments to fund the City Council-approved Energy Services Agreement with Engie Services U.S., Inc. for construction of energy and water conservation measures and establish the Citywide LED Lighting Upgrade Capital Improvement Project, Community and Senior Center Energy Resiliency Project, and Facilities Water Fixture Retrofit Project.
C8. Additional COPS grant funding	Accepted additional FY 2020 Citizens' Option for Public Safety (COPS) Grant funding and approved related budget appropriation.
C9. Bulletproof Vest Partnership Grant	Accepted the 2020 Bulletproof Vest Partnership Grant in the amount of \$9,405.45 and approved a budget appropriation into the Milpitas Police Department's FY 2020-21 operating budget.
C10.Side Letter-Compassionate Leave	Approved and authorized the City Manager to enter into a side letter agreement to amend the Memoranda of Understanding, as needed, to extend the period of time employees may take compassionate leave.
C11. Side Letter – Holiday Closure 2020	Approved and authorized the City Manager to enter into a side letter agreement to Memoranda of Understanding (MOU) with four employee labor groups for the closure of City Hall offices and selected operations to the public from Monday, December 28, 2020 through Thursday, December 31, 2020.
C12. Meeting Schedule	Approved the 2021 Milpitas City Council meeting schedule, including cancelation of July 2020 regular meeting dates.
C13. Commission Appointments	a) Re-appointed Arts Commissioner John Agg to a new 3-year term which expires in October 2023. b) Newly appointed Roque Lallana to a currently vacant term on the Milpitas Veterans Commission, which expires February 2022. c) On the Youth Advisory Commission, moved up Alternate No. 1 Tejas Balebail and Alternate No. 2 Andrea Liu into voting Commissioner seats; and, newly appointed Nidhi Kaki as Alternate No. 1 and Rachel Plummer as Alternate No. 2 on the YAC. All terms expire in September of 2022.
C14. Commission Work plans	Approved Fiscal Year 2020-21 Work Plans for the 12 City Commissions: Arts Commission, Community Advisory Commission, Economic Development and Trade Commission, Energy and Environmental Sustainability Commission, Library and Education Commission, Parks, Recreation and Cultural Resources Commission, Planning Commission, Public Safety and Emergency Preparedness Commission, Science, Technology, and Innovation Commission, Senior Advisory Commission, Veterans Commission, and Youth Advisory Commission.

PUBLIC HEARING

15. Residential Development – new units at Sunnyhills Apts.

Planning Director Ned Thomas briefly introduced the residential infill project at Sunnyhills Apartment with 44 new units proposed to be added to the complex, near 1724 Sunnyhills Court, as recommended by the Milpitas Planning Commission.

Senior Planner Rozalynne Thompson presented details of the proposed project.

Mayor Tran opened the public hearing.

Applicant/owners Megan and John Kehriotis addressed the Council on their project, adding 44 units with 15% affordable. Architect Anthony Ho discussed more details.

Mayor Tran opened the public hearing and the following residents addressed the Council: Johanna B, Allysson McDonald, Urvishkumar Mehta, Robert Means, Tiffany Vuong, Andre Krammer, and Voltaire Montemayor.

Motion: to close the public hearing following seven comments

Motion/Second: Mayor Tran/Councilmember Montano

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

Councilmembers expressed asked questions and expressed support for the project.

Motion: to adopt Resolution No. 9018 approving an Initial Study/Mitigated Negative Declaration pursuant to CEQA Guidelines Sections 15002(k)(2) and 15070 and approving Planned Unit Development Amendment P-PA19-0002, Site Development Permit P-SD18-0004, Tree Removal Permit P-TR19-0028, and Environmental Assessment P-EA20-0005, subject to findings and Conditions of Approval; including identified tree removal planned on site and smaller parking dimensions

Motion/Second: Councilmember Phan/Mayor Tran

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

COMMUNITY SERVICES

16. Railroad Quiet Zone

Item was not heard.

PUBLIC SAFETY

C17. Emergency Management Program Assessment

Item was added to the consent calendar and approved by unanimous vote.

Authorized the City Manager to approve an amendment to the Professional Services Agreement with Witt O'Brien's, LLC extending the time of performance to June 30, 2021

LEADERSHIP

18. Quarterly Financial Report

Deputy City Manager Walter Rossmann presented the current financial status of the city's budget, with a proposed plan for monitoring revenues and expenditures.

Mayor Tran expressed grave concerns over the disparity between reduced revenues and continuing expenses, upon hearing staff's plan to balance the FY 2020-21 budget.

He did not want to vote on the staff recommendation, and would adjourn the meeting at 12:24 AM.

While the City Council did hear the report by the Deputy City Manager/Finance Director on his review of the FY 2020-21 Quarterly Financial Status Report, no vote was taken on the second staff recommendation to approve budget amendments to rebalance the FY 2020-21 Amended General Fund Budget due to COVID-19 pandemic anticipated revenue losses.

19. General Fund Financial Forecast

Items No. 19 – No. 22 were not heard.

20. Purchasing Ordinance

21. Project Labor Agreement

22. Responsible Construction Ordinance

REPORTS

Agenda items No. 23 – No. 28 were not heard.

23. Council Sponsored Events, and US Census

24. Cap on Business Rents

25. Council Ideas to Assist

26. Safety Event

27. Housing Subcommittee

28. List of Council requested Agenda Items

NEXT AGENDA PREVIEW

29. Preview Agenda Items

Received list of anticipated agenda Items for the next regular City Council meeting scheduled for December 1, 2020.

ADJOURNMENT

Mayor Tran adjourned the City Council meeting at 12:25 AM on Wednesday, November 18, 2020.

*Draft meeting minutes submitted by
City Clerk Mary Lavelle*



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Certifying Election Results and Adding Tract No. 10533 to Community Facilities District 2005-1 (Annexation No. 21); Approve Final Tract Map No. 10533; and Approve and Authorize the City Manager to Execute the Subdivision Improvement Agreement for a Residential Development at 1005 N Park Victoria Dr.
Category:	Consent Calendar-Community Development
Meeting Date:	12/1/2020
Staff Contact:	Steve Erickson, 408-586-3301
Recommendation:	1. Following receipt of election results from the City Clerk, adopt a resolution certifying election results and adding Tract No. 10533 to Community Facilities District 2005-1 (Annexation No. 21); and 2. Approve Final Tract Map No. 10533, including approval of street names and accept all offers of dedications as stated and depicted on the final map upon completion and acceptance of improvements; and 3. Approve and authorize the City Manager to execute the Subdivision Improvement Agreement between the City of Milpitas and Robson Homes, LLC.

Background:

On January 21, 2020, the City Council approved a General Plan Amendment No. GP18-0001, Zoning Amendment No. ZA18-0003, Planned Unit Development No. PD18-0001, Site Development Permit No. SD18-0015, Vesting Tentative Map No. MT18-0003, and Environmental Assessment No. EA19-0003 to allow construction of 34 single-family homes, 4 paired homes, and 10 accessory dwelling units located on a 4.88 acre site at 1005 North Park Victoria Drive. This project is known as 1005 North Park Victoria Drive, and the developer is Robson Homes, LLC (Developer).

Analysis:

The final map for the development is now complete and ready for approval by the City Council. The City Engineer has examined the final map for Tract No. 10533 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, the 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 street, public service and utility and emergency vehicle access purposes, as shown on the final map. Staff recommends the City Council approve the final map and to accept the dedications, subject to completion and acceptance of public improvements to be installed by the Developer, as discussed below. Staff has reviewed and recommends the City Council approve new private streets names for the project as shown on the final map in accordance with the City of Milpitas Municipal Code, Section MMC Section XI-1-7.01-8. The private street names are Dogwood Street, Lilac Lane and Peony Drive respectively, without duplication.

As a general rule, public improvements serving the subdivision are to be installed prior to final map approval. However, in order to encourage development, the Subdivision Map Act allows for the City and developer to enter into a Subdivision Improvement Agreement (SIA) which defers the construction of public improvements until after final map approval. This is often done so that the developer can synchronize public improvement construction with other on-site project development. The developer agrees to construct the public

improvements by a certain deadline after final map approval and the work is guaranteed by bonds or similar securities obtained by and at the developer's cost.

The Developer has agreed to enter into the attached 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, and the public improvements will be accepted by the City after satisfactory completion of construction. Offsite public improvements to be constructed and accepted by the City include asphalt concrete pavement, signing and striping, curb and gutter, sidewalk, driveway approach, utility mains and services, new streetlights, landscaping and other miscellaneous items of work identified on the approved improvement plans. The Agreement requires the improvements to be completed within 1-year from the date of the SIA, and requires the Developer to guarantee the work by bonds or similar securities to be posted by the Developer in the amount of \$1,221,000.

The City Engineer has reviewed the public improvement plans (E-EN20-0143) and is recommending the City Council approve the attached Subdivision Improvement Agreement to allow for the construction of public improvements after final map approval.

The final map for Tract No. 10533 is subject to annexation into the Community Facilities District No. 2005-1 (CFD 2005-1). The City has on file a Certificate of Registrar of Voters from the County of Santa Clara certifying that there are no registered voters residing within the boundaries of the proposed CFD Annexation No. 21 for this development. The Developer is the sole property owner, and by November 25, 2020, the property owner was scheduled to vote on agreeing to the proposed Annexation No. 21. The Resolution (in the agenda packet) documents the results of the election on annexation into CFD 2005-1.

Annexation into CFD 2005-1 is subject to the provisions of the Mello-Roos Community Facilities Act of 1982, commencing with Section 53311 of the Government Code. While the Act has a number of requirements for annexation and imposition of the special tax, the Developer (as the sole landowner within the annexation territory) has agreed to waive many of the formalities including the right to have the special election conducted within the time periods specified in Government Code Section 53326, requirement for the mailing of the election ballot, requirement for the ballot to be accompanied by arguments for or against the ballot measure and the impartial analysis as required by Government Code Section 53327, and the right to protest, complaint or legal action of any nature pertaining to the procedures to be undertaken for the conduct of such election.

The City Attorney reviewed and agreed with the formalities to be waived, and a copy of the waiver executed by the Developer is on file with the City Clerk.

Policy Alternatives:

Alternative 1: 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 34 new single-family homes, 4 paired homes, and 10 accessory dwelling units.

Reason not recommended: To allow the development to move forward, staff recommends approval of Final Map and Subdivision Improvement Agreement for Tract No. 10533.

Alternative 2: Deny Annexation of Tract No. 10533 to CFD 2005-1.

Pros: None

Cons: Denying the Annexation of Tract No. 10533 into the CFD No. 2005-1 would prevent the City from levying special taxes within Tract No. 10533, in order to fund public services.

Reason not recommended: To adequately fund the perpetual maintenance of improvements and services within CFD No. 2005-1, staff recommends adoption of a resolution certifying election results and adding Tract No. 10533 to CFD 2005-1.

Fiscal Impact:

Adding Tract No. 10533 to the CFD No. 2005-1 would allow the City to levy special taxes to properties within Tract No. 10533, in order to fund for public services.

California Environmental Quality Act:

On January 21, 2020, the City Council approved the Initial Study/Mitigated Negative Declaration pursuant to CEQA Guidelines. Approval of Final Map and Subdivision Improvement Agreement are consistent with the original project description, scope of work, and identified mitigation of the adopted Mitigated Negative Declaration. No further environmental review is required.

Recommendations:

1. Following receipt of election results from the City Clerk, adopt a resolution certifying election results and adding Tract No. 10533 to Community Facilities District 2005-1 (Annexation No. 21);
2. Approve Final Tract Map No. 10533, including approval of street names and accept all offers of dedications as stated and depicted on the final map upon completion and acceptance of improvements; and
3. Approve and authorize the City Manager to execute the Subdivision Improvement Agreement between the City of Milpitas and Robson Homes, LLC.

Attachments:

- 1: Resolution + Exhibits A and B
- 2: Final Tract Map No. 10533
- 3: Subdivision Improvement Agreement

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS CERTIFYING THE RESULTS OF
AN ELECTION AND ADDING TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)**

(Annexation No. 21)

WHEREAS, the City Council of the City of Milpitas (the "City Council") has previously formed Community Facilities District No. 2005-1 (Public Services) ("CFD No. 2005-1") pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), as amended, for the purpose of financing certain Public Services; and

WHEREAS, acting pursuant to the Act, the City Council also authorized by the adoption of Resolution No. 7521 (the "Resolution Authorizing Future Annexation") the annexation in the future of territory to CFD No. 2005-1, such territory designated as Future Annexation Area, Community Facilities District No. 2005-1 (the "Future Annexation Area"); and

WHEREAS, at this time the unanimous consent to the annexation of certain territory located within the Future Annexation Area to CFD No. 2005-1 has been received from the property owner of such territory, and such territory has been designated as Annexation No. 21 (the "Territory"); and

WHEREAS, less than twelve (12) registered voters have resided within the Territory for each of the ninety (90) days preceding the election date established for the Territory, therefore, pursuant to the Act the qualified elector of the Territory shall be the "landowner," as such term is defined in Government Code Section 53317(f), of such Territory and such landowner who is the owner of record as of the applicable election date, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of the parcel of land that landowner owns within such Territory; and

WHEREAS, the time limit specified by the Act for conducting an election to submit the levy of the special taxes on the Territory to the qualified elector thereof and the requirements for impartial analysis and ballot arguments have been waived with the unanimous consent of the qualified elector of the Territory; and

WHEREAS, the City Clerk of the City of Milpitas has caused a ballot to be distributed to the qualified elector of the Territory, has received and canvassed such ballot and made a report to the City Council regarding the results of such canvass, a copy of which is attached as **Exhibit A** hereto and incorporated herein by this reference; and

WHEREAS, at this time the measure voted upon and such measure did receive the favorable vote of the qualified elector of the Territory, and the City Council desires to declare the results of the election; and

WHEREAS, a map showing the Territory and designated as Annexation Map No. 21 (the "Annexation Map"), a copy of which is attached as **Exhibit B** hereto and incorporated herein by this reference, has been submitted to this legislative body.

NOW, THEREFORE, the City Council of the City of Milpitas, California, acting as the legislative body of Community Facilities District No. 2005-1, hereby finds, determines and resolves as follows:

1. **Recitals.** The above recitals are true and correct.
2. **Findings.** This legislative body does hereby further determine as follows:
 - A. The unanimous consent as described in the recitals hereto to the annexation of the Territory to CFD No. 2005-1 has been given by the owner of the Territory and such consent shall be kept on file in the Office of the City Clerk of the City of Milpitas.
 - B. Less than twelve (12) registered voters have resided within the Territory for each of the ninety (90) days preceding the election date established for the each of the parcels located within the

Territory, therefore, pursuant to the Act the qualified elector for the Territory shall be the "landowner" of the Territory as such term is defined in Government Code Section 53317(f).

- C. The qualified elector of the Territory has voted in favor of the levy of special taxes on the Territory upon its annexation to CFD No. 2005-1.
3. Territory. The boundaries and parcels of property within the Territory and on which special taxes will be levied in order to pay for the costs and expenses of authorized Public Services are shown on the Annexation Map as submitted to and hereby approved by this legislative body.
4. Declaration of Annexation. This legislative body does hereby determine and declare that the Territory, and each parcel therein, is now added to and becomes a part of CFD No. 2005-1. The City Council, acting as the legislative body of CFD No. 2005-1, is hereby empowered to levy the authorized special tax within the Territory.
5. Notice. Immediately upon adoption of this Resolution, notice shall be given as follows:
- A. A copy of the Annexation Map as approved shall be filed in the Office of the County Recorder no later than fifteen (15) days after the date of adoption of this Resolution.
- B. An Amendment to the Notice of Special Tax Lien (Notice of Annexation) shall be recorded in the Office of the County Recorder no later than fifteen (15) days after the date of adoption of this Resolution.
6. Effective Date. This Resolution shall become effective upon its adoption.

PASSED AND ADOPTED this ____ day of _____, 2020, 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

CERTIFICATE OF ELECTION OFFICIAL AND STATEMENT OF VOTES CAST

The undersigned, ELECTION OFFICIAL OF THE CITY OF MILPITAS, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, DOES HEREBY CERTIFY that pursuant to the provisions of Section 53326 of the Government Code and Division 12, commencing with Section 17000 of the Elections Code of the State of California, I did canvass the returns of the votes cast at the

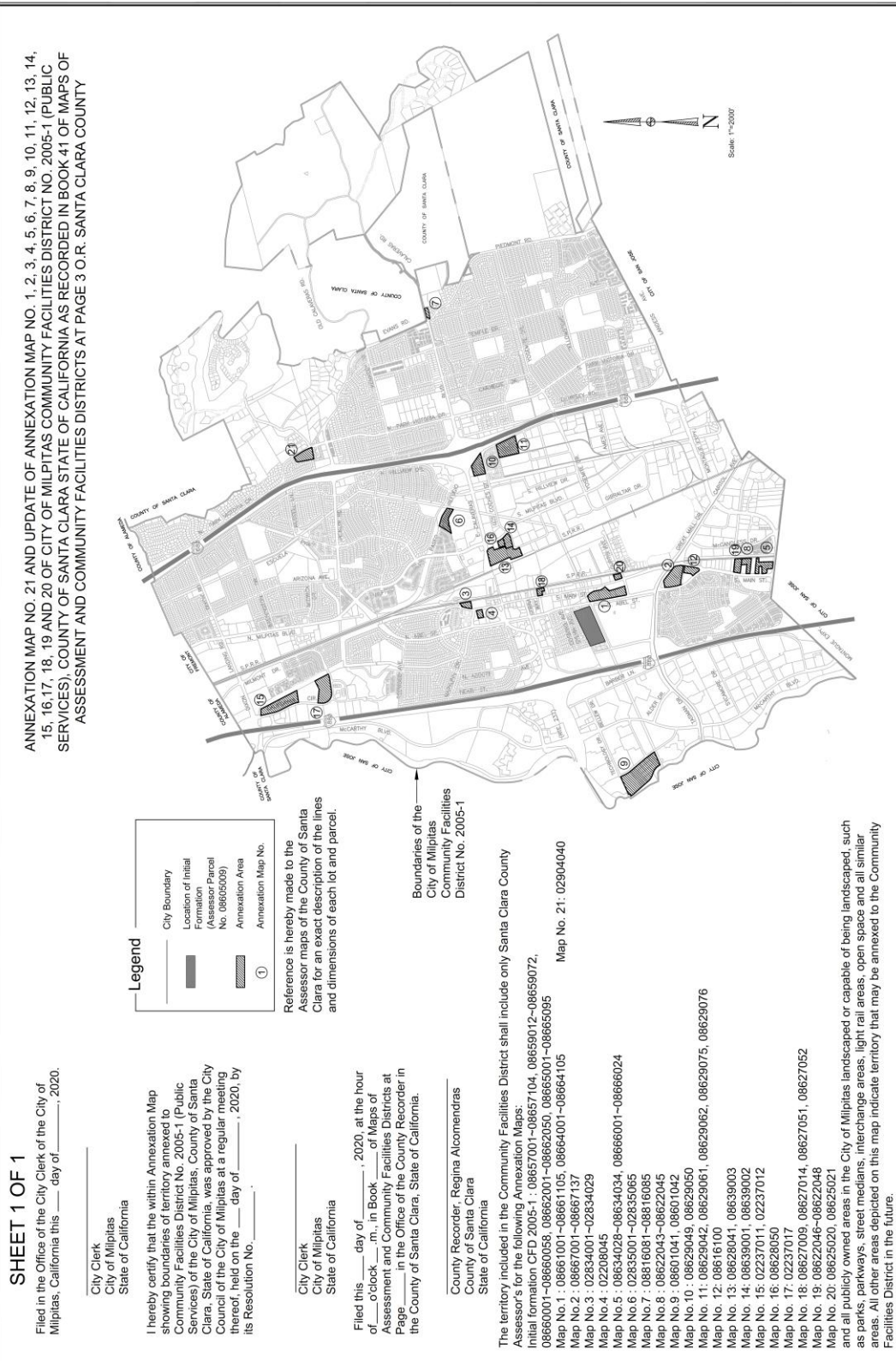
I FURTHER CERTIFY that this Statement of Votes Cast shows the whole number of votes cast in the area proposed to be annexed to Community Facilities District No. 2005-1 for or against the Measure are full, true and correct.

WITNESS my hand this _____ day of _____, 20__.

MARY LAVELLE, CITY CLERK
ELECTION OFFICIAL
CITY OF MILPITAS
OF THE STATE OF CALIFORNIA

EXHIBIT B

ANNEXATION MAP



LEGAL DESCRIPTION

Real property in the City of Milpitas , County of Santa Clara, State of California, described as follows:

PARCEL ONE:

BEGINNING AT A ONE INCH PIPE AT THE POINT OF INTERSECTION OF THE SOUTHWESTERLY LINE OF EVANS ROAD, 50 FEET WIDE, AS CONVEYED BY JOSEPH G. SANTOS, ET UX, TO THE COUNTY OF SANTA CLARA, AS RECORDED IN VOLUME 284 OF OFFICIAL RECORDS, AT PAGE 156, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA, WITH THE SOUTHERLY LINE OF THAT CERTAIN 39.56 ACRE TRACT OF LAND CONVEYED BY JOSEPH G. SANTOS, ET UX, TO HENRY THOLE, ET UX, BY DEED DATED FEBRUARY 21, 1944 AND RECORDED ON FEBRUARY 24, 1944 IN BOOK 1191 OF OFFICIAL RECORDS, PAGE 58 AND RUNNING THENCE ALONG THE SOUTHERLY LINE OF SAID 39.56 ACRE TRACT OF LAND, SOUTH 79° 36' WEST 470.76 FEET TO A ONE INCH PIPE; THENCE RUNNING NORTH 10° 16' WEST 656.76 FEET TO A ONE INCH PIPE; THENCE NORTH 79° 49' EAST 197.72 FEET TO A ONE INCH PIPE IN THE SOUTHWESTERLY LINE OF SAID EVANS ROAD; THENCE ALONG THE SOUTHWESTERLY LINE OF EVANS ROAD, SOUTH 32° 32' EAST 649.20 FEET; THENCE CONTINUING ALONG SAID LINE OF EVANS ROAD ON A CURVE TO THE LEFT, WITH A RADIUS OF 425 FEET, THROUGH A CENTRAL ANGLE OF 8° 13' 15" FOR A DISTANCE OF 60.97 FEET TO THE PLACE OF BEGINNING; SITUATED IN THE TULARCITOS RANCHO, SANTA CLARA COUNTY, CALIFORNIA.

EXCEPTING THEREFROM THE FOLLOWING:

BEGINNING AT THE NORTHWESTERN CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL ONE IN THE DEED FROM HENRY THOLE TO LOUIE R. GOMES RECORDED MARCH 09, 1949 IN BOOK 1756, PAGE 76 OF SANTA CLARA COUNTY OFFICIAL RECORDS; THENCE ALONG SAID NORTHWESTERLY LINE NORTH 79° 40' 08" EAST, 92.78 FEET; THENCE LEAVING LAST NAMED LINE SOUTH 60° 15' 00" WEST 98.30 FEET TO A POINT ON THE WESTERLY LINE OF SAID PARCEL ONE (BOOK 1756 PAGE 76); THENCE NORTH 10° 27' 28" WEST 32.68 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

BEGINNING AT THE NORTHEASTERLY CORNER OF TRACT NO. 8112, "FOX HOLLOW" AS SAID TRACT IS SHOWN ON THAT MAP RECORDED IN BOOK 586 OF MAPS AT PAGES 8 & 9. SAID POINT OF BEGINNING ALSO BEING IN THE SOUTHWESTERLY LINE OF EVANS ROAD (50.00 FEET WIDE); THENCE SOUTHWESTERLY ALONG THE NORTHERN BOUNDARY OF SAID TRACT, SOUTH 79° 32' 29" WEST 58.50 FEET TO A POINT OF CUSP; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT WHOSE RADIUS BEARS SOUTH 73° 00' 24" WEST 1325.00 FEET, THROUGH A CENTRAL ANGLE OF 15° 45' 06" AN ARC LENGTH OF 364.27 FEET TO A POINT OF TANGENCY WITH THE SOUTHWESTERLY LINE OF EVANS ROAD (50.00 FEET WIDE); THENCE SOUTHEASTERLY ALONG SAID LINE SOUTH 32° 44' 43" EAST 321.09 FEET TO A POINT OF CURVATURE; THENCE ALONG A TANGENT CURVE TO THE LEFT WHOSE RADIUS IS 425.00 FEET, THROUGH A CENTRAL ANGLE OF 8° 13' 25", AN ARC LENGTH OF 61.00 FEET TO THE POINT OF BEGINNING.

PARCEL TWO:

ALL THAT PORTION OF LAND BEING WITHIN THE BOUNDARIES OF EVANS ROAD, LYING BETWEEN THE NORTHEASTERLY LINE OF THE ABOVE MENTIONED 39.56 ACRE TRACT OF LAND, AND THE SOUTHWESTERLY LINE OF SAID EVANS ROAD AND BETWEEN THE NORTHEASTERLY PROLONGATIONS OF THE NORTHWESTERLY AND SOUTHEASTERLY LINES OF THE HEREIN DESCRIBED 5 ACRE TRACT OF LAND.

PARCEL THREE:

BEGINNING AT A FOUND ONE-INCH IRON PIPE IN THE SOUTHWESTERLY LINE OF EVANS ROAD, 50 FEET WIDE, AS CONVEYED BY JOSEPH G. SANTOS ET UX TO THE COUNTY OF SANTA CLARA, RECORDED IN VOLUME 284 OF OFFICIAL RECORDS, PAGE 156, SANTA CLARA COUNTY RECORDS; SAID POINT ALSO BEING THE MOST NORTHEASTERLY CORNER OF THE PARCEL OF LAND DESCRIBED AS PARCEL ONE IN THE DEED FROM HENRY V. THOLE TO LOUIE R. GOMES, RECORDED MARCH 09, 1949 IN BOOK 1756, PAGE 76, SANTA CLARA COUNTY RECORDS; THENCE ALONG SAID SOUTHWESTERN LINE OF SAID EVANS ROAD NORTH 32° 45' 34" WEST, 35.00 FEET; THENCE LEAVING SAID SOUTHWESTERN LINE OF SAID EVANS ROAD SOUTH 60° 15' 00" WEST, 97.31 FEET TO A POINT IN THE NORTHWESTERN LINE OF SAID PARCEL ONE (BOOK 1756, PAGE 76); THENCE ALONG LAST NAMED LINE NORTH 79° 40' 08" EAST 105.13 FEET TO THE POINT OF BEGINNING.

APN: 029-04-040

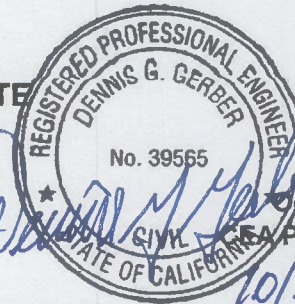


Civil Engineering Associates

2055 Gateway Place, Suite 550
San Jose, CA 95110
Phone: (408) 453-1066
Fax: (408) 453-1060
Civil Engineers Planners Surveyors

ENGINEER'S COST ESTIMATE NORTH PARK VICTORIA PUBLIC IMPROVEMENTS

Prepared by: DGG
Civil Engineering Associates, Inc.



October 2, 2020
Project: 15-115

DEMOLITION					
#	DESCRIPTION	UNITS	QUANTITY	UNIT COST (\$)	EXTENSION (\$)
1	CURB & GUTTER	SF	302	4.00	1,209.00
2	ABANDON EXISTING UTILITIES (WATER & SANI.)	LS	1	10,000.00	10,000.00
					11,209.00

STORM IMPROVEMENTS					
#	DESCRIPTION	UNITS	QUANTITY	UNIT COST (\$)	EXTENSION (\$)
3	15" STORM MAIN	LF	16	150.00	2,400.00
4	12" STORM MAIN	LF	182	125.00	22,750.00
5	MANHOLE	EA	3	2,500.00	7,500.00
6	CATCH BASIN	EA	6	3,000.00	18,000.00
7	STORM CONNECTION TO EX PIPE	EA	2	2,000.00	4,000.00
					54,650.00

SANITARY IMPROVEMENTS					
#	DESCRIPTION	UNITS	QUANTITY	UNIT COST (\$)	EXTENSION (\$)
8	12" SEWER MAIN	LF	549	125.00	68,625.00
9	8" SEWER MAIN	LF	498	95.00	47,310.00
10	4" SEWER LATERAL	LF	938	50.00	46,893.00
11	MANHOLE - NEW	EA	8	3,000.00	24,000.00
12	MANHOLE - REPLACE EXIST	EA	3	6,500.00	19,500.00
13	FLUSHING INLET ON EX MAIN	EA	1	2,000.00	2,000.00
14	CLEAN OUT	EA	38	250.00	9,500.00
15	SANITARY LATERAL CONNECT TO EX. MAIN	EA	8	1,500.00	12,000.00
					229,828.00

WATER IMPROVEMENTS					
#	DESCRIPTION	UNITS	QUANTITY	UNIT COST (\$)	EXTENSION (\$)
16	8" WATER MAIN	LF	1,003	100.00	100,348.00
17	WATER VALVE	EA	10	3,000.00	30,000.00
18	FIRE HYDRANT	EA	5	5,000.00	25,000.00
19	WATER BLOW-OFF	EA	1	1,500.00	1,500.00
20	1" WATER SERVICE W/ 1" METER	EA	38	1,200.00	45,600.00
21	1 1/2" IRRIGATION SERVICE W/ 1 1/2" METER	EA	1	1,800.00	1,800.00
22	WATER SERVICE CONNECTION TO EX. MAIN	EA	10	1,000.00	10,000.00
23	8" OFFSET EX. MAIN WITH FITTINGS	EA	1	6,500.00	6,500.00
24	8" CONNECTION TO EX 14" MAIN WITH FITTINGS	EA	1	12,000.00	12,000.00
25	8" CONNECTION TO EX. 8" MAIN WITH FITTINGS	EA	2	8,500.00	17,000.00
					249,748.00

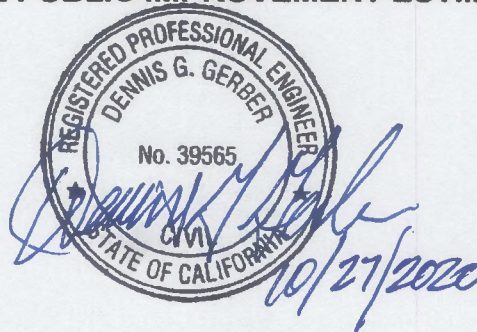
SURFACE IMPROVEMENTS					
#	DESCRIPTION	UNITS	QUANTITY	UNIT COST (\$)	EXTENSION (\$)
26	CURB AND GUTTER	LF	1,573	25.00	39,329.00
27	2" GRIND & OVERLAY	SF	22,399	2.00	44,798.00
28	SIDEWALK	SF	7,131	6.50	46,351.00
29	CURB RAMP	EA	5	2,000.00	10,000.00
30	DRIVEWAY APRON (CITY STD)	SF	576	12.00	6,917.00
31	12" DEEPLIFT	SF	8,469	8.00	67,752.00
32	SIGNING & STRIPING	LS	1	7,500.00	7,500.00
33	STREET TREES	EA	28	250.00	7,000.00
					229,647.00

JOINT TRENC & STREETLIGHTS					
#	DESCRIPTION	UNITS	QUANTITY	UNIT COST (\$)	EXTENSION (\$)
34	STREETLIGHTS	LS	1	68,838.00	68,838.00
35	JOINT TRENCH	LS	1	265,277.00	265,277.00
					334,115.00

SUBTOTAL PUBLIC IMPROVEMENT COSTS **\$1,109,197.00**

10% CONSTRUCTION CONTINGENCY **\$110,919.70**

TOTAL PUBLIC IMPROVEMENT ESTIMATED COSTS **\$1,220,117**



OWNER'S STATEMENT

THE UNDERSIGNED DOES HEREBY STATE THAT HE/SHE/THEY IS/ARE THE OWNER OF ALL THE LANDS DELINEATED AND EMBRACED WITHIN THE TRACT BOUNDARY LINE OF THIS FINAL MAP ENTITLED "TRACT 10533, NORTH PARK VICTORIA, CITY OF MILPITAS, SANTA CLARA COUNTY, CALIFORNIA", CONSISTING OF FIVE (5) SHEETS, THIS STATEMENT BEING UPON SHEET ONE (1) THEREOF; THAT HE/SHE/THEY CONSENT/S TO THE PREPARATION AND FILING OF SAID MAP; THAT SAID MAP PARTICULARLY SETS FORTH AND DESCRIBES ALL THE LOTS INTENDED FOR SALE BY THEIR NUMBER AND PRECISE WIDTH AND LENGTH; AND THAT SAID MAP PARTICULARLY SETS FORTH AND DESCRIBES THE PARCELS OF GROUND RESERVED FOR PUBLIC PURPOSES BY THEIR BOUNDARIES, COURSES, AND EXTENT.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: THE AREAS OVER, UNDER, AND UPON ANY AREA OR STRIP OF LAND DESIGNATED AS "DEDICATION TO THE CITY OF MILPITAS" LYING WITHIN "CREED STREET", "NORTH PARK VICTORIA DRIVE" AND "RANKIN DRIVE" AS DELINEATED AND EMBRACED WITHIN THE BOUNDARIES OF THE HEREIN EMBODIED MAP, DEDICATED TO THE CITY OF MILPITAS FOREVER FOR THE PURPOSES OF PUBLIC STREETS, HIGHWAYS, RIGHTS-OF-WAY, AND PUBLIC UTILITIES (SUBJECT TO ACCEPTANCE BY THE CITY CONCURRENT WITH THE CITY ENGINEER'S ACCEPTANCE OF REQUIRED PUBLIC IMPROVEMENTS AS COMPLETE).

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: THE AREAS OVER, UNDER, AND UPON ANY AREA OR STRIP OF LAND DESIGNATED AS PUBLIC SERVICE EASEMENTS (PSE), AS DELINEATED AND EMBRACED WITHIN THE BOUNDARIES OF THE HEREIN EMBODIED MAP, DEDICATED TO THE CITY OF MILPITAS FOREVER FOR THE "PURPOSES OF PUBLIC SERVICES" (AS HEREIN DEFINED). THE "PURPOSES OF PUBLIC SERVICES" SHALL INCLUDE THE CONSTRUCTION, RECONSTRUCTION, REMOVING, REPLACING, REPAIRING, MAINTAINING, OPERATING, AND USING "PUBLIC SERVICE FACILITIES" (AS DEFINED HEREIN), AND ACCESS THROUGH THE PUBLIC SERVICE EASEMENT FOR THESE PURPOSES. "PUBLIC SERVICE FACILITIES" SHALL INCLUDE PUBLIC UTILITIES, FIRE HYDRANTS, ELECTROLIERS, IRRIGATION SYSTEMS, SIGNS AND TRAFFIC SIGNALS, AND ALL NECESSARY APPURTENANCES THERETO SUCH AS BRACES, CONNECTIONS, FASTENINGS, APPLIANCES, AND FIXTURES FOR USE IN CONNECTION THEREWITH. ALL PUBLIC SERVICE EASEMENTS SHALL BE KEPT OPEN AND FREE FROM BUILDINGS OR STRUCTURES OF ANY KIND, WITH THE SOLE EXCEPTION OF PUBLIC SERVICE FACILITIES. ALL PUBLIC SERVICE EASEMENTS SHALL BE CONSIDERED PUBLIC "WAYS" AS THAT TERM IS USED IN CALIFORNIA PUBLIC UTILITIES CODE SECTION 6202, AND ALL PUBLIC UTILITIES HOLDING A VALID FRANCHISE FROM THE CITY SHALL HAVE THE RIGHT TO USE THE PUBLIC SERVICE EASEMENTS IN ACCORDANCE WITH THE TERMS OF THE FRANCHISE.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: THE AREAS OVER, UNDER, AND UPON ANY AREA OR STRIP OF LAND DESIGNATED AS PUBLIC UTILITY EASEMENT (PUE), AS DELINEATED AND EMBRACED WITHIN THE BOUNDARIES OF THE HEREIN EMBODIED MAP, DEDICATED TO THE CITY OF MILPITAS FOREVER WITH THE RIGHT OF INGRESS AND EGRESS FOR THE PURPOSE OF CONSTRUCTION AND MAINTENANCE OF APPLICABLE UTILITY STRUCTURES AND APPURTENANCES. SAID AREAS OR STRIPS OF LAND ARE TO BE KEPT OPEN AND FREE FROM BUILDINGS AND STRUCTURES OF ANY KIND, EXCEPT APPLICABLE UTILITY STRUCTURES AND APPURTENANCES.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS A NON-EXCLUSIVE MAINTENANCE ACCESS EASEMENT FOR PUBLIC PURPOSES: THE AREAS OVER AND UPON ANY STRIP OF LAND DESIGNATED AS SANITARY SEWER MAINTENANCE EASEMENT (SSME), AS DELINEATED AND EMBRACED WITHIN THE BOUNDARIES OF THE HEREIN EMBODIED MAP, DEDICATED TO THE CITY OF MILPITAS FOREVER FOR THE RIGHT OF INGRESS AND EGRESS FOR THE PURPOSE OF CONSTRUCTION AND MAINTENANCE OF THE APPLICABLE SANITARY SEWER FACILITIES. SAID AREAS OR STRIPS OF LAND ARE TO BE KEPT OPEN AND FREE FROM BUILDINGS AND STRUCTURES OF ANY KIND, EXCEPT ALL PRIVATE STORM DRAINS AND PRIVATE RESIDENCE UTILITIES AND ASSOCIATED APPURTENANCES.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: THE AREAS OVER AND UPON ANY AREA OR STRIP OF LAND DESIGNATED AS EMERGENCY VEHICLE ACCESS EASEMENT (EVAE), AS DELINEATED AND EMBRACED WITHIN THE BOUNDARIES OF THE HEREIN EMBODIED MAP, DEDICATED TO THE CITY OF MILPITAS FOREVER FOR THE PURPOSE OF INGRESS AND EGRESS OF PUBLIC SAFETY VEHICLES AND EMERGENCY EQUIPMENT.

THE REAL PROPERTY DESIGNATED AS LOT A IS FOR THE PURPOSE OF A PRIVATE STREET. SAID PRIVATE STREET IS NOT OFFERED FOR DEDICATION TO THE PUBLIC. MAINTENANCE OF SAID PRIVATE STREET SHALL BE THE RESPONSIBILITY OF THE HOMEOWNERS ASSOCIATION GOVERNING TRACT 10533.

THE REAL PROPERTY DESIGNATED AS LOT B, C, D AND E ARE RESERVED AS COMMON AREAS AND ARE NOT OFFERED FOR DEDICATION TO THE PUBLIC. MAINTENANCE OF SAID AREAS SHALL BE THE RESPONSIBILITY OF THE HOMEOWNERS ASSOCIATION GOVERNING TRACT 10533.

THIS MAP SHOWS ALL EASEMENTS ON THE PREMISES AND/OR OF RECORD, WITHIN THE BOUNDARY LINES OF THE HEREIN EMBODIED MAP.

OWNER

ROBSON HOMES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
BY: ROBSON PROPERTIES, INC., A CALIFORNIA CORPORATION, ITS MANAGER

BY: _____ DATE: _____
MARK E. ROBSON, PRESIDENT

TRUSTEE'S STATEMENT

THE UNDERSIGNED, FIRST AMERICAN TITLE INSURANCE COMPANY, A CALIFORNIA CORPORATION, AS TRUSTEE UNDER THAT CERTAIN DEED OF TRUST RECORDED JUNE 5, 2020 AS DOCUMENT NO. 24498093, OF OFFICIAL RECORDS OF SANTA CLARA COUNTY, DOES HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF THIS MAP AND JOINS IN ALL DEDICATIONS THEREON.

IN WITNESS WHEREOF, THE UNDERSIGNED HAS EXECUTED THIS STATEMENT ON _____, 2020,
BY ITS DULY AUTHORIZED OFFICERS AS TRUSTEE:

FIRST AMERICAN TITLE INSURANCE COMPANY, A CALIFORNIA CORPORATION

BY: _____ DATE: _____
NAME: _____
ITS: _____

TRACT 10533

NORTH PARK VICTORIA
CONSISTING OF FIVE (5) SHEETS

REAL PROPERTY AS DESCRIBED IN THE DEED RECORDED JANUARY 17, 2018, DOCUMENT NO. 23849668, SANTA CLARA COUNTY RECORDS.

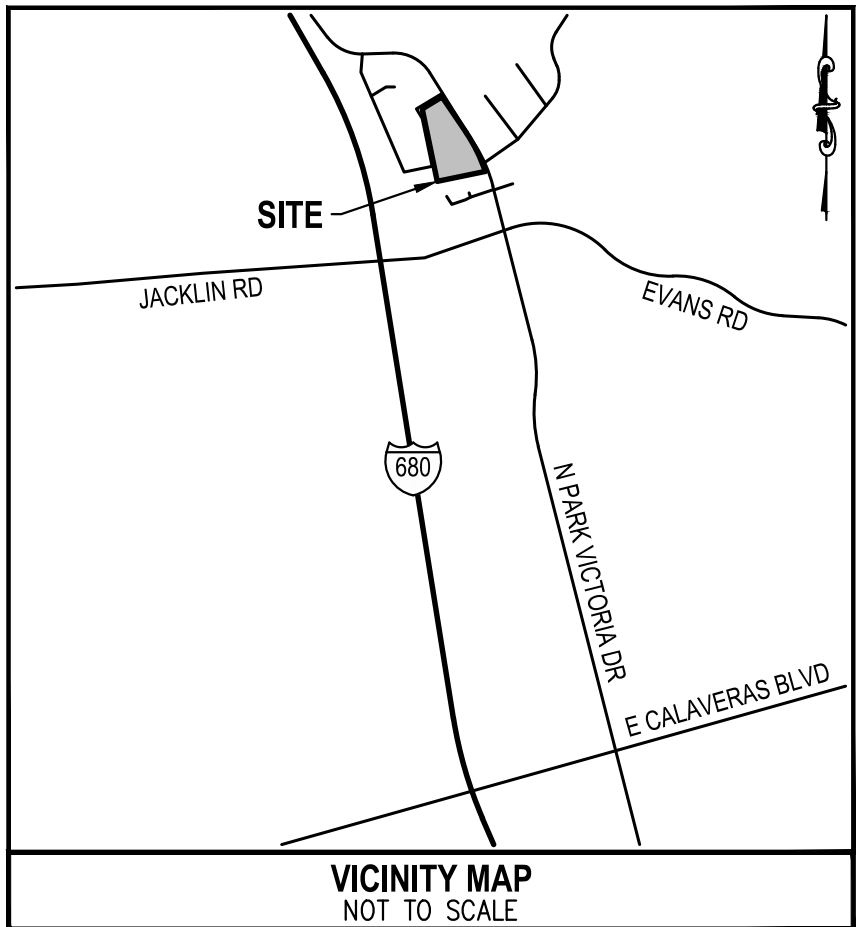
LYING WITHIN THE CITY OF MILPITAS, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA.



Civil
Engineering
Associates

DATE: NOVEMBER 2020
Civil Engineers • Planners • Surveyors

2055 Gateway Place Suite 550
San Jose, CA 95110



OWNER'S 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 SANTA CLARA

ON _____, 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 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 _____

NAME (PRINT) _____

PRINCIPAL PLACE OF BUSINESS _____

MY COMMISSION NUMBER _____

MY COMMISSION EXPIRES _____

SOILS AND GEOTECHNICAL REPORT

A GEOTECHNICAL REPORT, DATED MAY 17, 2018, HAS BEEN PREPARED BY GEO-LOGIC ASSOCIATES FOR THIS SUBDIVISION AND IS ON FILE WITH THE CITY OF MILPITAS.

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF ROBSON HOMES, LLC ON JANUARY 9, 2019. 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 31, 2024, 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.

DATE: _____
ANDREW TURNER
LS NO. 9104



RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____, 20____, AT _____, M., IN

BOOK _____ OF MAPS AT PAGES _____ SANTA CLARA COUNTY RECORDS, AT THE REQUEST OF FIRST AMERICAN TITLE INSURANCE COMPANY.

FILE NO. _____

FEE \$ _____

REGINA ALCOMENDRAS, COUNTY RECORDER
SANTA CLARA COUNTY, CALIFORNIA

BY: _____
DEPUTY

TRUSTEE'S 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 SANTA CLARA

ON _____, 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 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 _____

NAME (PRINT) _____

PRINCIPAL PLACE OF BUSINESS _____

MY COMMISSION NUMBER _____

MY COMMISSION EXPIRES _____

TRACT 10533

NORTH PARK VICTORIA
CONSISTING OF FIVE (5) SHEETS

REAL PROPERTY AS DESCRIBED IN THE DEED RECORDED JANUARY 17, 2018, DOCUMENT NO. 23849668, SANTA CLARA COUNTY RECORDS.

LYING WITHIN THE CITY OF MILPITAS, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA.

DATE: NOVEMBER 2020



Civil
Engineering
Associates

Civil Engineers • Planners • Surveyors

2055 Gateway Place Suite 550
San Jose, CA 95110

CITY ENGINEER'S CERTIFICATE

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

STEVEN PATRICK ERICKSON, PE
CITY ENGINEER, CITY OF MILPITAS
RCE NO. 57242

DATE: _____

ACTING CITY SURVEYOR'S STATEMENT

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

DATE: _____
DEAN A. JURADO, PLS NO. 9032
ACTING CITY SURVEYOR, CITY OF MILPITAS

CITY CLERK'S CERTIFICATE

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

1. APPROVED THIS TRACT MAP NO. 10533.
2. ACCEPTED, SUBJECT TO IMPROVEMENT, ON BEHALF OF THE CITY OF MILPITAS, ALL EASEMENTS AS OFFERED FOR DEDICATION FOR PUBLIC USE IN CONFORMITY WITH THE TERMS OF THE OFFER OF DEDICATION.
3. PURSUANT TO SECTION 66434(G) OF THE SUBDIVISION MAP ACT, THE FILING OF THIS MAP SHALL CONSTITUTE ABANDONMENT OF THE FOLLOWING:

EXISTING EASEMENT FOR SANITARY SEWERS APPURTENANCES AND INCIDENTAL PURPOSES, RECORDED APRIL 24, 1961 AS BOOK 5144, PAGE 487 OF OFFICIAL RECORDS.

MARY LAVELLE
CITY CLERK, CITY OF MILPITAS

DATE: _____

ABBREVIATIONS

ESMT	EASEMENT
EAE	EMERGENCY VEHICLE ACCESS EASEMENT
FD	FOUND
MON	MONUMENT
M-M	MONUMENT TO MONUMENT
NTS	NOT TO SCALE
PIEE	PRIVATE INGRESS AND EGRESS EASEMENT
PSDE	PRIVATE STORM DRAIN EASEMENT
PSDRE	PRIVATE SURFACE DRAINAGE RELEASE EASEMENT
PSSE	PRIVATE SANITARY SEWER EASEMENT
PSE	PUBLIC SERVICE EASEMENT
PUE	PUBLIC UTILITY EASEMENT
SSME	SANITARY SEWER MAINTENANCE EASEMENT
(T)	TOTAL

LEGEND

	DISTINCTIVE BOUNDARY
	RIGHT OF WAY
	NEW LOT LINE / STREET EASEMENT LINE
	EXISTING PROPERTY LINE
	CENTER LINE
	MONUMENT LINE
	NEW EASEMENT LINE
	EXISTING EASEMENT LINE
	BOUNDARY TIE
	NO VEHICULAR ACCESS
	FOUND BRASS DISK IN CITY MONUMENT WELL (AS NOTED)
	SET STANDARD CITY MONUMENT, MONUMENT BOX W/ 2 1/2" BRASS DISK IN CONCRETE, STAMPED LS 9104
	SET 3/4" IRON PIPE OR NAIL & TAG, STAMPED LS 9104
	RECORD DATA W/ REFERENCE

NOTES

- ALL DISTANCES AND DIMENSIONS SHOWN HEREON ARE IN FEET AND DECIMALS THEREOF.
- THE AREA WITHIN THE DISTINCTIVE BORDER IS 4.88 ACRES, MORE OR LESS.
- THE DISTINCTIVE BORDER LINE DENOTES THE BOUNDARY OF THIS SUBDIVISION.

BASIS OF BEARINGS

THE BEARING OF N10°27'28"W BETWEEN THE FOUND MONUMENTS ALONG RANKIN DRIVE AS SHOWN ON THAT CERTAIN TRACT MAP ENTITLED "TRACT NO. 6071" RECORDED IN BOOK 429 OF MAPS AT PAGES 6-8, SANTA CLARA COUNTY RECORDS, AND AS FOUND MONUMENTED, WAS TAKEN AS BASIS OF ALL BEARINGS FOR THIS MAP.

REFERENCES

- [1] TRACT NO. 6071 - 429 M 6-8
[2] TRACT NO. 8112 - 586 M 8-9
[3] TRACT NO. 8865 - 685 M 33-35

TRACT 10533

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LYING WITHIN THE CITY OF MILPITAS, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA.

DATE: NOVEMBER 2020

Civil Engineers • Planners • Surveyors

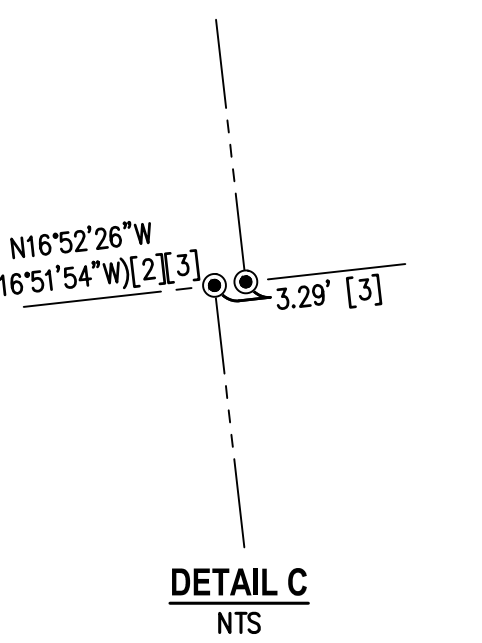
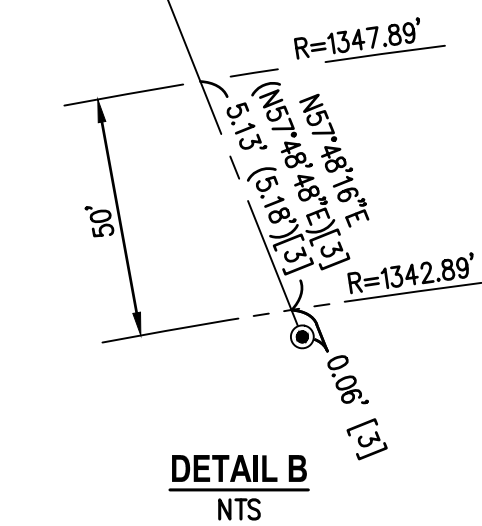
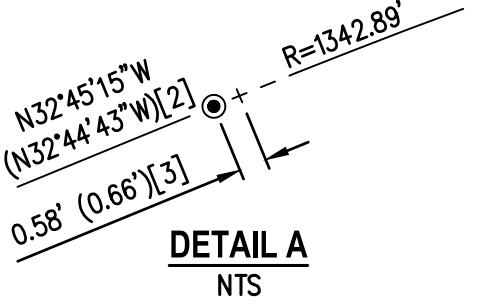
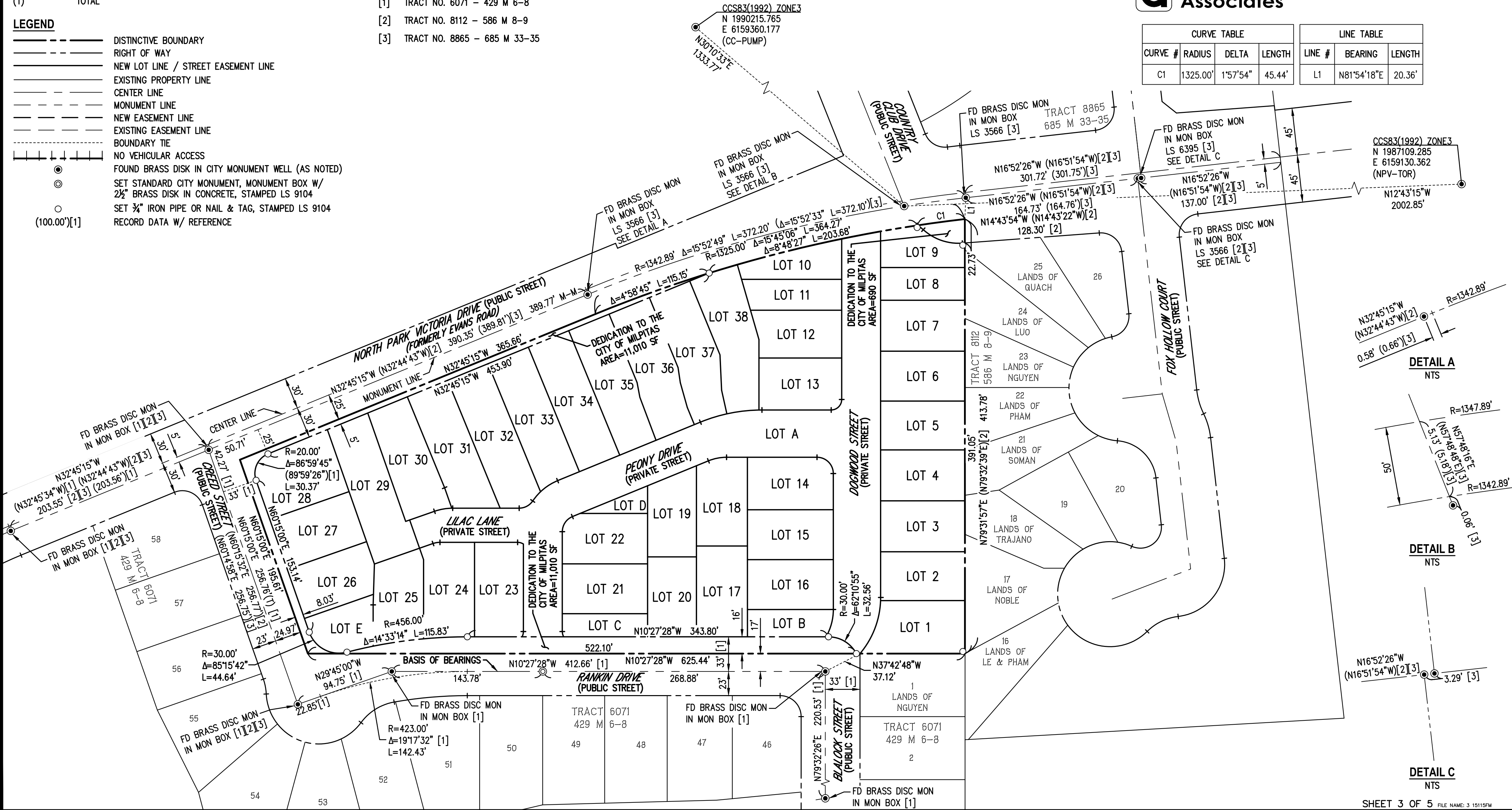
2055 Gateway Place Suite 550
San Jose, CA 95110

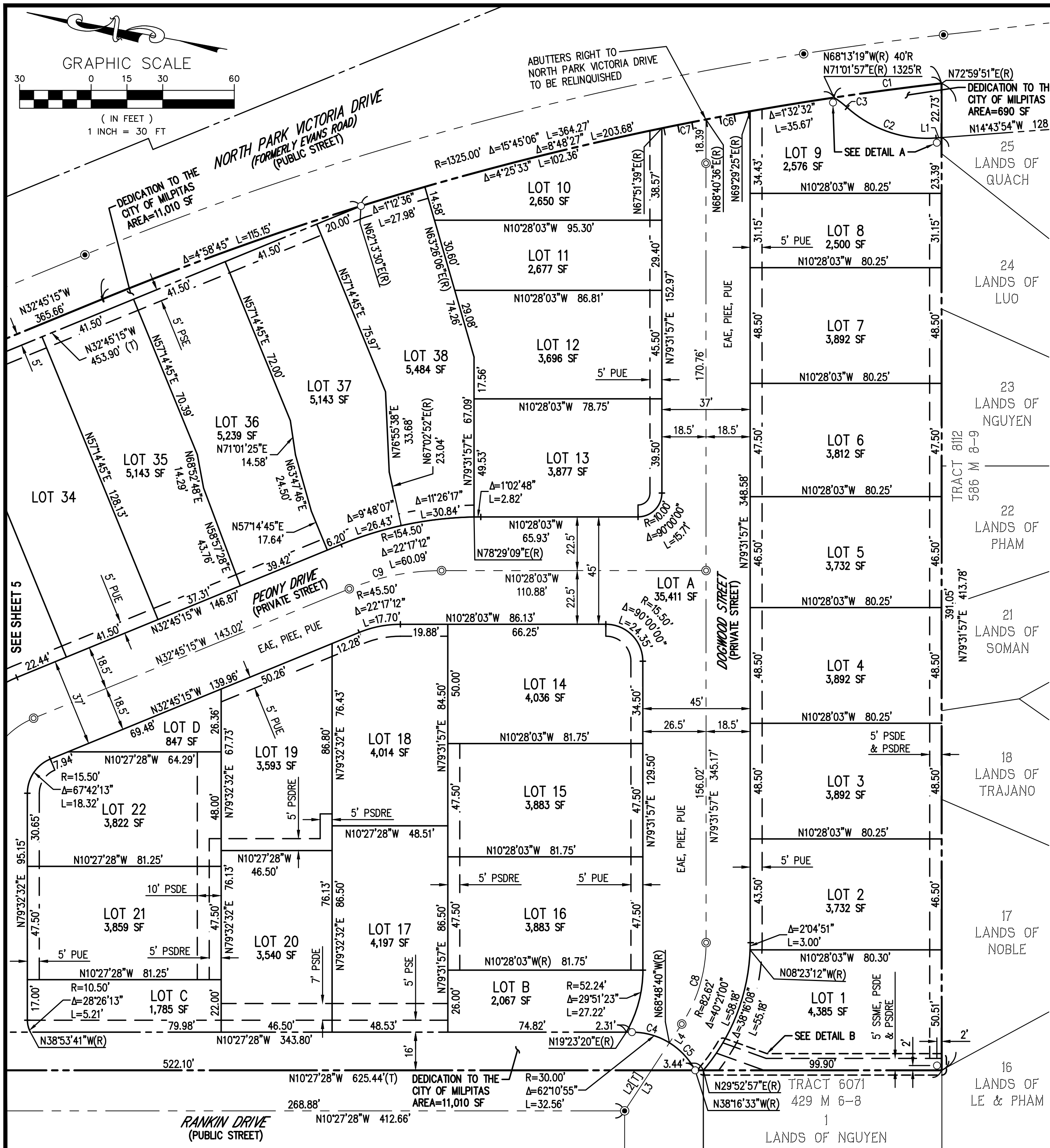


Civil
Engineering
Associates

CURVE TABLE			
CURVE #	RADIUS	DELTA	LENGTH
C1	1325.00'	1°57'54"	45.44'

LINE TABLE		
LINE #	BEARING	LENGTH
L1	N81°54'18"E	20.36'





CURVE TABLE			
CURVE #	RADIUS	DELTA	LENGTH
C1	1325.00'	1°57'54"	45.44'
C2	50.00'	46°24'18"	40.50'
C3	40.00'	9°53'43"	6.91'
C4	30.00'	31°38'48"	16.57'
C5	30.00'	30°32'07"	15.99'
C6	1325.00'	0°48'49"	18.81'
C7	1325.00'	0°48'57"	18.86'
C8	62.02'	33°20'37"	36.09'
C9	102.00'	22°17'12"	39.68'
C10	82.62'	6°16'01"	9.04'
C11	82.62'	3°33'07"	5.12'

LINE TABLE		
LINE #	BEARING	LENGTH
L1	N14°43'54"W	2.29'
L2	N67°07'26"W	43.57'
L3	N67°07'26"W	34.16'
L4	N67°07'26"W	9.41'

TRACT 10533

NORTH PARK VICTORIA
CONSISTING OF FIVE (5) SHEETS

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- THE DISTINCTIVE BORDER LINE DENOTES THE BOUNDARY OF THIS SUBDIVISION.

BASIS OF BEARINGS

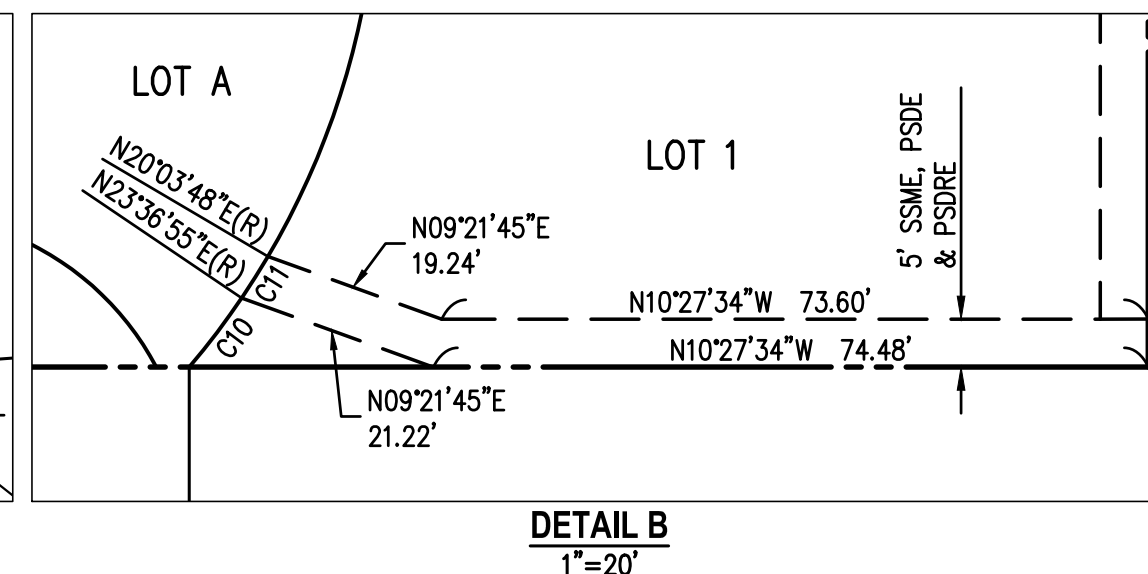
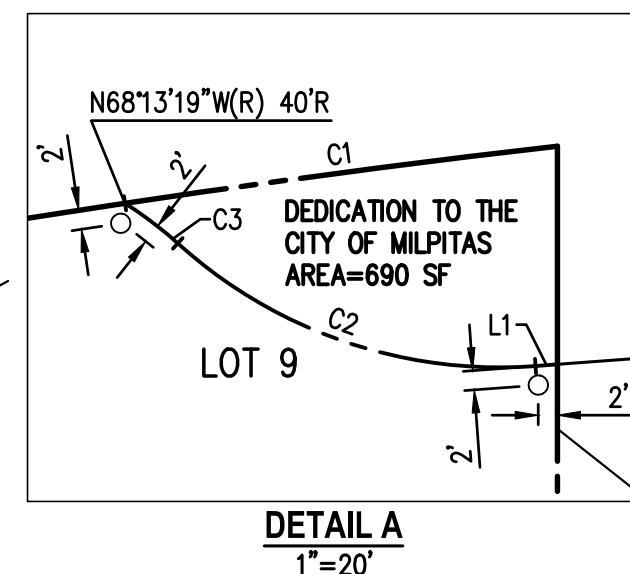
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PUE	PUBLIC UTILITY EASEMENT
SSME	SANITARY SEWER MAINTENANCE EASEMENT
(T)	TOTAL

LEGEND

---	DISTINCTIVE BOUNDARY
---	RIGHT OF WAY
---	NEW LOT LINE / STREET EASEMENT LINE
---	EXISTING PROPERTY LINE
---	CENTER LINE
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---	NEW EASEMENT LINE
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---	BOUNDARY TIE
---	NO VEHICULAR ACCESS
⊙	FOUND BRASS DISK IN CITY MONUMENT WELL (AS NOTED)
⊙	SET STANDARD CITY MONUMENT, MONUMENT BOX W/ 2 1/2" BRASS DISK IN CONCRETE, STAMPED LS 9104
⊙	SET 3/4" IRON PIPE OR NAIL & TAG, STAMPED LS 9104
(100.00')[1]	RECORD DATA W/ REFERENCE



RECORDING REQUESTED BY:
WHEN RECORDED RETURN TO:

CITY OF MILPITAS
455 E. Calaveras Blvd
MILPITAS, CA 95035
ATTN: Kan Xu, PE

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Exempt from recording fee, per Government Code
Section 6103

CITY OF MILPITAS, CALIFORNIA

By: _____
City Clerk

SUBDIVISION IMPROVEMENT AGREEMENT

TRACT NO. 10533

between

CITY OF MILPITAS

a California municipal corporation

and

ROBSON HOMES, LLC

a California limited liability company

**SUBDIVISION IMPROVEMENT AGREEMENT
TRACT MAP NO. 10533**

I. PARTIES AND DATE.

This Subdivision Improvement Agreement (“Agreement”) is entered into as of this ____ day of _____, _____ by and between the City of MILPITAS, a California municipal corporation (“City”) and Robson Homes, LLC, a California limited liability company with its principal office located at 2185 The Alameda, Suite 150, San Jose, CA 95126 (“Developer”). City and Developer are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

II. RECITALS.

A. On November 18, 2018, Developer submitted to City an application for approval of a vesting tentative tract map for real property located within City, a legal description of which is attached hereto as Exhibit “A” (“Property”). The vesting tentative tract map was prepared on behalf of Developer by Civil Engineering Associates, and is identified in City records as Vesting Tract Map No. 10533 (“Tract No. 10533”).

B. Developer’s application for a vesting tentative tract map for Tract No. 10533 was deemed complete on August 7, 2019. On January 21, 2020, the MILPITAS CITY COUNCIL conditionally approved Developer’s application for a vesting tentative tract map for Tract No. 10533.

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. 10533, or other ordinances, resolutions, or policies of City requiring construction of public improvements in conjunction with the subdivision of land.

D. Pursuant to Section Title XI, Chapter 1, Section 17 of the 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. 10533.

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. 10533.

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 and (c) the City Council of the City ("City Council") approves the final map for Tract No. 10533. If the above described conditions are not satisfied within 60 days after the entry date of this Agreement, 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. 10533.

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. 10533, 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. 10533 ("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 each 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 Applicable 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 pursuant to Section 11.0. 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 one (1) year of the effective date of this Agreement, unless extended pursuant to Section 4.1.

4.1 Extensions. City may, in its sole and absolute discretion, 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. 10533 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 Sections 11.0 and 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. 10533 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. 10533.

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 by City Council; 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 and reduce the requirement Security amount pursuant to Section 13.0 et seq., 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 9204, at which time the accepted Public Improvements shall become the sole and exclusive property of City without payment therefor. If Tract No. 10533 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 Public Improvements and acceptance of them by the City Council ("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 subject 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 the 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 Improvement Security; Surety Bonds. Prior to this Agreement taking effect as set forth in Section 1.0 above, 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 9.0 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 **One Million Two Hundred Twenty Thousand One Hundred Seventeen Dollars (\$1,220,117)**, 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 portions of the Public Improvements are completed and accepted by the City Council, provided that Developer is not in default on any provision of this Agreement or condition of approval for Tract No. 10533, 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 12.0 of this Agreement, provided that Developer is not in default on any provision of this Agreement or condition of approval for Tract No. 10533.

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 **One Million Two Hundred Twenty Thousand One Hundred Seventeen Dollars (\$1,220,117)**, 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 this Agreement taking effect as set forth in Section 1.0 above, to guarantee payment to the engineer or surveyor for the setting of all subdivision boundaries, lot corners, and street centerline monuments for Tract No. 10533 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 **Ten Thousand Dollars (\$10,000)**, 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. 10533.

15.0 [Reserved]

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 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. 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 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 section 1770 et seq., including, without limitation S.B. 975, which require the payment of prevailing wage rates and the performance of other requirements if it is determined that this Agreement constitutes a public works contract. It shall be the sole responsibility of Developer to determine whether to pay prevailing wages 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 pay prevailing wages 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 be placed 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. 10533, 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 to 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 Blvd
MILPITAS, CA 92236
Attn: Steve Erickson, PE

DEVELOPER:
Robson Homes LLC
2185 The Alameda, Ste 150
San Jose, CA 95126
Attn: Mark Robson

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 the Public Improvements or this Agreement, as well as the laws, rules, regulations, ordinances or resolutions of City with regards to the authorization, execution or performance of the Public Improvements or 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. 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

City of Milpitas,
a California municipal corporation

DEVELOPER

Robson Homes, LLC,
a California limited liability company

By: Robson Properties, Inc.,
a California corporation
Its Manager

By: _____

Name: Steve McHarris
Title: City Manager

By: _____

Name: Mark Robson
Title: President

APPROVED AS TO FORM:

Christopher J. Diaz
City Attorney

APPROVED AS TO FORM:

Walter C. Rossmann
Risk Manager / Director of Finance

APPROVED AS TO SUFFICIENCY:

Steven Erickson
Engineering Director / City Engineer

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.

All Capacity 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

Number of Pages

- ☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

All Capacity 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)
- ☐ Partner ☐ Limited
(s)
☐ General
- ☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:

Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY
TRACT NO. 10533

EXHIBIT “B”
LIST OF PUBLIC IMPROVEMENTS
TRACT NO. 10533

EXHIBIT “C”
SURETY BONDS AND OTHER SECURITY
TRACT NO. 10533

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: **\$1,220,117**

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

MATERIAL AND LABOR BOND PRINCIPAL AMOUNT: **\$1,220,117**

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

CASH MONUMENT SECURITY: **\$10,000**

Amount deposited per Cash Receipt No. _____ Date: _____

BOND NO. _____
INITIAL PREMIUM: _____
SUBJECT TO RENEWAL

CITY OF MILPITAS
TRACT MAP NO. 10533 IMPROVEMENTS
PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the City of MILPITAS, California (“City”) and _____ (“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. 10533 (“Public Improvements”);

WHEREAS, the Public Improvements to be performed by Principal are more particularly set forth in that certain Subdivision Improvement Agreement 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 **One Million Two Hundred Twenty Thousand One Hundred Seventeen Dollars (\$1,220,117)**, 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 _____, ____.

(Corporate Seal)

Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title _____

The rate of premium on this bond is _____ per thousand. The total amount of premium charges is \$_____.
(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)

BOND NO. _____
INITIAL PREMIUM: _____
SUBJECT TO RENEWAL

CITY OF MILPITAS
TRACT MAP NO. 10533 IMPROVEMENTS
LABOR AND MATERIAL BOND

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the City of MILPITAS, California (“City”) and _____ (“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. 10533.

WHEREAS, the Public Improvements to be performed by Principal are more particularly set forth in that certain Subdivision Improvement Agreement 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 3 (commencing with section 9000) of Part 6 of Division 4 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 contractors, subcontractors, material suppliers, 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 **One Million Two Hundred Twenty Thousand One Hundred Seventeen Dollars (\$1,220,117)**, 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 herein, 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 3 (commencing with Section 9000) of Part 6 of Division 4 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 _____, _____.

(Corporate Seal)

Principal _____

By _____

Title _____

(Corporate Seal)

Surety _____

By _____

Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title _____

The rate of premium on this bond is _____ per thousand. The total amount of premium charges is \$_____.

(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)

All Capacity 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)
- ☐ Partner ☐ Limited
(s) ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:

Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

All Capacity 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)
- ☐ Partner ☐ Limited
(s) ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:

Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Certifying Election Results and Adding Parcel 5 to Community Facilities District No. 2008-1 (Annexation No. 20)
Category:	Consent Calendar-Community Development
Meeting Date:	12/1/2020
Staff Contact:	Steve Erickson, 408-586-3301
Recommendation:	Following receipt of election results from the City Clerk, adopt a resolution certifying election results and adding Parcel 5 to Community Facilities District No. 2008-1 (Annexation No. 20) for 355 Sango Ct.

Background:

On June 12, 2018, the City Council approved Site Development Permit No. SD17-0017, Density Bonus No. DB17-0001, and Environmental Assessment No. EA18-0001 for a 102-unit multifamily apartment building project located on a 1.26-acre site within the Transit Area Specific Plan area at 355 Sango Court. This project is known as 355 Sango Court (Project), and the developer is Sango Court, L.P. (Developer).

Analysis:

The Project (Parcel 5 of Parcel Map filed for record in the office of the recorder of the County of Santa Clara, California on April 22, 1974, in Book 338 of Maps, at Page 42) is subject to annexation into the Community Facilities District No. 2008-1 (CFD 2008-1). The City has on file a Certificate of Registrar of Voters from the County of Santa Clara certifying that there are no registered voters residing within the boundaries of the proposed CFD Annexation No. 20 for this development. The Developer is the sole property owner, and on November 25, 2020, the property owner was scheduled to vote on agreeing to the proposed Annexation No. 20.

The resolution attached hereto documents the results of the election for annexation into CFD 2008-1. Annexation into CFD 2008-1 is subject to the provisions of the Mello-Roos Community Facilities Act of 1982, commencing with Section 53311 of the Government Code. While the Act has a number of requirements for annexation and imposition of the special tax, the Developer (as the sole landowner within the annexation territory) has agreed to waive many of the formalities including the right to have the special election conducted within the time periods specified in Government Code Section 53326, requirement for the mailing of the election ballot, requirement for the ballot to be accompanied by arguments for or against the ballot measure and the impartial analysis as required by Government Code Section 53327, and the right to protest, complaint, or legal action of any nature pertaining to the procedures to be undertaken for the conduct of such election. The City Attorney has reviewed and agrees with the formalities to be waived, and a copy of the waiver executed by the Developer is on file with the City Clerk.

Policy Alternative:

Alternative: Do not adopt resolution and deny annexation of Project parcel into CFD 2008-1.

Pros: None

Cons: Denying the Annexation of Project into the CFD No. 2008-1 would prevent the City from levying special taxes on this parcel, in order to fund public services.

Reason not recommended: To adequately fund the perpetual maintenance of improvements and services within CFD No. 2008-1, staff recommends adoption of a resolution certifying election results and adding Project to CFD 2008-1.

Fiscal Impact:

Adding Project to the CFD No. 2008-1 would allow the City to levy special taxes on this parcel, in order to fund for public services.

California Environmental Quality Act:

This project is covered under the scope of activities approved under the Transit Area Specific Plan Environmental Impact Report, SCH2006032091, which was certified by City Council on June 3, 2008. On June 12, 2018, the City Council found that the project is exempt from further environmental review pursuant to CEQA Guidelines Section 15183 (projects consistent with a Community Plan, General Plan or Zoning); CEQA Guidelines Section 15182 (residential projects consistent with a specific plan); and CEQA Guidelines Section 15168 (projects within the scope of a program EIR).

Recommendation:

Following receipt of election results from the City Clerk, adopt a resolution certifying election results and adding Parcel 5 to Community Facilities District No. 2008-1 (Annexation No. 20) for 355 Sango Ct.

Attachment:

Resolution

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS CERTIFYING THE RESULTS OF
AN ELECTION AND ADDING TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2008-1
PUBLIC SERVICES**

Annexation No. 20

WHEREAS, the City Council of the City of Milpitas (the “City Council”) has previously formed Community Facilities District No. 2008-1 (Public Services) (“CFD No. 2008-1”) pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”), as amended, for the purpose of financing certain Public Services; and

WHEREAS, acting pursuant to the Act, the City Council also authorized by the adoption of Resolution No. 8601 (the “Resolution Authorizing Future Annexation”) the annexation in the future of territory to CFD No. 2008-1, such territory designated as Future Annexation Area, Community Facilities District No. 2008-1 (the “Future Annexation Area”); and

WHEREAS, at this time the unanimous consent to the annexation of certain territory located within the Future Annexation Area to CFD No. 2008-1 has been received from the property owner of such territory, and such territory has been designated as Annexation No. 20 (the “Territory”); and

WHEREAS, less than twelve (12) registered voters have resided within the Territory for each of the ninety (90) days preceding the election date established for the Territory, therefore, pursuant to the Act the qualified elector of the Territory shall be the “landowner,” as such term is defined in Government Code Section 53317(f), of such Territory and such landowner who is the owner of record as of the applicable election date, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of the parcel of land that landowner owns within such Territory; and

WHEREAS, the time limit specified by the Act for conducting an election to submit the levy of the special taxes on the Territory to the qualified elector thereof and the requirements for impartial analysis and ballot arguments have been waived with the unanimous consent of the qualified elector of the Territory; and

WHEREAS, the City Clerk of the City of Milpitas has caused a ballot to be distributed to the qualified elector of the Territory, has received and canvassed such ballot and made a report to the City Council regarding the results of such canvass, a copy of which is attached as **Exhibit A** hereto and incorporated herein by this reference; and

WHEREAS, at this time the measure voted upon and such measure did receive the favorable vote of the qualified elector of the Territory, and the City Council desires to declare the results of the election; and

WHEREAS, a map showing the Territory and designated as Annexation Map No. 20 (the “Annexation Map”), a copy of which is attached as **Exhibit B** hereto and incorporated herein by this reference, has been submitted to this legislative body.

NOW, THEREFORE, the City Council of the City of Milpitas, California, acting as the legislative body of Community Facilities District No. 2008-1, hereby finds, determines and resolves as follows:

1. **Recitals.** The above recitals are true and correct.
2. **Findings.** This legislative body does hereby further determine as follows:
 - A. The unanimous consent as described in the recitals hereto to the annexation of the Territory to CFD No. 2008-1 has been given by the owner of the Territory and such consent shall be kept on file in the Office of the City Clerk of the City of Milpitas.
 - B. Less than twelve (12) registered voters have resided within the Territory for each of the ninety (90) days preceding the election date established for the each of the parcels located within the

Territory, therefore, pursuant to the Act the qualified elector for the Territory shall be the "landowner" of the Territory as such term is defined in Government Code Section 53317(f).

- C. The qualified elector of the Territory has voted in favor of the levy of special taxes on the Territory upon its annexation to CFD No. 2008-1.
3. Territory. The boundaries and parcels of property within the Territory and on which special taxes will be levied in order to pay for the costs and expenses of authorized Public Services are shown on the Annexation Map as submitted to and hereby approved by this legislative body.
4. Declaration of Annexation. This legislative body does hereby determine and declare that the Territory, and each parcel therein, is now added to and becomes a part of CFD No. 2008-1. The City Council, acting as the legislative body of CFD No. 2008-1, is hereby empowered to levy the authorized special tax within the Territory.
5. Notice. Immediately upon adoption of this Resolution, notice shall be given as follows:
- A. A copy of the Annexation Map as approved shall be filed in the Office of the County Recorder no later than fifteen (15) days after the date of adoption of this Resolution.
- B. An Amendment to the Notice of Special Tax Lien (Notice of Annexation) shall be recorded in the Office of the County Recorder no later than fifteen (15) days after the date of adoption of this Resolution.
6. Effective Date. This Resolution shall become effective upon its adoption.

PASSED AND ADOPTED this ____ day of _____, 2020, 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

CERTIFICATE OF ELECTIONS OFFICIAL AND STATEMENT OF VOTES CAST

The undersigned, ELECTIONS OFFICIAL OF THE CITY OF MILPITAS, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, DOES HEREBY CERTIFY that pursuant to the provisions of Section 53326 of the Government Code and Division 12, commencing with Section 17000 of the Elections Code of the State of California, I did canvass the returns of the votes cast at the

I FURTHER CERTIFY that this Statement of Votes Cast shows the whole number of votes cast in the area proposed to be annexed to Community Facilities District No. 2008-1 for or against the Measure are full, true and correct.

WITNESS my hand this _____ day of _____, 2020.

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CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution to Eliminate 2021 Pay Raise for Unrepresented Miscellaneous and Safety Employees
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	12/1/2020
Staff Contact:	Jeannine Seher, Human Resources Director, 408-586-3086
Recommendation:	Adopt a resolution eliminating pay raise for unrepresented miscellaneous employees effective in 2021, previously authorized on June 18, 2019, as specified in Resolution No. 8888, and eliminating the 2021 raise for Unrepresented Police Management classifications and Unrepresented Fire Management classifications.

Background:

Unrepresented employees are not organized nor represented for the purposes of collective bargaining and meeting and conferring over salary, benefits, and working conditions. However, in order to avoid compaction, and to aid in the ability to attract and retain employees, the Council periodically provides direction and authorizes increases to the Classification Plan, often consistent and timed with increases provided to other bargaining units. The most recent general salary increases authorizing these adjustments occurred on June 18, 2019, which was during a thriving economic period and prior to the global pandemic. The unrepresented employees, pursuant to Resolution No. 8888 are authorized to receive their next pay increase of 3% effective with the first pay period in July 2021. Further, on March 19, 2019, the City Council approved tying future raises for unrepresented Police and Fire management classifications to those for the respective employee organizations (MPOA or IAFF).

City leadership acknowledges that the global pandemic and stay at home orders have resulted in unforeseen, significant decreases in revenues. The losses that have materialized make the pending raises ill-timed and not a prudent course of action. As such, staff recommends the pending raises scheduled for miscellaneous Unrepresented employees for July 2021 be eliminated. Further, any raise due to Unrepresented Police Management classifications (5% in January 2021) and Fire Management classifications (4% in July 2021) will also be eliminated.

Analysis:

When the City adopted the Resolution in 2019, it did so under extremely different circumstances. The labor market was very competitive, and competition for talent was fierce. With the global pandemic, the economic impacts have been severe and revenue losses deep. Although the unrepresented employees do not bargain for their salary, benefits or terms and conditions of employment, the City Manager's Office met with these employees to discuss the fiscal situation, and the need to lead by example by foregoing the 2021 salary increases. The savings as a result of this action is projected to reduce anticipated expenditures by approximately \$25,000 for Fiscal Year 2020-21 and \$341,000 for Fiscal Year 2021-22.

Policy Alternative:

Alternative: Provide the raises as previously approved or approve and authorize a lesser raise.

Pros: Will provide a previously committed benefit to City employees.

Cons: The City is facing a structural deficit. The elimination of the pay raise specified above is an action that assists in the effort to bridge that gap.

Reason not recommended : Providing pay raises to the City's unrepresented employees is not a prudent course of action in light of the pandemic and resulting impacts on the economy and the City's fiscal situation. Additionally, elimination of the raises provides cost savings that will mitigate the impact of the structural budget deficit without reducing services to the community.

Fiscal Impact:

The above action is projected to reduce anticipated expenditures by approximately \$25,000 for Fiscal Year 2020-21 and \$341,000 for Fiscal Year 2021-22. The budget amendment for the expenditure savings for the current fiscal year will be brought forward as part of the FY 2020-21 Mid-Year Budget Review and the expenditure savings for FY 2021-22 will be incorporated into the FY 2021-22 Proposed Budget scheduled for release early May 2021.

California Environmental Quality Act:

Not a project requiring environmental review under the California Environmental Quality Act (CEQA).

Recommendation:

Adopt a resolution eliminating pay raise for unrepresented miscellaneous employees effective in 2021, previously authorized on June 18, 2019, as specified in Resolution No. 8888, and eliminating the 2021 raise for Unrepresented Police Management classifications and Unrepresented Fire Management classifications.

Attachments:

- 1) Draft Resolution
- 2) Adopted Resolution No. 8888

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING THE
CLASSIFICATION PLAN TO ADJUST SALARY RANGES OF UNREPRESENTED MANGEMENT
EMPLOYEES**

WHEREAS, the City of Milpitas Unrepresented Management Employees are not organized or represented for the purposes of meeting and conferring with the City in the areas of salary, benefits, and working conditions; and

WHEREAS, on December 17, 1968, the City of Milpitas established a Classification Plan adopted as Resolution No. 1626, 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, including transfer of duties, new job responsibilities, and adjustments to salary ranges; and

WHEREAS, on July 7, 1981, the City Council of the City of Milpitas adopted Resolution No. 3558 to authorize compensation and fringe benefits for all exempt employees and City Council; and

WHEREAS, on March 19, 2019, the City Council took action to tie the Unrepresented Police Management classifications and Unrepresented Fire Management classifications salaries to the Milpitas Police Officers Association (MPOA) and International Association of Fire Fighters (IAFF) salary increases respectively; and

WHEREAS, on June 18, 2019, the City Council adopted Resolution No. 8888 amending the Classification Plan to authorize salary range increases for Unrepresented Management Employees by 3% effective the first full pay period in July 2021; and

WHEREAS, as a result significant effects of the global pandemic on the City's resources, it is the desire of the City Council to amend the Classification Plan to eliminate the previously authorized salary range increases for Unrepresented Management Employees effective in 2021, along with eliminating any increases for the Unrepresented Police Management classification and Unrepresented Fire Management classification salaries that may be due for an adjustment based on any salary adjustment provided in the existing Memorandum of Understanding for MPOA (5% in January 2021) and IAFF (4% in July 2021).

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 further amended to eliminate the scheduled 3% salary increase effective in 2021 for Unrepresented Management Employees.
3. The City Council also hereby eliminates the any increases for the Unrepresented Police Management classification and Unrepresented Fire Management classification salaries that may be due for an adjustment based on any salary adjustment provided in the existing Memorandum of Understanding for MPOA (5% in January 2021) and IAFF (4% in July 2021).

PASSED AND ADOPTED this ____ day of _____, 2020, 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

RESOLUTION NO. 8888

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING THE
CLASSIFICATION PLAN TO ADJUST SALARY RANGES OF UNREPRESENTED MANGEMENT
EMPLOYEES AND AUTHORIZING FRINGE BENEFITS**

WHEREAS, the City of Milpitas Unrepresented Management Employees are not organized or represented for the purposes of meeting and conferring with the City in the areas of salary, benefits, and working conditions; and

WHEREAS, on December 17, 1968, the City of Milpitas established a Classification Plan adopted as Resolution No. 1626, 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, including transfer of duties, new job responsibilities, and adjustments to salary ranges; and

WHEREAS, on July 7, 1981, the City Council of the City of Milpitas adopted Resolution No. 3558 to authorize compensation and fringe benefits for all exempt employees and City Council; and

WHEREAS, it is the desire of the City Council to amend the Classification Plan to authorize salary range increases for Unrepresented Management Employees and to authorize fringe benefits as set out herein.

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 further amended to adjust the salary ranges for Unrepresented Management Employees, as set out in Exhibit A, attached hereto.
3. The City Council hereby authorizes the revised fringe benefits listed in Exhibit B, attached hereto, for Unrepresented Management Employees.

PASSED AND ADOPTED this 18th day of June 2019, by the following vote:

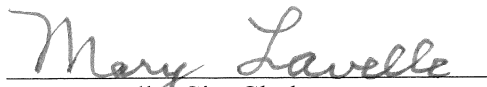
AYES: (5) Mayor Tran, Vice Mayor Dominguez, Councilmembers Montano, Nuñez, and Phan

NOES: (0) None

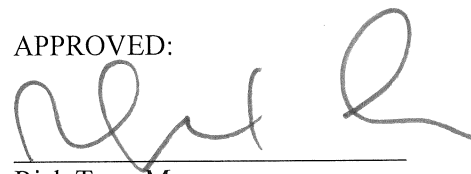
ABSENT: (0) None

ABSTAIN: (0) None

ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Rich Tran, Mayor

APPROVED AS TO FORM:

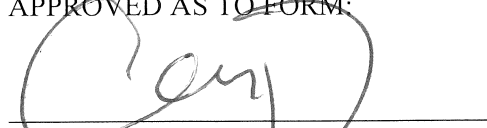

Christopher J. Diaz, City Attorney

Exhibit A					
Unrepresented Management Salary Adjustments					
(Hourly Salary)					
		Current	(7/01/2018)	Proposed	(7/01/2019)
Job Title	% Increase	Bottom	Top	Bottom	Top
Executive Staff					
Assistant City Manager	5.00%	\$86.65	\$121.32	\$90.98	\$127.39
Building & Housing Director	5.00%	\$75.37	\$105.51	\$79.14	\$110.79
City Clerk	5.00%	\$57.31	\$80.24	\$60.18	\$84.25
Deputy City Manager	5.00%	\$84.89	\$118.84	\$89.13	\$124.78
Economic Development Director	5.00%	\$69.33	\$97.06	\$72.80	\$101.91
Finance Director	5.00%	\$75.69	\$105.96	\$79.47	\$111.26
Human Resources Director	5.00%	\$75.27	\$105.38	\$79.03	\$110.65
Information Technology Director	5.00%	\$74.28	\$103.99	\$77.99	\$109.19
Recreation and Community Services Director	5.00%	\$73.81	\$103.53	\$77.50	\$108.71
Planning Director	5.00%	\$75.37	\$105.51	\$79.14	\$110.79
Public Works Director	5.00%	\$77.50	\$108.50	\$81.38	\$113.93
Engineering Director/City Engineer	5.00%	\$75.37	\$105.51	\$79.14	\$110.79
Chief of Police**	5.00%	\$89.81	\$125.74	\$94.30	\$132.03
Fire Chief**	5.00%	\$89.81	\$125.74	\$94.30	\$132.03
Unrepresented Staff					
Assistant Director of Finance	5.00%	\$62.36	\$87.31	\$65.48	\$91.68
Assistant Fire Marshal	5.00%	\$64.65	\$90.51	\$67.88	\$95.04
Assistant Police Chief**	5.00%	\$85.54	\$119.75	\$89.82	\$125.74
Building Official	5.00%	\$65.26	\$91.37	\$68.52	\$95.94
Chief Fire Enforcement Officer	5.00%	\$62.50	\$87.50	\$65.63	\$91.88
CIP Manager	5.00%	\$57.27	\$80.18	\$60.13	\$84.19
Community Services Engagement and Inclusion Administrator	5.00%	\$59.13	\$82.78	\$62.09	\$86.92
Deputy Fire Chief**	5.00%	\$81.46	\$114.05	\$85.53	\$119.75
Deputy Public Works Director	5.00%	\$66.85	\$93.59	\$70.19	\$98.27
Employee Relations Officer*	5.00%	\$57.44	\$80.42	\$60.31	\$84.44
Finance Manager*	5.00%	\$53.42	\$74.79	\$56.09	\$78.53
Housing Authority Administrator	5.00%	\$55.77	\$78.08	\$58.56	\$81.98
Planning Manager	5.00%	\$57.44	\$80.42	\$60.31	\$84.44
Plan Review Manager*	5.00%	\$60.10	\$73.08	\$63.10	\$76.73
Police Captain**	5.00%	\$81.46	\$114.05	\$85.53	\$119.75
Police Support Services Mgr	5.00%	\$55.71	\$78.00	\$58.50	\$81.90
Public Information Officer	5.00%	\$55.28	\$77.40	\$58.04	\$81.27
Public Works Manager	5.00%	\$51.58	\$72.21	\$54.16	\$75.82
Traffic and Transportation Manager	5.00%	\$55.28	\$77.40	\$58.04	\$81.27
Unrepresented employees will be eligible for a 5% salary increase on the first full pay period after 7/1/2019; 4% salary increase on the first full pay period after 7/1/2020; 3% salary increase on the first full pay period after 7/1/21 and 3% salary increase on the first full pay period after 7/1/22.					
* New positions for FY19-20 Budget - the hourly rates in the 7/1/18 columns are the hourly rates approved in the budget adoption resolutions dated June 11, 2019					
** The hourly rates in the 7/1/18 columns were adjusted for 5 Unrep Public Safety classifications on March 19, 2019					

Dependent Benefits Grid

Dependent Benefits				
Group	Date of Hire	Date of Retirement	Minimum Years of Continuous Service	City Contribution for Dependent Medical Premiums (3)
Unrepresented (UNREP-Police) ¹	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) ²	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) ²	After January 1, 1987	After June 5, 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 If the UNREP-Police fund is depleted, MPOA will provide funding for the dependent benefits.

² The Fire Chief is ineligible for dependent fund benefits.

³ Family/Dependent Medical Premium is active employee Single+1 OR Family medical premium rate less active employee Single medical premium rate.

Retiree Benefits Grid

Notes:

All employees who retire from the City are allowed to continue CalPERS medical coverage and receive the PEMHCA minimum. The benefits described in the grid below include the PEMHCA minimum.

Upon reaching Medicare eligibility, the City's contribution is capped at the applicable Medicare premium. "Vesting" percentages still apply.

"Benefit Cap": The single medical premium rate paid by the City for active employees (currently Kaiser)

"Retiree Cap": 115% of the Benefit Cap

Retiree Medical Benefits - Dependent Benefits will be summarized separately				
Group	Date of Hire	Date of Retirement	Minimum Years of Continuous Service	City Contribution for Retiree's Medical
Unrepresented Miscellaneous and Fire*	Before July 1, 1995	Before January 1, 1989	n/a	PEMHCA Minimum Only
		After July 1, 1990 but before September 1, 2002	Less than 5	PEMHCA Minimum Only
		After August 31, 2002	At least 5	Any employee only medical premium rate
			Less than 5	PEMHCA Minimum Only
	After June 30, 1995	Any	At least 5	Benefit cap
			Less than 5	PEMHCA Minimum Only
			5 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
Unrepresented Police ONLY*	Before July 1, 1995	Before January 1, 1989	n/a	PEMHCA Minimum Only
		After December 31, 1988 but before July 1, 2003	Less than 5	PEMHCA Minimum Only
		After June 30, 2003	At least 5	Any employee only medical premium rate
			Less than 5	PEMHCA Minimum Only
	After June 30, 1995	Any	At least 5	Retiree Cap
			Less than 5	PEMHCA Minimum Only
			5 but less than 10	Up to 25% of the Retiree Cap
			10 but less than 15	Up to 50% of the Retiree Cap
			15 but less than 20	Up to 75% of the Retiree Cap
			At least 20	Up to 100% of the Retiree Cap



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve and Authorize the City Manager to execute the First Amendment to the 2019 State Homeland Security Grant Program Agreement
Category:	Consent Calendar-Public Safety
Meeting Date:	12/1/2020
Staff Contact:	Captain John Torrez, 408-586-2408
<u>Recommendation:</u>	Approve and authorize the City Manager to execute the First Amendment to the 2019 State Homeland Security Grant Program Agreement.

Background:

The City of Milpitas received an award of \$102,000 for California's 2019 State Homeland Security Grant Program (SHSGP), administered by the California Governor's Office of Emergency Services (CalOES). On October 6, 2020, Milpitas City Council accepted the award, approved the sole source purchase of mobile crash barriers and portable bollards with the funding, and approved the related budget amendment.

Analysis:

The 2019 SHSGP grant assurances and agreement signed by City staff subsequent to Council approval of the grant award on October 6, 2020, included a requirement of the City to report accusations and findings of discrimination. However, the County has since amended the grant assurances and agreement to remove the City's discrimination reporting obligation, as the requirement was intended for the Grant Recipient (CalOES) and not the subrecipient (the County and City). With the approval of the First Amendment and authorization for the City Manager to execute the Amendment to the grant agreement, the reporting obligation will be removed.

Policy Alternative:

Not applicable

Fiscal Impact:

Not applicable

California Environmental Quality Act:

Not applicable

Recommendation:

Approve and authorize the City Manager to execute the First Amendment to the 2019 State Homeland Security Grant Program Agreement.

Attachments:

1. First Amendment to the Agreement
2. Grant Agreement

**FIRST AMENDMENT TO THE AGREEMENT BETWEEN THE COUNTY
OF SANTA CLARA AND THE CITY OF MILPITAS GRANTING
PROGRAM FUNDS FOR THE 2019 STATE HOMELAND
SECURITY GRANT PROGRAM (SHSGP)**

This amendment ("Amendment") to the Agreement Between the County of Santa Clara and the City of Milpitas Granting Program Funds for the 2019 State Homeland Security Grant Program (SHSGP), dated July 1, 2019 ("Agreement") is made effective upon full execution, by and between the County of Santa Clara and the City of Milpitas.

The following revisions are made to:

Change in "Standard Assurances for All Cal OES Federal Grant Programs"

The County has received notice from Cal OES (the Grant Recipient) that Section 21, "Reporting Accusations and Findings of Discrimination" of Exhibit B, Standard Assurances, applies to the Grant Recipient and does not apply to Grant Subrecipients (e.g. the County and the City). Exhibit B, Section 21, "Reporting Accusations and Findings of Discrimination" is therefore struck.

The City may accept this change in the standard grant assurances by initialing here: _____

Signed:

COUNTY OF SANTA CLARA

By  10/10/2020
Garry Herceg 4A35B9110C5C4BE... Date
Deputy County Executive

Approved as to Form and Legality:

By  10/9/2020
Kavita Narayan 23FA692AE4D5... Date
Assistant County Counsel

CITY OF MILPITAS

By _____
Steven McHarris Date
City Manager

Approved as to Form and Legality:

Armando Corpuz Date
Chief of Police

Approved as to Form and Legality:

Christopher Diaz Date
City Attorney

**AGREEMENT BETWEEN THE COUNTY OF SANTA CLARA AND
THE CITY OF MILPITAS GRANTING PROGRAM FUNDS FOR THE
2019 STATE HOMELAND SECURITY GRANT PROGRAM FUNDS**

THIS AGREEMENT is made effective when fully executed by the County of Santa Clara (“County”) and the City of Milpitas (“Milpitas”) for the allocation and distribution of 2019 State Homeland Security Grant Program (SHSGP) funds.

RECITALS

WHEREAS, the 2019 SHSGP (CFDA #97.067) supports the implementation of State Homeland Security Strategies to address the identified planning, organization, equipment, training and exercise needs for acts of terrorism and other catastrophic events, and management and administration of the grant. In addition, SHSGP supports the implementation of the National Preparedness Guidelines, the National Incident Management System (NIMS), and the National Response Network (NRF);

WHEREAS, the State of California (“State”) has designated the County as the Operational Area for purposes of distributing SHSGP funds to the cities, special districts and other entities within the County. An Anti-Terrorism Approval Body (County Approval Authority), comprised of one County Public Health Officer, County Fire Chief, Municipal Fire Chief, County Sheriff, and Chief of Police, has been appointed for the purpose of approving the distribution of SHSGP funds at the Operational Area level;

WHEREAS, on September 1, 2019 the California Office of Emergency Services (“Cal OES”) awarded the County 2019 SHSGP funds in the amount of \$2,088,075. The allocation of the SHSGP funds will be determined by the County Approval Authority in accordance with the grant guidelines.

NOW, THEREFORE, the County and Milpitas agree as follows:

THE AGREEMENT

Article I. Definitions

1. Specific Terms

- (a) **“Burdened Labor Rate”** shall mean the labor rate including benefits, taxes and other deductions from an employee’s paycheck. This rate does not include vacation benefits.
- (b) **“Milpitas”** shall mean the City of Milpitas, its officers, board members, employees, and agents.
- (c) **“County”** shall mean the County of Santa Clara, its officers, board members, employees, and agents.

- (d) **“SHSGP funds”** or **“SHSGP funding”** shall mean the funding Milpitas receives under this Agreement.
- (e) **“Federal Program Guidance”** shall mean guidance documents issued by the Federal Emergency Management Agency, including the SHSGP Program Funding Opportunity Announcement, for Fiscal Year 2019.
- (f) **“Grant Certifications and Assurances”** shall mean the FY19 SHSGP Agreement Articles, Assurances, Certifications, Terms, and Conditions
- (g) **“Highly Compensated Individual”** shall mean an individual whose income is \$300,000 or more per year.
- (h) **“Prime Recipient”** shall refer to County.
- (i) **“State Guidance”** shall mean the California Supplement to the Federal Program Funding Opportunity Announcement, issued by Cal OES for Fiscal Year 2019.
- (j) **“Sub-Recipient”** shall refer to Milpitas.

2. **References to This Agreement**

Any reference to this Agreement shall include: (a) the Agreement; (b) all exhibits, appendices, schedules, and attachments to this Agreement; (c) all statutes, ordinances, regulations, rules, or other documents incorporated by reference into this Agreement; (d) all amendments, modifications, or supplements to this Agreement.

Article II. Payment

1. **Payment Eligibility**

Unless otherwise approved in advance by the County Office of Emergency Management (OEM) Grants Administrator (hereinafter “grants administrator”), only an actual cash disbursement by Milpitas for a claimed expense shall be eligible for reimbursement by the County as approved and specified in Exhibit A, SHSGP Project Funding, which is attached and hereby incorporated into this Agreement.

2. **Amount of Payment**

The County will provide Milpitas, unless otherwise specified, with the equipment, supplies, and/or other resources as set forth in Exhibit A, SHSGP Project Funding. Specifications for such equipment shall be provided by Milpitas’s requesting agency to the County for the appropriate procurement process. Milpitas’s requesting agency will be notified when the procurement process is complete for final approval of equipment prior to the order being placed. If, through previous agreement with the County, Milpitas is to procure its own equipment, performance milestone dates will apply (refer to Article IV, Section 3(b)).

The County may reallocate SHSGP funds as specified in Article II, section 4 of this Agreement. County

does not guarantee a minimum payment to Milpitas.

Funds in the amount of \$228,244 have been set aside for the training and exercise programs from the SHSGP grant to be allocated during the term of this Agreement. OEM will allocate training and exercise funds to agencies as determined by the Training/Exercise Advisory Group.

Authorized personnel budgets are allowable within the County OEM, Central Fire, and County Emergency Medical Services. The personnel budget for these departments will reflect the expenditure authority. Reimbursement for actual cash disbursements will be requested through the County OEM. Based on the preference of the Department/Agency, reimbursement requests may be requested on a monthly or quarterly basis. For County Departments, reimbursements will be made via inter-county transfer. For all others, a County warrant will be issued.

3. Maximum Amount Payable

Subject to the availability of funds and the priorities established by the County Approval Authority, the maximum amount of SHSGP funds payable by the County to Milpitas under this Agreement must not exceed \$102,000, as allocated by the County Approval Authority.

4. Reallocation of SHSGP Grant Funds

For the purpose of maximizing the resources available for preparedness for acts of terrorism and other catastrophic events within the Operational Area, Milpitas agrees that the County Approval Authority may reallocate funds under this Agreement to Milpitas or to another applicant if the County determines that Milpitas is unable to utilize the amount allocated under this Agreement. The County may base its determination on factors that include but are not limited to the following: delivery timelines, fund expenditure capabilities, and timeliness of expenditure. The County will notify Milpitas in writing of any determination to reallocate funds, by issuing a "Notice of Reallocation." SHSGP funds will be put forth to the County Approval Authority for reallocation. Milpitas agrees that the County has the authority to increase or decrease the maximum amount payable under this Agreement as specified in the Notice of Reallocation document without liability and the County has the authority to amend Exhibit A, "SHSGP Project Funding," accordingly. Upon issuance, the Notice of Reallocation will automatically become part of this Agreement.

Article III. Requests for Reimbursement and Reimbursements

1. Required Documentation for Reimbursement

The SHSGP is a reimbursement grant under which Cal OES disburses reimbursement funds to County, and County disburses reimbursement funds to Milpitas. No cash advances are permitted under the SHSGP program.

(a) Requests for Equipment

The following documentation is required for all reimbursement requests for equipment:

- Quote or solicitation documents

- Summary of pricing and chosen vendor
- Documentation that vendor is not on the excluded parties list (<https://www.epls.gov/>) (a print-out of the search result page will suffice)
- Purchase order and/or contract
- Receiving documentation/packing slip
- Invoice
- Proof of payment

All equipment must be approved by the County Approval Authority and must be authorized per the web-based Authorized Equipment List on the Responder Knowledge Base, which is sponsored by Grants & Training and the National Memorial Institute for the Prevention of Terrorism at <https://www.rkb.us/>. (Contact the Grant Manager for a current Authorized Equipment List.)

(b) Subcontracts

If Milpitas awards subcontracts totaling \$25,000 or more, it must report on any such subcontracts and on Highly Compensated Individuals on the Financial Disclosure Form, Exhibit D, within 30 days of the award. The following information must be included in Milpitas's report on any sub-award exceeding \$25,000:

- Name of entity receiving award;
- Amount of award;
- Funding agency;
- Catalog of Federal Domestic Assistance program number;
- Award title (descriptive of the purpose of the funding action);
- Location of the receiving entity and primary location of performance including city, state, and federal Congressional district;
- Dun & Bradstreet (D&B) DUNS Number of the receiving entity, and of its parent if applicable; and
- Total compensation and names of receiving entity's five most highly compensated executives if:
 - In the preceding fiscal year, the subcontractor received 80 percent or more, and \$25,000,000 or more, of its gross annual revenue from federal procurement contracts or subcontracts or from federal financial assistance subject to the Transparency Act, as defined at 2 C.F.R. § 170.230; and
 - The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. § 78m(a), 78o(d), or under section 6104 of the Internal Revenue Code of 1986.
 - Milpitas must report subcontractor executive compensation by the end of the month following the month in which it makes the sub-award. For example, if the sub-award is obligated in any date in April 2020, Milpitas must report any required compensation information by May 31, 2020.

Classified information that, in the interest of national security, requires protection against

unauthorized disclosure (i.e., information deemed Top Secret, Secret, or Confidential under Executive Order 12958) is exempt from the Prime and Sub-Recipient reporting requirements, as are contracts with individuals.

(c) Sole Source Contracts

Sole source contracts of \$250,000 or more are not allowable under the SHSGP program unless first approved by Cal OES. Milpitas must obtain sole source request documentation and submit it to the Grants Manager of County's OEM. Upon Milpitas's completion and submission of the required sole source documentation, County's Grants Manager shall forward all sole source documents to the appropriate Cal OES contact for review and approval. Only after Cal OES approval is given can a sole source procurement be completed and expenditures reimbursed using SHSGP allocated funds. Sole source requests below the \$250,000 threshold must follow Milpitas's own procurement policies.

(d) Other Requests

The following documentation is required for all reimbursement requests for contractors:

- Quote or solicitation documents
- Executive summary of how contractor was chosen
- Documentation that vendor is not on the excluded parties list (<https://www.sam.gov/>) (a print-out of the search result page will suffice)
- Purchase order and/or contract
- Invoice showing deliverables and milestones completed
- Proof of payment
- Financial Disclosure Form (Exhibit D) if awarded contract exceeds \$25,000

The following documentation is required for reimbursement of Salaries:

- Functional timesheet
- Description of scope of job which includes Homeland Security-related functions
- Burdened Labor Rate
- Payroll reports showing amount paid for each pay period being claimed

The following documentation is required for reimbursement for Training activities:

- Class syllabus
- Class sign-in sheet
- Instructor/consultant contract documents
- Instructor's invoice
- Proof of payment

2. Submission of Requests for Reimbursement

- (a) Milpitas shall submit reimbursement requests to County's OEM on a quarterly basis. Unless pre-approved by County's OEM Director or designee, all reimbursement requests shall be

due fifteen calendar days after the end of the quarter, with the exception of the final expenditure and/or invoice, as indicated below. Any expenditure during the final period identified in the chart below shall be made by April 15, 2022, and any related invoice shall be submitted by April 30, 2022, unless otherwise pre-approved by County's OEM Director or designee, in order to meet 2019 SHSGP deadlines.

- (b) During the term of this Agreement, County is not obligated to honor any request for reimbursement that is submitted after April 30, 2022.

Article IV. Use of Funds

1. Master Grant Obligations

- (a) Milpitas shall comply with the SHSGP Federal Program Guidance, the State Guidance, and the Grant Certifications and Assurances, attached as Exhibit B. Milpitas shall require any sub-grantee, contractor, or other entity receiving SHSGP funds through or from Milpitas to execute a copy of the Grant Certifications and Assurances, and shall be responsible for ensuring that sub-grantee, contractor, or other entity complies with the Grant Certifications and Assurances.
- (b) Milpitas shall comply with all other applicable statutes, regulations, executive orders, requirements, policies, guides, guidelines, information bulletins, Cal OES grant management memos, and instructions; the terms and conditions of the grant award; and any other conditions imposed by Cal OES or by this Agreement, provided that if any provisions of this Agreement conflict with any State requirements, the State requirements will control. Milpitas shall ensure that any sub-grantee, contractor, or other entity receiving SHSGP funds through or from Milpitas complies with all applicable statutes, regulations, executive orders, requirements, policies, guides, guidelines, information bulletins, Cal OES grant management memos, and instructions; the terms and conditions of the grant award; and any other conditions imposed by Cal OES or by this Agreement.
- (c) Milpitas shall establish and maintain administrative, programmatic and fiscal management records in accordance with federal and state requirements, and:
 - i. Maintain financial management systems that support grant activities in accordance with federal and state requirements, including but not limited to requirements in 44 Code of Federal Regulations ("C.F.R.") Part 13.20, and the Office of Justice Programs Financial and Administrative Guide for Grants, Part II, Chapter 3.
 - ii. The County shall provide and affix equipment tracking numbers for all equipment purchased through its procurement process. Using the County-issued tracking number, Milpitas shall maintain an equipment tracking ledger that tracks the equipment within Milpitas and complies with federal and state requirements, including but not limited to requirements in 44 C.F.R., Parts 13.32 and 13.33, and the Office of Justice Programs Financial and Administrative Guide for Grants, Part III, Chapter 6.
- (d) By executing this Agreement, Milpitas certifies that it is not debarred, suspended, or

otherwise ineligible to receive SHSGP funds. In addition, Milpitas shall ensure and independently verify that any sub-grantee, contractor, or other entity receiving SHSGP funds through or from Milpitas complies with federal and state requirements, including but not limited to requirements in 44 C.F.R., Parts 13.32 and 13.33, and the Office of Justice Programs Financial and Administrative Guide for Grants, Part III, Chapter 6, and is not debarred, suspended, or otherwise excluded from participation in the SHSGP program. Milpitas shall maintain documentary proof of this verification in its files.

2. Scope of Services

- (a) If Milpitas has been allocated funding for a project, Exhibit A, “SHSGP Project Funding,” will serve as the basis for the project. A further detailed description may be necessary and will be requested by the County if needed to be incorporated by reference herein. If future funding is allocated, Milpitas shall provide a detailed description of the approved project to be attached hereto and incorporated by reference herein.
- (b) Milpitas shall use the funds granted under this Agreement in a manner consistent with:
 - i. The applications submitted by the County to the State for the grant under this Agreement;
 - ii. The grant guidelines issued by the State for the grant under this Agreement; and
 - iii. The notifications issued by the State of the approval of the grant under this Agreement
- (c) The documents described in Exhibit B of this Agreement (collectively the “State Grant Requirements”) are on file with the County and the granting agencies of the State, and are hereby incorporated into this Agreement. Milpitas hereby acknowledges that it has received a copy of the State Grant Requirements.
- (d) Milpitas shall use the funds granted under this Agreement only for the purpose of implementing applicable initiatives under the 2019 SHSGP program, as indicated in Exhibit A, “SHSGP Project Funding”. Milpitas shall not use the funds granted under this Agreement for any other purpose. Incumbents filling positions funded by the 2019 SHSGP program shall work at a location inside of the Santa Clara County Operational Area, and the work of grant-funded personnel must be solely focused on threats to the Santa Clara County Operational Area. County will not disburse funds to or otherwise pay Milpitas for services that do not address a terrorism nexus, or for materials, equipment, or supplies provided by Milpitas that are beyond the scope of the services, materials, equipment, or supplies agreed upon in this Agreement or a lawfully executed written amendment.

3. Performance and Reporting Requirements

- (a) Performance reports indicating the status of outstanding projects are due to the County Grants Administrator on a quarterly basis as follows:
- (b) The following dates represent the Grant Performance Period for the SHSGP program:

- Performance Period 1 (September 1, 2019 – December 31, 2019) – due by January 15, 2020
- Performance Period 2 (January 1, 2020 – March 31, 2020) – due by April 15, 2020
- Performance Period 3 (April 1, 2020 – June 30, 2020) – due by July 15, 2020
- Performance Period 4 (July 1, 2020 – September 30, 2020) – due by October 15, 2020
- Performance Period 5 (October 1, 2020 – December 31, 2020) – due by January 15, 2021
- Performance Period 6 (January 1, 2021 – March 31, 2021) – due by April 15, 2021
- Performance Period 7 (April 1, 2021 – June 30, 2021) – due by July 15, 2021
- Performance Period 8 (July 1, 2021 – September 30, 2021) – due by October 15, 2021
- Performance Period 9 (October 1, 2021 – December 31, 2021) – due by January 15, 2022
- Performance Period 10 (January 1, 2022 – March 31, 2022) – due by April 30, 2022

- (c) The County will provide Milpitas with a report template (Exhibit C, “Performance Report”), and Milpitas will utilize the template to complete the performance submittal to the County.
- (d) Payments made by the County to Milpitas are conditioned upon the timely receipt of applicable, accurate and complete reports, including supporting document, to be submitted by Milpitas.
- (e) Milpitas will notify the County representative identified in Article VII, Section I, within 15 days, when Milpitas has completed all performance obligations for these grants.
- (f) Milpitas will provide single audit reports to the County by July 31st of each fiscal year.

Article V. Term and Termination

1. Term of Agreement

This Agreement is effective from September 1, 2019 through May 31, 2022.

2. Availability of Funds

- (a) The parties acknowledge and agree that this Agreement is dependent upon the availability of county, regional, State and/or federal funding.
- (b) Budgetary Contingency: This Agreement is contingent upon the appropriation of sufficient funding by County for the products and services covered by this Agreement. If funding is reduced or eliminated by County for the products or services covered by this Agreement, County has the option to either terminate this Agreement with no liability occurring to County or to offer an amendment to this Agreement indicating the reduced amount.

- (c) The obligations of County to make payments in accordance with the provisions of this Agreement may be delayed, reduced or terminated as a result of any delay, reduction, or change in allocation or allotment in funding to County from federal, State or other regional funding sources.

4. Termination

- (a) Termination for Convenience. County shall have the option, in its sole discretion, to terminate this Agreement at any time without cause upon written notice to Milpitas. The written notice shall specify the date on which termination shall become effective, which shall be no less than seven (7) days from the date of the notice.
- (b) Termination for Cause. Either party may terminate this Agreement for cause upon written notice to the other party. The written notice shall specify the date on which termination shall become effective, which shall be no less than thirty (30) days from the date of the notice. Termination for cause includes, but is not limited to, a material breach of this Agreement, a violation of any applicable laws, or failure to comply with applicable SHSGP guidelines.
- (c) Opportunity to Cure. In the event of termination for material breach of this Agreement, the non-breaching party shall give written notice of the breach to the breaching party, specifying the breach/cause. The breaching party shall not be deemed in default and the non-breaching party shall not institute proceedings or exercise any remedies against the breaching party unless the breach has not been cured, corrected or remedied within thirty (30) days after the breaching party's receipt of the notice of breach, or within such longer period as may be reasonably required to cure, correct or remedy the breach, provided the breaching party has commenced its cure, correction or remedy within the thirty (30) day period and diligently and continuously pursues that cure, correction or remedy.
- (d) If this Agreement is terminated, Milpitas shall return SHSGP funding in accordance with SHSGP program guidelines.

Article VI. Indemnification and Liabilities

1. Indemnification by Milpitas

In lieu of and notwithstanding the pro rata risk allocation that might otherwise be imposed between the parties under Government Code section 895.6, County and Milpitas agree instead that under Government Code section 895.4, Milpitas shall fully indemnify and hold County, its officers, board members, employees, and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined by Government Code section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of Milpitas, its officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to Milpitas under this Agreement. This indemnity shall include, without limitation, reasonable attorneys' fees, consultants and experts and related costs, and County's cost of investigating any claim.

2. Duty to Defend

Milpitas acknowledges and agrees that its obligation to defend County under Article VI: (a) is an immediate obligation, independent of its other obligations under this Agreement; and (b) applies to any claim, expense, cost, damage, or liability falling within the scope of Article VI, regardless of whether the allegations made in connection with that claim, expense, cost, damage, or liability may be groundless, false, or fraudulent. County shall provide Milpitas with prompt notice of any claim, expense, cost, damage, or liability under Article VI and Milpitas shall have the right to defend, settle, or compromise that claim, expense, cost, damage, or liability, provided, however, that County shall have the right to retain its own counsel at Milpitas's expense if representation of County by counsel retained by Milpitas would result in a conflict of interest, and that Milpitas shall obtain County's prior written consent to settle or compromise if Milpitas contends that County shares in any liability. County's failure to notify Milpitas promptly of any claim, expense, cost, damage, or liability shall not relieve Milpitas of liability to County under Article VI unless that failure materially impairs Milpitas's ability to defend against the claim, expense, cost, damage, or liability.

3. Limitation on Liability

County, its officers, board members, employees, and agents shall not be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of Milpitas, its officers, board members, employees, or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to Milpitas under this Agreement.

County's obligations under this Agreement shall be limited to the aggregate amount of SHSGP funds actually disbursed. Notwithstanding any other provision in this Agreement or any other document or communication between County and Milpitas relating to this Agreement, in no event shall County be liable for any damages arising out of or in connection with this Agreement, the SHSGP funds, Milpitas's Spend Plan, or any activities performed in connection with this Agreement.

Article VII. Miscellaneous

1. Notice

All notices required by this Agreement shall be deemed given when provided in writing and delivered personally or deposited in the United States mail, postage prepaid, return receipt requested, addressed to the other party at the address set forth below or at such other address as the party may designate in writing:

To Milpitas:

John Torrez, Police Captain
Milpitas Police Department
1275 North Milpitas Boulevard
Milpitas, CA 95035

To County:

Michelle Sandoval
 Grant and Administrative Services Manager
 County of Santa Clara Office of Emergency Management
 55 W. Younger Ave., Suite 450
 San Jose, CA 95110

2. Compliance with all Laws, Including Nondiscrimination, Equal Opportunity, and Wage Theft Prevention

- (a) Compliance with All Laws. Milpitas shall comply with all applicable Federal, State, and local laws, regulations, rules, and policies (collectively, “Laws”), including but not limited to the non-discrimination, equal opportunity, and wage and hour Laws referenced in the paragraphs below.
- (b) Compliance with Non-Discrimination and Equal Opportunity Laws: Milpitas shall comply with all applicable Laws concerning nondiscrimination and equal opportunity in employment and contracting, including but not limited to the following: Santa Clara County’s policies for contractors on nondiscrimination and equal opportunity; Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; the Age Discrimination in Employment Act of 1967; the Rehabilitation Act of 1973 (Sections 503 and 504); the Equal Pay Act of 1963; California Fair Employment and Housing Act (Gov. Code § 12900 et seq.); California Labor Code sections 1101, 1102, and 1197.5; and the Genetic Information Nondiscrimination Act of 2008. In addition to the foregoing, Milpitas shall not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex, gender identity, gender expression, sexual orientation, mental disability, physical disability, medical condition, political belief, organizational affiliation, or marital status in the recruitment, selection for training (including but not limited to apprenticeship), hiring, employment, assignment, promotion, layoff, rates of pay or other forms of compensation. Nor shall Milpitas discriminate in the provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex, gender identity, gender expression, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.
- (c) Compliance with Wage and Hour Laws: Milpitas shall comply with all applicable wage and hour Laws, which may include but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code, and, if applicable, any local minimum wage, prevailing wage, or living wage Laws.
- (d) Definitions: For purposes of this Subsection (h), the following definitions shall apply. A “Final Judgment” shall mean a judgment, decision, determination, or order (a) which is issued by a court of law, an investigatory government agency authorized by law to enforce an applicable Law, an arbiter, or arbitration panel and (b) for which all appeals have been exhausted or the time period to appeal has expired. For pay equity Laws, relevant investigatory government agencies include the federal Equal Employment Opportunity Commission, the California Division of Labor Standards Enforcement, and the California Department of Fair Employment and Housing. Violation of a pay equity Law shall mean unlawful discrimination in compensation on the basis of an individual’s sex, gender, gender identity, gender expression, sexual orientation,

race, color, ethnicity, or national origin under Title VII of the Civil Rights Act of 1964 as amended, the Equal Pay Act of 1963, California Fair Employment and Housing Act, or California Labor Code section 1197.5, as applicable. For wage and hour Laws, relevant investigatory government agencies include the federal Department of Labor, the California Division of Labor Standards Enforcement, and the Milpitas's Office of Equality Assurance.

- (e) **Prior Judgments, Decisions or Orders against Contractor:** By signing this Agreement, Milpitas affirms that it has disclosed any final judgments that (A) were issued in the five years prior to executing this Agreement by a court, an investigatory government agency, arbiter, or arbitration panel and (B) found that Milpitas violated an applicable wage and hour law or pay equity law. Milpitas further affirms that it has satisfied and complied with – or has reached Agreement with the County regarding the manner in which it will satisfy – any such final judgments.
- (f) **Violations of Wage and Hour Laws or Pay Equity Laws During Term of Contract:** If at any time during the term of this Agreement, Milpitas receives a Final Judgment rendered against it for violation of an applicable wage and hour Law or pay equity Law, then Milpitas shall promptly satisfy and comply with any such Final Judgment. Milpitas shall inform the Office of the County Executive-Office of Countywide Contracting Management (OCCM) of any relevant Final Judgment against it within 30 days of the Final Judgment becoming final or of learning of the Final Judgment, whichever is later. Milpitas shall also provide any documentary evidence of compliance with the Final Judgment within 5 days of satisfying the Final Judgment. Any notice required by this paragraph shall be addressed to the Office of the County Executive-OCCM at 70 W. Hedding Street, East Wing, 11th Floor, San José, CA 95110. Notice provisions in this paragraph are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the Office of the County Executive-OCCM satisfies the notice requirements in this paragraph.
- (g) **Access to Records Concerning Compliance with Pay Equity Laws:** In addition to and notwithstanding any other provision of this Agreement concerning access to Milpitas's records, Milpitas shall permit the County and/or its authorized representatives to audit and review records related to compliance with applicable pay equity Laws. Upon the County's request, Milpitas shall provide the County with access to any and all facilities and records, including but not limited to financial and employee records that are related to the purpose of this Section, except where prohibited by federal or state laws, regulations or rules. County's access to such records and facilities shall be permitted at any time during Milpitas's normal business hours upon no less than 10 business days' advance notice.
- (h) **Pay Equity Notification:** Milpitas shall (1) at least once in the first year of this Agreement and annually thereafter, provide each of its employees working in California and each person applying to Milpitas for a job in California (collectively, "Employees and Job Applicants") with an electronic or paper copy of all applicable pay equity Laws or (2) throughout the term of this Agreement, continuously post an electronic copy of all applicable pay equity Laws in conspicuous places accessible to all of Milpitas's Employees and Job Applicants.
- (i) **Material Breach:** Failure to comply with any part of this Section shall constitute a material breach of this Agreement. In the event of such a breach, the County may, in its discretion, exercise any

or all remedies available under this Agreement and at law. County may, among other things, take any or all of the following actions:

1. Suspend or terminate any or all parts of this Agreement.
2. Withhold payment to Milpitas until full satisfaction of a Final Judgment concerning violation of an applicable wage and hour Law or pay equity Law.
3. Offer Milpitas an opportunity to cure the breach.

- (j) Subcontractors: Milpitas shall impose all of the requirements set forth in this Section on any subcontractors permitted to perform work under this Agreement. This includes ensuring that any subcontractor receiving a Final Judgment for violation of an applicable Law promptly satisfies and complies with such Final Judgment.

3. County No-Smoking Policy

Milpitas and its employees, agents and subcontractors shall comply with County's No Smoking Policy, as set forth in the Board of Supervisors Policy Manual section 3.47 (as amended from time to time), which prohibits smoking: (1) at the Santa Clara Valley Medical Center Campus and all County-owned and operated health facilities, (2) within 30 feet surrounding County-owned buildings and leased buildings where County is the sole occupant, and (3) in all County vehicles.

4. Food and Beverage Standards

Except in the event of an emergency or medical necessity, the following nutritional standards shall apply to any foods and/or beverages purchased by Milpitas with County funds for County-sponsored meetings or events.

If food is to be provided, healthier food options shall be offered. "Healthier food options" include (1) fruits, vegetables, whole grains, and low-fat and low-calorie foods; (2) minimally processed foods without added sugar and with low sodium; (3) foods prepared using healthy cooking techniques; and (4) foods with less than 0.5 grams of trans-fat per serving. Whenever possible, Milpitas shall (1) offer seasonal and local produce; (2) serve fruit instead of sugary, high-calorie desserts; (3) attempt to accommodate special dietary and cultural needs; and (4) post nutritional information and/or a list of ingredients for items served. If meals are to be provided, a vegetarian option shall be provided, and Milpitas should consider providing a vegan option. If pre-packaged snack foods are provided, the items shall contain: (1) no more than 35% of calories from fat, unless the snack food items consist solely of nuts or seeds; (2) no more than 10% of calories from saturated fat; (3) zero trans-fat; (4) no more than 35% of total weight from sugar and caloric sweeteners, except for fruits and vegetables with no added sweeteners or fats; and (5) no more than 360 mg of sodium per serving.

If beverages are to be provided, beverages that meet the County's nutritional criteria are: (1) water with no caloric sweeteners; (2) unsweetened coffee or tea, for which sugar and sugar substitutes may be provided as condiments; (3) unsweetened, unflavored nonfat or 1% low-fat dairy milk; (4) plant-derived milk (e.g., soy milk, rice milk, and almond milk) with no more than 130 calories per 8-ounce serving; (5) 100% fruit or vegetable juice (limited to a maximum of 8 ounces per container); and (6) other low-calorie beverages (including tea and/or diet soda) that do not exceed 40 calories per 8-ounce serving. Sugar-sweetened beverages shall not be provided.

5. Governing Law

This Agreement has been executed and delivered in, and shall be construed and enforced in accordance with, the laws of the State of California.

6. Assignment

The parties may not assign this Agreement or the rights and obligations hereunder without the specific written consent of the other.

7. Entire Agreement

This document represents the entire Agreement between the parties with respect to the subject matter hereof. All prior negotiations and written and/or oral agreements between the parties with respect to the subject matter of this Agreement are merged into this Agreement.

8. Amendments

This Agreement may only be amended by an instrument signed by the parties.

9. Counterparts; Contract Execution

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Unless otherwise prohibited by law or County policy, the parties agree that an electronic copy of a signed Agreement, or an electronically signed Agreement, has the same force and legal effect as a contract executed with an original ink signature. The term “electronic copy of a signed contract” refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term “electronically signed contract” means a contract that is executed by applying an electronic signature using technology approved by the County.

10. Severability

If any provision of this Agreement is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same shall either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

11. Waiver

No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a party must be in writing, and shall apply to the specific instance expressly stated.

12. Conflict of Interest

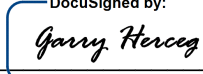
In accepting this Agreement, Milpitas covenants that is presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of services under this Agreement. Milpitas is responsible for assuring compliance of its subcontractors, if any, with the requirements of this provision.

13. Certified Resolution of Signature Authority

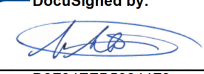
Upon request of County, Milpitas shall deliver to County a copy of the resolution(s) authorizing execution, delivery and performance of this Agreement, certified as true, accurate and complete by the appropriate authorized representative of Milpitas.

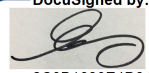
Signed:

COUNTY OF SANTA CLARA

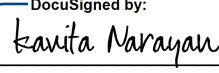
By  10/10/2020
DocuSigned by: 4A35B9110C5C4BE...
 Garry Herceg
 Deputy County Executive
 Date

CITY OF MILPITAS

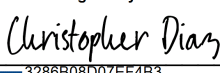
By  oct-08-2020
DocuSigned by: D9F04EEB50844F3...
 Steven McHarris
 City Manager
 Date

By  oct-08-2020
DocuSigned by: 2C0B1680E4D34F9...
 Armando Corpuz
 Chief of Police
 Date

Approved as to Form and Legality:

 10/9/2020
DocuSigned by: A2A23FA692AE4D5...
 Kavita Narayan
 Lead Deputy County Counsel
 Date

Approved as to Form and Legality:

 oct-08-2020
DocuSigned by: 3286B08D07EF4B3...
 Christopher Diaz
 City Attorney
 Date

Enclosures

- | | |
|-----------|--|
| Exhibit A | 2019 SHSGP Project Funding |
| Exhibit B | Grant Assurances |
| Exhibit C | Quarterly Reporting Requirements and Report Template |
| Exhibit D | Financial Disclosure Form |



Standard Assurances For All Cal OES Federal Grant Programs

As the duly authorized representative of the Applicant, I hereby certify that the Applicant has the legal authority to apply for federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management, and completion of the project described in this application, within prescribed timelines.

I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:

- (a) Applicable Federal Regulations (see below);
- (b) Federal Program Notice of Funding Opportunity (NOFO);
- (c) Federal Preparedness Grants Manual;
- (d) California Supplement to the NOFO; and
- (e) Federal and State Grant Program Guidelines.

Federal Regulations

Government cost principles, uniform administrative requirements, and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (C.F.R.). Updates are issued by the [Office of Management and Budget \(OMB\)](http://www.whitehouse.gov/omb/) and can be found at <http://www.whitehouse.gov/omb/>.

Significant state and federal grant award requirements (some of which appear in the documents listed above) are set forth below. The Applicant hereby agrees to comply with the following:

1. Proof of Authority

The Applicant will obtain written authorization from the city council, governing board, or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board, or authorized body agree:

- (a) To provide all matching funds required for the grant project and that any cash match will be appropriated as required;
- (b) Any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board, or authorized body;
- (c) Grant funds shall not be used to supplant expenditures controlled by the city council, governing board, or authorized body; and
- (d) The official executing this agreement is, in fact, authorized to do so.



Standard Assurances For All Cal OES Federal Grant Programs

This Proof of Authority must be maintained on file and readily available upon request.

2. Period of Performance

The Applicant will initiate work after approval of the award and complete all work within the period of performance specified in the grant.

3. Lobbying and Political Activities

As required by Section 1352, Title 31 of the United States Code (U.S.C.), for persons entering into a contract, grant, loan, or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

- (a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and §§ 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.



Standard Assurances For All Cal OES Federal Grant Programs

Finally, the Applicant agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

4. Debarment and Suspension

As required by Executive Orders 12549 and 12689, and 2 C.F.R. § 200.213 and codified in 2 C.F.R. Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud, and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the federal government. The Applicant certifies that it and its principals, recipients, or subrecipients:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transaction (federal, state, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

5. Non-Discrimination and Equal Employment Opportunity

The Applicant will comply with all federal statutes relating to non-discrimination. These include, but are not limited to, the following:



Standard Assurances For All Cal OES Federal Grant Programs

- (a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. § 2000d et. seq.) which prohibits discrimination on the basis of race, color, or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
- (b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;
- (c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794), which prohibits discrimination against those with disabilities or access and functional needs;
- (d) Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs (42 U.S.C. §§ 12101-12213);
- (e) Age Discrimination Act of 1975, (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age;
- (f) Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd—2), relating to confidentiality of patient records regarding substance abuse treatment;
- (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)— be designed and constructed with certain accessible features (See 24 C.F.R. § 100.201);
- (h) Executive Order 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identification or national origin;
- (i) Executive Order 11375, which bans discrimination on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin in hiring and employment in both the United States federal workforce and on the part of government contractors;
- (j) California Public Contract Code § 10295.3, which prohibits discrimination based on domestic partnerships and those in same sex marriages;



Standard Assurances For All Cal OES Federal Grant Programs

- (k) DHS policy to ensure the equal treatment of faith-based organizations, under which all applicants and recipients must comply with equal treatment policies and requirements contained in 6 C.F.R. Part 19;
- (l) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
- (m) The requirements of any other nondiscrimination statute(s) which may apply to the application.

In addition to the items listed in (a) through (m), the Applicant will comply with California's Fair Employment and Housing Act (FEHA). FEHA prohibits harassment and discrimination in employment because of ancestry, familial status, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (California Government Code §§12940, 12945, 12945.2), military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions.

6. Drug-Free Workplace

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.), the Applicant certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

7. Environmental Standards

The Applicant will comply with state and federal environmental standards, which may be prescribed pursuant to the following, as applicable:

- (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§ 21000- 21177), to include coordination with the city or county planning agency;
- (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§ 15000- 15387);
- (c) Federal Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;



Standard Assurances For All Cal OES Federal Grant Programs

- (d) Federal Clean Air Act of 1955 (42 U.S.C. § 7401) which regulates air emissions from stationary and mobile sources;
- (e) Institution of environmental quality control measures under the National Environmental Policy Act (NEPA) of 1969 (P.L. 91-190); the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA; and Executive Order 12898 which focuses on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities;
- (f) Evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
- (g) Executive Order 11514 which sets forth national environmental standards;
- (h) Executive Order 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act Executive Order 11990 which requires preservation of wetlands;
- (i) The Safe Drinking Water Act of 1974, (P.L. 93-523);
- (j) The Endangered Species Act of 1973, (P.L. 93-205);
- (k) Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);
- (l) Conformity of Federal Actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.);
- (m) Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to § 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.



Standard Assurances For All Cal OES Federal Grant Programs

8. Audits

For subrecipients expending \$750,000 or more in federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

9. Access to Records

In accordance with 2 C.F.R. § 200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

10. Conflict of Interest

The Applicant will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

11. Financial Management

False Claims for Payment - The Applicant will comply with 31 U.S.C §§ 3729-3733 which sets forth that no subrecipient, recipient, or subrecipient shall submit a false claim for payment, reimbursement or advance.

12. Reporting - Accountability

The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements for executive compensation, and also requirements implementing the Act for the non-federal entity at 2 C.F.R. Part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 C.F.R. Part 170 Reporting Subaward and Executive Compensation Information.

13. Whistleblower Protections

The Applicant also must comply with statutory requirements for whistleblower protections at 10 U.S.C. § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. § 4304 and § 4310.



Standard Assurances For All Cal OES Federal Grant Programs

14. Human Trafficking

The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a subrecipient from: (1) engaging in trafficking in persons during the period of time that the award is in effect; (2) procuring a commercial sex act during the period of time that the award is in effect; or (3) using forced labor in the performance of the award or subawards under the award.

15. Labor Standards

The Applicant will comply with the following federal labor standards:

- (a) The Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. § 3145 and 18 U.S.C. § 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction contracts or subcontracts, and
- (b) The Federal Fair Labor Standards Act (29 U.S.C. § 201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

16. Worker's Compensation

The Applicant must comply with provisions which require every employer to be insured to protect workers who may be injured on the job at all times during the performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§ 3700 et seq.

17. Property-Related

If applicable to the type of project funded by this federal award, the Applicant will:

- (a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchase;
- (b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more;



Standard Assurances For All Cal OES Federal Grant Programs

- (c) Assist the awarding agency in assuring compliance with Section 106 of the
- (d) National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), Executive Order 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §469a-1 et seq.); and
- (e) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

18. Certifications Applicable Only to Federally-Funded Construction Projects

For all construction projects, the Applicant will:

- (a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project;
- (b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications; and
- (c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

19. Use of Cellular Device While Driving is Prohibited

Applicants are required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services.



Standard Assurances For All Cal OES Federal Grant Programs

20. California Public Records Act and Freedom of Information Act

The Applicant acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity's grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and the California Public Records Act, California Government Code section 6250 et seq. The Applicant should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.

HOMELAND SECURITY GRANT PROGRAM (HSGP) – PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS

21. Reporting Accusations and Findings of Discrimination

If during the past three years the recipient has been accused of discrimination on any basis the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS Financial Assistance Office and the DHS Office for Civil Rights and Civil Liberties (CRCL) by e-mail at CRCL@hq.dhs.gov or by mail at U.S. Department of Homeland Security, Office for Civil Rights and Civil Liberties, Building 410, Mail Stop #0190, Washington, D.C. 20528.

In the courts or administrative agencies make a finding of discrimination on grounds of race, color, national origin (including LEP), sex, age, disability, religion, or familial status against the recipient, or the recipients settle a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS Financial Assistance Office and the CRCL by e-mail or mail at the addresses listed above.

The United States has the right to seek judicial enforcement of these obligations.

22. Acknowledgment of Federal Funding from DHS

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.



Standard Assurances For All Cal OES Federal Grant Programs

23. Activities Conducted Abroad

All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

24. Best Practices for Collection and Use of Personally Identifiable Information (PII)

DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. All recipients who collect PII are required to have a publically-available privacy policy that describes standards on the usage and maintenance of PII they collect. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template a useful resource respectively.

25. Copyright

All recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of U.S. Government sponsorship (including the award number) to any work first produced under federal financial assistance awards.

26. Duplication of Benefits

Any cost allocable to a particular federal financial assistance award provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other federal financial assistance awards to overcome fund deficiencies, to avoid restrictions imposed by federal statutes, regulations, or federal financial assistance award terms and conditions, or for other reasons. However, these prohibitions would not preclude recipients from shifting costs that are allowable under two or more awards in accordance with existing federal statutes, regulations, or the federal financial assistance award terms and conditions.

27. Energy Policy and Conservation Act

All recipients must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

28. Federal Debt Status

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.



Standard Assurances For All Cal OES Federal Grant Programs

29. Fly America Act of 1974

All recipients must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

30. Hotel and Motel Fire Safety Act of 1990

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, all Applicants must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. § 2225a.

31. Non-supplanting Requirement

All recipients who receive federal financial assistance awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources.

32. Patents and Intellectual Property Rights

Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.

33. SAFECOM

All recipients who receive federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.



Standard Assurances For All Cal OES Federal Grant Programs

34. Terrorist Financing

All recipients must comply with Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible to ensure compliance with the Order and laws.

35. Reporting of Matters Related to Recipient Integrity and Performance

If the total value of the recipient's currently active grants, cooperative agreements, and procurement contracts from all federal assistance offices exceeds \$10,000,000 for any period of time during the period of performance of this federal financial assistance award, you must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the award terms and conditions.

36. USA Patriot Act of 2001

All recipients must comply with requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

37. Use of DHS Seal, Logo, and Flags

All recipients must obtain permission from their DHS Financial Assistance Office, prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.



Standard Assurances For All Cal OES Federal Grant Programs

IMPORTANT

The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers. All recipients are bound by the [Department of Homeland Security Standard Terms and Conditions 2018, Version 8.1](#), hereby incorporated by reference, which can be found at:

<https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions>.

The undersigned represents that he/she is authorized to enter into this agreement for and on behalf of the Applicant.

Subrecipient: City of Milpitas

Signature of Authorized Agent: _____

DocuSigned by:

D9F94EEB50844F3...

Printed Name of Authorized Agent: Walter Rossmann for Steven McHarris

Title: City Manager Date: oct-08-2020



Federal Funding Accounting and Transparency Act (FFATA) Financial Disclosure

Public Law (PL) 109-282 Federal Funding Accountability and Transparency Act of 2006, as amended by Section 6202(a) of the Government Funding Transparency Act of 2008 (PL 110-252), which is outlined in the Federal Emergency Management Agency, Grant Programs Directorate Information Bulletin No. 350.

As defined by the Office of Management Budget, the following are subject to FFATA reporting requirements:

1. All new federal awards of \$25,000 or more as of October 1, 2010.
NOTE: Cal OES reports on this requirement in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).
2. The Total Compensation and Names of the top five executive, if the Subrecipient in the preceding year received:
 - a. 80 percent or more of its annual gross revenues in Federal Awards; **and**
 - b. \$25,000,000 or more in annual gross revenues from Federal awards; **and**
 - c. The public does not have access to information about the compensation of the senior executives of the entity.

Subrecipients are required to provide the Executive compensation information in the below chart, if applicable.

Executive Name	Title	Annual Salary	Annual Dollar Value of Benefits	Total Compensation

☒ Not subject to the Executive Compensation requirement of the FFATA Financial Disclosure.



Federal Funding Accounting and Transparency Act (FFATA) Financial Disclosure

The undersigned represents that he/she is authorized to enter into this agreement for and on behalf of the Applicant.

Subrecipient: City of Milpitas

Signature of Authorized Agent: _____

DocuSigned by:

D9F94EEB50844F3...

Printed Name of Authorized Agent: Walter Rossmann for Steven McHarris

Title: City Manager

Date: Oct-08-2020



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Accepting and Authorizing the City Manager to Execute the Agreement to Accept the 2019 State Homeland Security Grant Program Funding and Approving and Authorizing a Sole Source Purchase for Procurement of Mobile Crash Barriers and Portable Bollards Manufactured by Delta Scientific Corporation; and Approve Budget Appropriation to the Police Department's FY 2020-21 operating budget
Category:	Consent Calendar-Public Safety
Meeting Date:	10/6/2020
Staff Contact:	John Torrez, Milpitas Police Captain, 408-586-2408
<u>Recommendation:</u>	Adopt a Resolution accepting and authorizing the City Manager to execute the Agreement to accept the 2019 State Homeland Security Grant Program Funding and approving and authorizing a sole source purchase for procurement of Mobile Crash Barriers and Portable Bollards Manufactured by Delta Scientific Corporation; and approve a budget appropriation into the Police Department's FY 2020-21 operating budget.

Background:

The U.S. Department of Homeland Security (DHS)/Federal Emergency Management Agency's (FEMA) Homeland Security Grant Program provides funding to federal, state and local governments for the purpose of strengthening national security in the ability to prevent, respond to, and recover from major events such as terrorist attacks. This grant program is comprised of three sub-programs, including the State Homeland Security Program.

California's State Homeland Security Grant Program (SHSGP) is administered by the California Governor's Office of Emergency Services (CalOES). The grant funding must be used to supplement existing funds and may not be used to supplant funds that have been appropriated for the same purpose. CalOES prioritized use of the FY 2019 SHSGP funds into homeland security strategy goals including the prevention of violent extremism through multi-jurisdictional collaboration and coordination.

On September 1, 2019, Cal OES awarded the County of Santa Clara 2019 SHSGP funds in the amount of \$2,088,075. The County distributes SHSGP funds to cities, special districts, and other entities within the County. The Milpitas Police Department, in coordination with four other jurisdictions in Santa Clara County, applied for the FY 2019 SHSGP for a regional project to purchase portable security equipment for public events (equipment to be shared regionally, as needed). Subsequently, the applications for the regional project were approved. In January of 2020, the Milpitas Police Department was awarded \$102,000 in reimbursement grant funds, only to be utilized for the purchase of approved portable security equipment, as outlined below.

The grant award and proposed purchase are presented to Council as required by City of Milpitas SOP 26-2a and 30-5.1, respectively.

Analysis:

The acceptance of the FY 2019 SHSGP fund award is contingent upon purchasing interoperable mobile crash barriers and portable bollards with those purchased by four other neighboring law enforcement agencies in Santa Clara County. The sole source purchase of two MP5000 mobile crash barrier systems and five TB100 portable bollards from vendor Delta Scientific Corporation with the FY 2019 SHSGP funds will 1) be eligible

FY 2019 SHSGP reimbursement in total, 2) align with the equipment purchased by neighboring law enforcement agencies for shared use, and 3) enhance public safety. Campbell, Los Gatos-Monte Sereno, Milpitas, Morgan Hill and Santa Clara Police Departments were awarded funds for the same project to purchase the same barriers/bollards. Of the participating agencies, Morgan Hill has already taken delivery of the Delta Scientific Corporation equipment.

The MP5000 system is crash tested to stop a 15,000-pound vehicle traveling 40 miles per hour yet is easily operated for accessibility of emergency vehicles, for example. The TB100 portable bollards are crash tested as a set of 5 to stop a 15,000-pound vehicle traveling 30 miles per hour. They can be placed to further secure a large area not fully protected by the 16-foot MP5000. The MP5000 mobile crash barriers in conjunction with five TB100 portable bollards is the only barricade system that carries this American Standard Test Method (ASTM) M50 rating.

Santa Clara County routinely hosts high-profile events, some of which are Special Event Assessment Rating (SEAR) Level 1 events, requiring extensive security measures. In addition, the City of Milpitas routinely hosts large scale City-sponsored and community events such as the annual Fourth of July fireworks event. With the global increase in terror related incidents involving vehicle borne assaults and mass casualties, the MP5000 mobile crash barrier system and TB100 portable bollards are needed around the City and County to provide public protection at community and high-profile events. We expect these highly visible security devices to assist in the prevention and deterrence of vehicle assaults, thus safeguarding our community. A quotation for the equipment is provided, totaling \$101,995.30 (Attachment 2).

Policy Alternative:

Alternative: Do not adopt a resolution, and thus refuse the 2019 State Homeland Security Grant Program award in the amount of \$102,000 and do not authorize the purchase of approved equipment.

Pros: There are no identified benefits to this alternative.

Cons: The police department would not have the opportunity to purchase needed equipment or City general funds would be required to purchase the equipment.

Reason not recommended: The FY 2019 State Homeland Security Grant Program award does not require matching funds nor are there any requirements that result in a negative impact. The City will be reimbursed for the total amount of the proposed equipment purchase.

Fiscal Impact:

There is sufficient funding in the FY 2019 SHSGP award to purchase the approved equipment; we do not anticipate unexpected spending beyond the grant allocation. A budget amendment to appropriate \$102,000 to the Police Department's FY 2020-21 operating budget is needed (Attachment 4).

California Environmental Quality Act

Not applicable.

Recommendations:

- 1) Adopt a resolution accepting and authorizing the City Manager to execute the Agreement to accept the 2019 State Homeland Security Grant Program Funding, and approving and authorizing a sole source purchase for procurement of Mobile Crash Barriers and Portable Bollards Manufactured by Delta Scientific Corporation.
- 2) Approve a budget appropriation of \$102,000 into the Police Department's FY 2020-21 operating budget.

Attachments:

1. Resolution
2. Delta Scientific Corporation quote
3. Photo of MP5000 Mobile Crash Barrier and TB100 Portable Bollard set-up
4. Budget change form
5. Agreement with Santa Clara County
6. California OES Assurances for Federal Grant Program

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ACCEPTING AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT BETWEEN THE COUNTY OF SANTA CLARA AND THE CITY OF MILPITAS GRANTING PROGRAM FUNDS FOR THE 2019 STATE HOMELAND SECURITY GRANT PROGRAM , AND APPROVING AND AUTHORIZING A SOLE SOURCE PURCHASE FOR THE PROCUREMENT OF MOBILE CRASH BARRIERS AND PORTABLE BOLLARDS MANUFACTURED BY DELTA SCIENTIFIC CORPORATION TO BE FUNDED BY FY 2019 STATE HOMELAND SECURITY GRANT PROGRAM FUNDING

WHEREAS, the U.S. Department of Homeland Security (DHS)/Federal Emergency Management Agency's (FEMA) Homeland Security Grant Program provides funding to federal, state and local governments for the purpose of strengthening national security in the ability to prevent, respond to, and recover from major events such as terrorist attacks; and

WHEREAS, California receives DHS funding through its State Homeland Security Grant Program (SHSGP), which is administered by the California Governor's Office of Emergency Services (Cal OES). Cal OES prioritized use of the FY 2019 SHSGP funds into 11 homeland security strategy goals including the prevention of violent extremism through multi-jurisdictional collaboration and coordination; and

WHEREAS, on September 1, 2019, Cal OES awarded the County of Santa Clara 2019 SHSGP funds in the amount of \$2,088,075. The allocation of the SHSGP funds were determined by the County Approval Authority in accordance with the grant guidelines; and

WHEREAS, the City of Milpitas has been awarded funding, and the acceptance of the FY 2019 SHSGP fund award is contingent upon purchasing interoperable mobile crash barriers and portable bollards compatible with those purchased by four other neighboring law enforcement agencies in Santa Clara County including Campbell, Los Gatos-Monte Sereno, Morgan Hill and Santa Clara, as provided for under the Agreement Between the County of Santa Clara and the City of Milpitas Granting Program Funds for the 2019 State Homeland Security Grant Program (the "Agreement"), attached hereto as **Exhibit A**; and

WHEREAS, the City of Milpitas Police Department has been approved for a grant of \$102,000.00 to cover the cost of two mobile crash barriers and five portable bollards for a collaborative, regional project. SHSGP funding does not augment the General Fund budget; nor is there any obligation on the part of the City for matching funds. The cost to purchase the equipment will be fully funded through the FY 2019 SHSGP grant. The equipment procured will be shared on a regional basis and therefore must be interoperable with the equipment procured by the aforementioned police agencies in the County; and

WHEREAS, Delta Scientific Corporation is the sole manufacturer of the MP5000 mobile crash barrier and is the only portable barricade system of its type that is completely removed from its transportation device before being deployed. In conjunction with five TB100 portable bollards, it is the only barricade system that carries an American Standard Test Method (ASTM) M50 rating; and

WHEREAS, after conducting a good faith review of the available sources and pursuant to Milpitas Municipal Code Section I-2-3.09 (Sole Source Procurement), the City's Purchasing Agent has determined that Delta Scientific Corporation is the only source for the purchase of the MP5000 mobile crash barrier and TB100 portable bollard system.

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. The City Manager, or his designee, is hereby authorized to execute, deliver, and perform the Agreement Between the County of Santa Clara and the City of Milpitas Granting Program Funds for the 2019 Homeland Security Grant Program Funds, attached hereto as **Exhibit A**, and to accept the grant funds distributed to the City of Milpitas pursuant to the Agreement.
3. The City Council hereby approves Delta Scientific Corporation as the sole source provider for the procurement of two MP5000 mobile surface mounted barrier systems and five TB100 portable bollards from Delta Scientific Corporation per quotation JA0509195R2 pursuant to Milpitas Municipal Code Section I-2-3.09 (Sole Source Procurement).
4. The City Council hereby approves the purchase of the equipment from Delta Scientific Corporation and authorizes the City Manager, or his designee, to execute the contract and related documents for the purchase in the amount of \$101,995.30.

PASSED AND ADOPTED this _____ day of _____, 2020, 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



40355 Delta Lane
 Palmdale, CA 93551 USA
 Phone: (661) 575-1100
 Fax: (661) 575-1110

MILPITAS

MP5000 MOBILE CRASH BARRIER

Quote #: JA0509195R2

MP5000 HYDRAULICALLY OPERATED MOBILE SURFACE MOUNTED BARRIER SYSTEM

TESTED IN ACCORDANCE WITH ASTM F 2656-07 M40 STANDARDS
 TESTED AT KARCO ENGINEERING IN ADELANTO, CALIFORNIA

2	MP5000	BASIC STRUCTURE, -16 FT. (STANDARD) CLEAR OPENING	64,230.00
2	H8050	BATTERY OPERATED HYDRAULIC PUMP / W CONTROL STATION	11,295.94
2	MP5000TA	BARRIER TRAILER ASSEMBLY - INCLUDES SPARE TIRE, UTILITY BOX, AND VIN NUMBER	6,541.26

BASIC SYSTEM CONSISTS OF:

- * QUICK DEPLOYMENT MOBILE BARRIER ASSEMBLY
- * HINGED, RIGID CRASH PLATE ASSEMBLY
- * TRAILER HITCH ASSEMBLY
- * STANDARD WHITE/YELLOW OR BLACK/YELLOW PAINT (OPTIONS AVAILABLE)
- * COMPLETE INSTRUCTIONS, START UP AND TROUBLE-SHOOTING MANUAL

MP5000 SYSTEM OPTIONS: (NOT INCLUDED WITH BASIC SYSTEM)

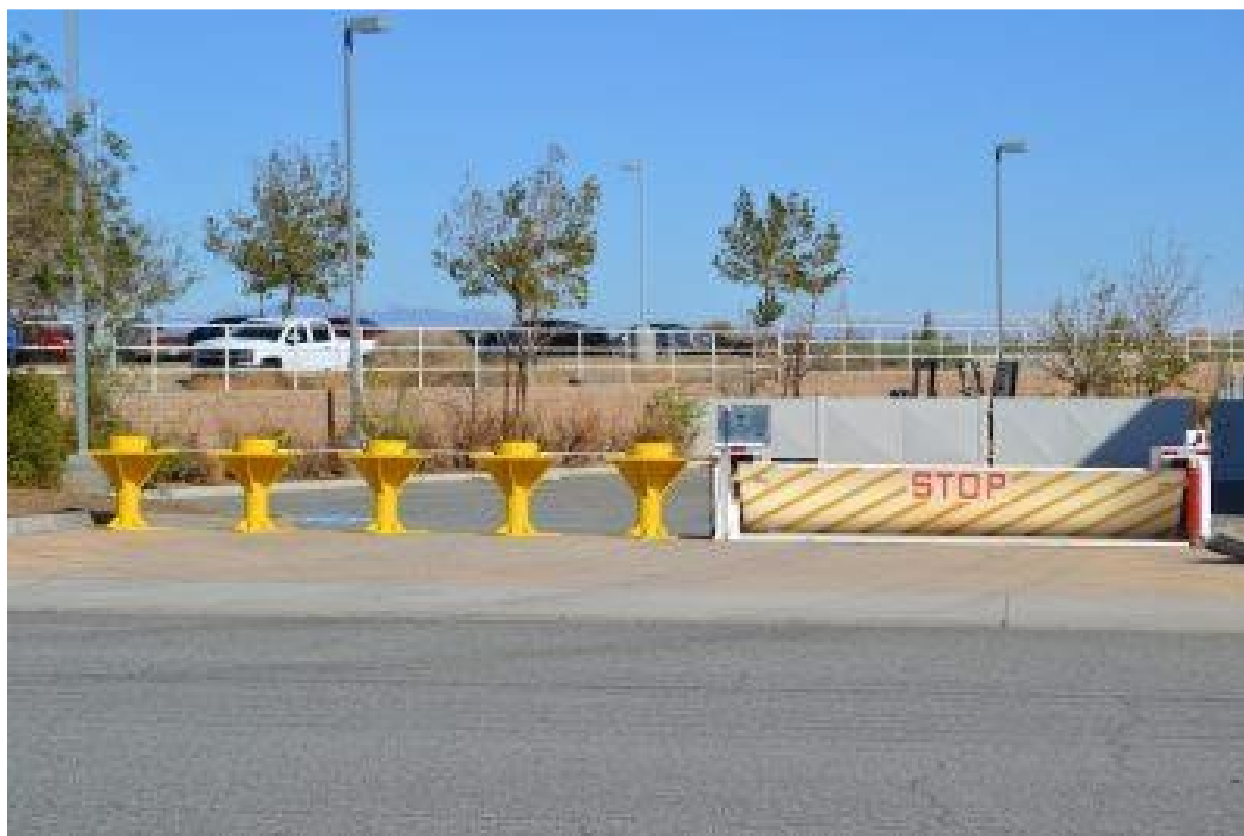
2	MPL-4050	REMOTE OPEN/CLOSE PUSH BUTTON STATION W/20' CABLE	\$	284.10	\$	568.20
0	MPL-4050-300	ADDITIONAL MPL4050 CABLE---300FT OF TOTAL CABLE	\$	675.00	\$	-
0	POWER CABLE	POWER CORD (300 FT) / SOW 14/3 BLACK NEOPRENE CONNECTORS ARE: 71435K41 PLUG / 509-2016 CONNECTOR MATE	\$	875.00	\$	-
2	B2010	BARRICADE FULLY DOWN AUXILIARY LIMIT SWITCH	\$	216.00	\$	432.00
0	B1154	BOOSTER PAK 12VDC	\$	399.00	\$	-
2	90590-2	SIGNAL LIGHT MODULE	\$	-	\$	-
2	MPL-10	STOP GO SIGNAL LIGHT(S) (EXTERNAL POWER REQUIRED)	\$	791.47	\$	1,582.94
2	MPL-20W	48" TALL TRAFFIC LIGHT MOUNTING POST WITH 24" SQ BASE	\$	185.99	\$	371.98
0	SOLAR1	PEDESTAL MOUNTED SOLAR PANEL ASSEMBLY.	\$	1,752.00	\$	-
0	MPL-20W	48" TALL SOLAR MOUNTING POST WITH 24" SQUARE BASE	\$	185.99	\$	-
0	GALVAN	GALVANIZE MOBILE BARRIER	\$	4,195.00	\$	-
2	CAB KIT	CABLE KIT (JUMPER CABLE, UTILITY OUTLET CONNECTION)	\$	296.00	\$	592.00
2	MP5K-TT1	BARRIER TURN TABLE	\$	481.56	\$	963.12
5	TB100-1	PORTABLE BOLLARD EXTENDS BARRIER PROTECTION ZONE	\$	3,150.00	\$	15,750.00
0	EXP	EXPORT PREPARATION/BARRIER	\$	1,518.15	\$	-
0	EXWA1	EXWARR ONE YEAR EXTENDED WARRANTY PER DELTA SCIENTIFIC'S EXISTING WARRANTY POLICY	\$	-	\$	-
0	EXWA2	EXWARR TWO YEAR EXTENDED WARRANTY PER DELTA SCIENTIFIC'S EXISTING WARRANTY POLICY	\$	-	\$	-
0		PREVENTIVE MAINTENANCE AGREEMENTS AVAILABLE, CONTACT OFFICE				

* ALL EQUIPMENT IS FOB FACTORY

TOTAL EQUIPMENT COST	\$	102,327.44
DISCOUNT	\$	(12,240.00)
SALES TAX	9.00%	\$ 8,107.8
Freight (if applicable)	\$	3,800.0
GRAND TOTAL (Quote is valid 180 days from 07/13/20)	\$	101,995.30

7/13/2020

Attachment 3



City of Milpitas, California

BUDGET CHANGE FORM

Type of Change	From*		To*	
	Account	Amount	Account	Amount
Check one:	267-3557	\$101,995.30	267-7214851	\$86,294.85
☒ Budget Appropriation			267-7214223	\$15,700.45
☐ Budget Transfer				

Accept the 2019 State Homeland Security Grant Program award in the amount of \$102,000; Approve a budget appropriation in the amount of \$101,995.30 to the Police Department's FY 2020-21 operating budget; and Adopt a resolution authorizing the sole source purchase of two MP5000 mobile surface mounted barrier systems and five TB100 portable bollards from Delta Scientific Corporation

Background:

The U.S. Department of Homeland Security (DHS)/Federal Emergency Management Agency's (FEMA) Homeland Security Grant Program provides funding to federal, state and local governments for the purpose of strengthening national security in the ability to prevent, respond to, and recover from major events such as terrorist attacks. This grant program is comprised of three sub-programs, including the State Homeland Security Program.

California's State Homeland Security Grant Program (SHSGP) is administered by the California Governor's Office of Emergency Services (CalOES). The grant funding must be used to supplement existing funds and may not be used to supplant funds that have been appropriated for the same purpose. CalOES prioritized use of the FY 2019 SHSGP funds into 10 homeland security strategy goals including the prevention of violent acts through multi-jurisdictional collaboration and coordination.

The Milpitas Police Department, in coordination with four other jurisdictions in Santa Clara County, applied for the FY 2019 SHSGP for a regional project to purchase portable security equipment for public events (equipment to be shared regionally, as needed). Subsequently, the applications for the regional project were approved. In January of 2020, the Milpitas Police Department was awarded \$102,000 in reimbursement grant funds, only to be utilized for the purchase of approved portable security equipment, as outlined below.

The grant award and proposed purchase are presented to Council as required by City of Milpitas SOP 26-2a and 30-5.1, respectively.

Analysis:

The acceptance of the FY 2019 SHSGP fund award is contingent upon purchasing interoperable mobile crash barriers and portable bollards with those purchased by four other neighboring law enforcement agencies in Santa Clara County. The sole source purchase of two MP5000 mobile crash barrier systems and five TB100 portable bollards from vendor Delta Scientific Corporation with the FY 2019 SHSGP funds will 1) be eligible for FY 2019 SHSGP reimbursement in total, 2) align with the equipment purchased by neighboring law enforcement agencies for shared use, and 3) enhance public safety. Campbell, Los Gatos Monte Sereno, Milpitas, Morgan Hill and Santa Clara Police Departments were awarded funds for the same project to purchase the same barriers/bollards. Of the participating agencies, Morgan Hill has already taken delivery of the Delta Scientific Corporation equipment.

The MP5000 system is crash tested to stop a 15,000-pound vehicle traveling 40 miles per hour yet is easily operated for accessibility of emergency vehicles, for example. The TB100 portable bollards are crash tested as a set of 5 to stop a 15,000-pound vehicle traveling 30 miles per hour. They can be placed to

further secure a large area not fully protected by the 16-foot MP5000. The MP5000 mobile crash barriers in conjunction with five TB100 portable bollards is the only barricade system that carries this American Standard Test Method (ASTM) M50 rating.

Santa Clara County routinely hosts high-profile events, some of which are Special Event Assessment Rating (SEAR) Level 1 events, requiring extensive security measures. In addition, the City of Milpitas routinely hosts large scale City-sponsored and community events such as the annual Fourth of July fireworks event. With the global increase in violent incidents involving vehicle borne assaults and mass casualties, the MP5000 mobile crash barrier system and TB100 portable bollards are needed around the City and County to provide public protection at community and high-profile events. We expect these highly visible security devices to assist in the prevention and deterrence of vehicle assaults, thus safeguarding our community. A quotation for the equipment is attached, totaling \$101,995.30 (Attachment 2).

Policy Alternatives:

Alternative 1: Refuse the 2019 State Homeland Security Grant Program award in the amount of \$102,000 and do not authorize the purchase of approved equipment.

Pros: There are no identified benefits to this alternative.

Cons: The police department would not have the opportunity to purchase needed equipment or City general funds would be required to purchase the equipment.

Reason not recommended: The FY 2019 State Homeland Security Grant Program award does not require matching funds nor are there any requirements that result in a negative impact. The City will be reimbursed for the total amount of the proposed equipment purchase.

Fiscal Impact:

There is sufficient funding in the FY 2019 SHSGP award to purchase the approved equipment; we do not anticipate unexpected spending beyond the grant allocation. A budget amendment to appropriate \$102,000 to the Police Department's FY 20-21 Operating Budget is needed (Attachment 5).

California Environmental Quality Act: N/A

Recommendation:

- 1.) Accept the 2019 State Homeland Security Grant Program award in the amount of \$102,000;
- 2.) Approve a budget appropriation in the amount of \$101,995.30 to the Police Department's FY 2020-21 operating budget; and
- 3.) Adopt a resolution authorizing the sole source purchase of two MP5000 mobile surface mounted barrier systems and five TB100 portable bollards from Delta Scientific Corporation per quotation JA0509195R2 (Attachment 2).

Attachments:

1. Resolution
2. Delta Scientific Corporation quotation JA0509195R2
3. Photo of MP5000 Mobile Crash Barrier and TB100 Portable Bollard set-up
4. Budget change form

☐ **Check if City Council Approval required.**

Meeting Date: September 15, 2020

Requested by:	Department Head: Armando Corpuz	Date: September 15, 2020
Reviewed by:	Finance Director: Walter C. Rossmann	Date: September 15, 2020
Date approved by City Council, if required:		Confirmed by:



AGREEMENT BETWEEN THE COUNTY OF SANTA CLARA AND THE CITY OF MILPITAS GRANTING PROGRAM FUNDS FOR THE 2019 STATE HOMELAND SECURITY GRANT PROGRAM FUNDS

THIS AGREEMENT is made effective when fully executed by the County of Santa Clara (“County”) and the City of Milpitas (“Milpitas”) for the allocation and distribution of 2019 State Homeland Security Grant Program (SHSGP) funds.

RECITALS

WHEREAS, the 2019 SHSGP (CFDA #97.067) supports the implementation of State Homeland Security Strategies to address the identified planning, organization, equipment, training and exercise needs for acts of terrorism and other catastrophic events, and management and administration of the grant. In addition, SHSGP supports the implementation of the National Preparedness Guidelines, the National Incident Management System (NIMS), and the National Response Network (NRF);

WHEREAS, the State of California (“State”) has designated the County as the Operational Area for purposes of distributing SHSGP funds to the cities, special districts and other entities within the County. An Anti-Terrorism Approval Body (County Approval Authority), comprised of one County Public Health Officer, County Fire Chief, Municipal Fire Chief, County Sheriff, and Chief of Police, has been appointed for the purpose of approving the distribution of SHSGP funds at the Operational Area level;

WHEREAS, on September 1, 2019 the California Office of Emergency Services (“Cal OES”) awarded the County 2019 SHSGP funds in the amount of \$2,088,075. The allocation of the SHSGP funds will be determined by the County Approval Authority in accordance with the grant guidelines.

NOW, THEREFORE, the County and Milpitas agree as follows:

THE AGREEMENT

Article I. Definitions

1. Specific Terms

- (a) **“Burdened Labor Rate”** shall mean the labor rate including benefits, taxes and other deductions from an employee’s paycheck. This rate does not include vacation benefits.
- (b) **“Milpitas”** shall mean the City of Milpitas, its officers, board members, employees, and agents.
- (c) **“County”** shall mean the County of Santa Clara, its officers, board members, employees, and agents.

- (d) **“SHSGP funds” or “SHSGP funding”** shall mean the funding Milpitas receives under this Agreement.
- (e) **“Federal Program Guidance”** shall mean guidance documents issued by the Federal Emergency Management Agency, including the SHSGP Program Funding Opportunity Announcement, for Fiscal Year 2019.
- (f) **“Grant Certifications and Assurances”** shall mean the FY19 SHSGP Agreement Articles, Assurances, Certifications, Terms, and Conditions
- (g) **“Highly Compensated Individual”** shall mean an individual whose income is \$300,000 or more per year.
- (h) **“Prime Recipient”** shall refer to County.
- (i) **“State Guidance”** shall mean the California Supplement to the Federal Program Funding Opportunity Announcement, issued by Cal OES for Fiscal Year 2019.
- (j) **“Sub-Recipient”** shall refer to Milpitas.

2. References to This Agreement

Any reference to this Agreement shall include: (a) the Agreement; (b) all exhibits, appendices, schedules, and attachments to this Agreement; (c) all statutes, ordinances, regulations, rules, or other documents incorporated by reference into this Agreement; (d) all amendments, modifications, or supplements to this Agreement.

Article II. Payment

1. Payment Eligibility

Unless otherwise approved in advance by the County Office of Emergency Management (OEM) Grants Administrator (hereinafter “grants administrator”), only an actual cash disbursement by Milpitas for a claimed expense shall be eligible for reimbursement by the County as approved and specified in Exhibit A, SHSGP Project Funding, which is attached and hereby incorporated into this Agreement.

2. Amount of Payment

The County will provide Milpitas, unless otherwise specified, with the equipment, supplies, and/or other resources as set forth in Exhibit A, SHSGP Project Funding. Specifications for such equipment shall be provided by Milpitas’s requesting agency to the County for the appropriate procurement process. Milpitas’s requesting agency will be notified when the procurement process is complete for final approval of equipment prior to the order being placed. If, through previous agreement with the County, Milpitas is to procure its own equipment, performance milestone dates will apply (refer to Article IV, Section 3(b)).

The County may reallocate SHSGP funds as specified in Article II, section 4 of this Agreement. County

does not guarantee a minimum payment to Milpitas.

Funds in the amount of \$228,244 have been set aside for the training and exercise programs from the SHSGP grant to be allocated during the term of this Agreement. OEM will allocate training and exercise funds to agencies as determined by the Training/Exercise Advisory Group.

Authorized personnel budgets are allowable within the County OEM, Central Fire, and County Emergency Medical Services. The personnel budget for these departments will reflect the expenditure authority. Reimbursement for actual cash disbursements will be requested through the County OEM. Based on the preference of the Department/Agency, reimbursement requests may be requested on a monthly or quarterly basis. For County Departments, reimbursements will be made via inter-county transfer. For all others, a County warrant will be issued.

3. Maximum Amount Payable

Subject to the availability of funds and the priorities established by the County Approval Authority, the maximum amount of SHSGP funds payable by the County to Milpitas under this Agreement must not exceed \$102,000, as allocated by the County Approval Authority.

4. Reallocation of SHSGP Grant Funds

For the purpose of maximizing the resources available for preparedness for acts of terrorism and other catastrophic events within the Operational Area, Milpitas agrees that the County Approval Authority may reallocate funds under this Agreement to Milpitas or to another applicant if the County determines that Milpitas is unable to utilize the amount allocated under this Agreement. The County may base its determination on factors that include but are not limited to the following: delivery timelines, fund expenditure capabilities, and timeliness of expenditure. The County will notify Milpitas in writing of any determination to reallocate funds, by issuing a "Notice of Reallocation." SHSGP funds will be put forth to the County Approval Authority for reallocation. Milpitas agrees that the County has the authority to increase or decrease the maximum amount payable under this Agreement as specified in the Notice of Reallocation document without liability and the County has the authority to amend Exhibit A, "SHSGP Project Funding," accordingly. Upon issuance, the Notice of Reallocation will automatically become part of this Agreement.

Article III. Requests for Reimbursement and Reimbursements

1. Required Documentation for Reimbursement

The SHSGP is a reimbursement grant under which Cal OES disburses reimbursement funds to County, and County disburses reimbursement funds to Milpitas. No cash advances are permitted under the SHSGP program.

(a) Requests for Equipment

The following documentation is required for all reimbursement requests for equipment:

- Quote or solicitation documents

- Summary of pricing and chosen vendor
- Documentation that vendor is not on the excluded parties list (<https://www.epls.gov/>) (a print-out of the search result page will suffice)
- Purchase order and/or contract
- Receiving documentation/packing slip
- Invoice
- Proof of payment

All equipment must be approved by the County Approval Authority and must be authorized per the web-based Authorized Equipment List on the Responder Knowledge Base, which is sponsored by Grants & Training and the National Memorial Institute for the Prevention of Terrorism at <https://www.rkb.us/>. (Contact the Grant Manager for a current Authorized Equipment List.)

(b) Subcontracts

If Milpitas awards subcontracts totaling \$25,000 or more, it must report on any such subcontracts and on Highly Compensated Individuals on the Financial Disclosure Form, Exhibit D, within 30 days of the award. The following information must be included in Milpitas's report on any sub-award exceeding \$25,000:

- Name of entity receiving award;
- Amount of award;
- Funding agency;
- Catalog of Federal Domestic Assistance program number;
- Award title (descriptive of the purpose of the funding action);
- Location of the receiving entity and primary location of performance including city, state, and federal Congressional district;
- Dun & Bradstreet (D&B) DUNS Number of the receiving entity, and of its parent if applicable; and
- Total compensation and names of receiving entity's five most highly compensated executives if:
 - In the preceding fiscal year, the subcontractor received 80 percent or more, and \$25,000,000 or more, of its gross annual revenue from federal procurement contracts or subcontracts or from federal financial assistance subject to the Transparency Act, as defined at 2 C.F.R. § 170.230; and
 - The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. § 78m(a), 78o(d), or under section 6104 of the Internal Revenue Code of 1986.
 - Milpitas must report subcontractor executive compensation by the end of the month following the month in which it makes the sub-award. For example, if the sub-award is obligated in any date in April 2020, Milpitas must report any required compensation information by May 31, 2020.

Classified information that, in the interest of national security, requires protection against

unauthorized disclosure (i.e., information deemed Top Secret, Secret, or Confidential under Executive Order 12958) is exempt from the Prime and Sub-Recipient reporting requirements, as are contracts with individuals.

(c) Sole Source Contracts

Sole source contracts of \$250,000 or more are not allowable under the SHSGP program unless first approved by Cal OES. Milpitas must obtain sole source request documentation and submit it to the Grants Manager of County's OEM. Upon Milpitas's completion and submission of the required sole source documentation, County's Grants Manager shall forward all sole source documents to the appropriate Cal OES contact for review and approval. Only after Cal OES approval is given can a sole source procurement be completed and expenditures reimbursed using SHSGP allocated funds. Sole source requests below the \$250,000 threshold must follow Milpitas's own procurement policies.

(d) Other Requests

The following documentation is required for all reimbursement requests for contractors:

- Quote or solicitation documents
- Executive summary of how contractor was chosen
- Documentation that vendor is not on the excluded parties list (<https://www.sam.gov/>) (a print-out of the search result page will suffice)
- Purchase order and/or contract
- Invoice showing deliverables and milestones completed
- Proof of payment
- Financial Disclosure Form (Exhibit D) if awarded contract exceeds \$25,000

The following documentation is required for reimbursement of Salaries:

- Functional timesheet
- Description of scope of job which includes Homeland Security-related functions
- Burdened Labor Rate
- Payroll reports showing amount paid for each pay period being claimed

The following documentation is required for reimbursement for Training activities:

- Class syllabus
- Class sign-in sheet
- Instructor/consultant contract documents
- Instructor's invoice
- Proof of payment

2. Submission of Requests for Reimbursement

- (a) Milpitas shall submit reimbursement requests to County's OEM on a quarterly basis. Unless pre-approved by County's OEM Director or designee, all reimbursement requests shall be

due fifteen calendar days after the end of the quarter, with the exception of the final expenditure and/or invoice, as indicated below. Any expenditure during the final period identified in the chart below shall be made by April 15, 2022, and any related invoice shall be submitted by April 30, 2022, unless otherwise pre-approved by County's OEM Director or designee, in order to meet 2019 SHSGP deadlines.

- (b) During the term of this Agreement, County is not obligated to honor any request for reimbursement that is submitted after April 30, 2022.

Article IV. Use of Funds

1. Master Grant Obligations

- (a) Milpitas shall comply with the SHSGP Federal Program Guidance, the State Guidance, and the Grant Certifications and Assurances, attached as Exhibit B. Milpitas shall require any sub-grantee, contractor, or other entity receiving SHSGP funds through or from Milpitas to execute a copy of the Grant Certifications and Assurances, and shall be responsible for ensuring that sub-grantee, contractor, or other entity complies with the Grant Certifications and Assurances.
- (b) Milpitas shall comply with all other applicable statutes, regulations, executive orders, requirements, policies, guides, guidelines, information bulletins, Cal OES grant management memos, and instructions; the terms and conditions of the grant award; and any other conditions imposed by Cal OES or by this Agreement, provided that if any provisions of this Agreement conflict with any State requirements, the State requirements will control. Milpitas shall ensure that any sub-grantee, contractor, or other entity receiving SHSGP funds through or from Milpitas complies with all applicable statutes, regulations, executive orders, requirements, policies, guides, guidelines, information bulletins, Cal OES grant management memos, and instructions; the terms and conditions of the grant award; and any other conditions imposed by Cal OES or by this Agreement.
- (c) Milpitas shall establish and maintain administrative, programmatic and fiscal management records in accordance with federal and state requirements, and:
 - i. Maintain financial management systems that support grant activities in accordance with federal and state requirements, including but not limited to requirements in 44 Code of Federal Regulations ("C.F.R.") Part 13.20, and the Office of Justice Programs Financial and Administrative Guide for Grants, Part II, Chapter 3.
 - ii. The County shall provide and affix equipment tracking numbers for all equipment purchased through its procurement process. Using the County-issued tracking number, Milpitas shall maintain an equipment tracking ledger that tracks the equipment within Milpitas and complies with federal and state requirements, including but not limited to requirements in 44 C.F.R., Parts 13.32 and 13.33, and the Office of Justice Programs Financial and Administrative Guide for Grants, Part III, Chapter 6.
- (d) By executing this Agreement, Milpitas certifies that it is not debarred, suspended, or

otherwise ineligible to receive SHSGP funds. In addition, Milpitas shall ensure and independently verify that any sub-grantee, contractor, or other entity receiving SHSGP funds through or from Milpitas complies with federal and state requirements, including but not limited to requirements in 44 C.F.R., Parts 13.32 and 13.33, and the Office of Justice Programs Financial and Administrative Guide for Grants, Part III, Chapter 6, and is not debarred, suspended, or otherwise excluded from participation in the SHSGP program. Milpitas shall maintain documentary proof of this verification in its files.

2. Scope of Services

- (a) If Milpitas has been allocated funding for a project, Exhibit A, “SHSGP Project Funding,” will serve as the basis for the project. A further detailed description may be necessary and will be requested by the County if needed to be incorporated by reference herein. If future funding is allocated, Milpitas shall provide a detailed description of the approved project to be attached hereto and incorporated by reference herein.
- (b) Milpitas shall use the funds granted under this Agreement in a manner consistent with:
 - i. The applications submitted by the County to the State for the grant under this Agreement;
 - ii. The grant guidelines issued by the State for the grant under this Agreement; and
 - iii. The notifications issued by the State of the approval of the grant under this Agreement
- (c) The documents described in Exhibit B of this Agreement (collectively the “State Grant Requirements”) are on file with the County and the granting agencies of the State, and are hereby incorporated into this Agreement. Milpitas hereby acknowledges that it has received a copy of the State Grant Requirements.
- (d) Milpitas shall use the funds granted under this Agreement only for the purpose of implementing applicable initiatives under the 2019 SHSGP program, as indicated in Exhibit A, “SHSGP Project Funding”. Milpitas shall not use the funds granted under this Agreement for any other purpose. Incumbents filling positions funded by the 2019 SHSGP program shall work at a location inside of the Santa Clara County Operational Area, and the work of grant-funded personnel must be solely focused on threats to the Santa Clara County Operational Area. County will not disburse funds to or otherwise pay Milpitas for services that do not address a terrorism nexus, or for materials, equipment, or supplies provided by Milpitas that are beyond the scope of the services, materials, equipment, or supplies agreed upon in this Agreement or a lawfully executed written amendment.

3. Performance and Reporting Requirements

- (a) Performance reports indicating the status of outstanding projects are due to the County Grants Administrator on a quarterly basis as follows:
- (b) The following dates represent the Grant Performance Period for the SHSGP program:

- Performance Period 1 (September 1, 2019 – December 31, 2019) – due by January 15, 2020
 - Performance Period 2 (January 1, 2020 – March 31, 2020) – due by April 15, 2020
 - Performance Period 3 (April 1, 2020 – June 30, 2020) – due by July 15, 2020
 - Performance Period 4 (July 1, 2020 – September 30, 2020) – due by October 15, 2020
 - Performance Period 5 (October 1, 2020 – December 31, 2020) – due by January 15, 2021
 - Performance Period 6 (January 1, 2021 – March 31, 2021) – due by April 15, 2021
 - Performance Period 7 (April 1, 2021 – June 30, 2021) – due by July 15, 2021
 - Performance Period 8 (July 1, 2021 – September 30, 2021) – due by October 15, 2021
 - Performance Period 9 (October 1, 2021 – December 31, 2021) – due by January 15, 2022
 - Performance Period 10 (January 1, 2022 – March 31, 2022) – due by April 30, 2022
- (c) The County will provide Milpitas with a report template (Exhibit C, “Performance Report”), and Milpitas will utilize the template to complete the performance submittal to the County.
- (d) Payments made by the County to Milpitas are conditioned upon the timely receipt of applicable, accurate and complete reports, including supporting document, to be submitted by Milpitas.
- (e) Milpitas will notify the County representative identified in Article VII, Section I, within 15 days, when Milpitas has completed all performance obligations for these grants.
- (f) Milpitas will provide single audit reports to the County by July 31st of each fiscal year.

Article V. Term and Termination

1. Term of Agreement

This Agreement is effective from September 1, 2019 through May 31, 2022.

2. Availability of Funds

- (a) The parties acknowledge and agree that this Agreement is dependent upon the availability of county, regional, State and/or federal funding.
- (b) Budgetary Contingency: This Agreement is contingent upon the appropriation of sufficient funding by County for the products and services covered by this Agreement. If funding is reduced or eliminated by County for the products or services covered by this Agreement, County has the option to either terminate this Agreement with no liability occurring to County or to offer an amendment to this Agreement indicating the reduced amount.

- (c) The obligations of County to make payments in accordance with the provisions of this Agreement may be delayed, reduced or terminated as a result of any delay, reduction, or change in allocation or allotment in funding to County from federal, State or other regional funding sources.

4. Termination

- (a) Termination for Convenience. County shall have the option, in its sole discretion, to terminate this Agreement at any time without cause upon written notice to Milpitas. The written notice shall specify the date on which termination shall become effective, which shall be no less than seven (7) days from the date of the notice.
- (b) Termination for Cause. Either party may terminate this Agreement for cause upon written notice to the other party. The written notice shall specify the date on which termination shall become effective, which shall be no less than thirty (30) days from the date of the notice. Termination for cause includes, but is not limited to, a material breach of this Agreement, a violation of any applicable laws, or failure to comply with applicable SHSGP guidelines.
- (c) Opportunity to Cure. In the event of termination for material breach of this Agreement, the non-breaching party shall give written notice of the breach to the breaching party, specifying the breach/cause. The breaching party shall not be deemed in default and the non-breaching party shall not institute proceedings or exercise any remedies against the breaching party unless the breach has not been cured, corrected or remedied within thirty (30) days after the breaching party's receipt of the notice of breach, or within such longer period as may be reasonably required to cure, correct or remedy the breach, provided the breaching party has commenced its cure, correction or remedy within the thirty (30) day period and diligently and continuously pursues that cure, correction or remedy.
- (d) If this Agreement is terminated, Milpitas shall return SHSGP funding in accordance with SHSGP program guidelines.

Article VI. Indemnification and Liabilities

1. Indemnification by Milpitas

In lieu of and notwithstanding the pro rata risk allocation that might otherwise be imposed between the parties under Government Code section 895.6, County and Milpitas agree instead that under Government Code section 895.4, Milpitas shall fully indemnify and hold County, its officers, board members, employees, and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined by Government Code section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of Milpitas, its officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to Milpitas under this Agreement. This indemnity shall include, without limitation, reasonable attorneys' fees, consultants and experts and related costs, and County's cost of investigating any claim.

2. Duty to Defend

Milpitas acknowledges and agrees that its obligation to defend County under Article VI: (a) is an immediate obligation, independent of its other obligations under this Agreement; and (b) applies to any claim, expense, cost, damage, or liability falling within the scope of Article VI, regardless of whether the allegations made in connection with that claim, expense, cost, damage, or liability may be groundless, false, or fraudulent. County shall provide Milpitas with prompt notice of any claim, expense, cost, damage, or liability under Article VI and Milpitas shall have the right to defend, settle, or compromise that claim, expense, cost, damage, or liability, provided, however, that County shall have the right to retain its own counsel at Milpitas's expense if representation of County by counsel retained by Milpitas would result in a conflict of interest, and that Milpitas shall obtain County's prior written consent to settle or compromise if Milpitas contends that County shares in any liability. County's failure to notify Milpitas promptly of any claim, expense, cost, damage, or liability shall not relieve Milpitas of liability to County under Article VI unless that failure materially impairs Milpitas's ability to defend against the claim, expense, cost, damage, or liability.

3. Limitation on Liability

County, its officers, board members, employees, and agents shall not be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of Milpitas, its officers, board members, employees, or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to Milpitas under this Agreement.

County's obligations under this Agreement shall be limited to the aggregate amount of SHSGP funds actually disbursed. Notwithstanding any other provision in this Agreement or any other document or communication between County and Milpitas relating to this Agreement, in no event shall County be liable for any damages arising out of or in connection with this Agreement, the SHSGP funds, Milpitas's Spend Plan, or any activities performed in connection with this Agreement.

Article VII. Miscellaneous

1. Notice

All notices required by this Agreement shall be deemed given when provided in writing and delivered personally or deposited in the United States mail, postage prepaid, return receipt requested, addressed to the other party at the address set forth below or at such other address as the party may designate in writing:

To Milpitas:

John Torrez, Police Captain
Milpitas Police Department
1275 North Milpitas Boulevard
Milpitas, CA 95035

To County:

Michelle Sandoval
 Grant and Administrative Services Manager
 County of Santa Clara Office of Emergency Management
 55 W. Younger Ave., Suite 450
 San Jose, CA 95110

2. Compliance with all Laws, Including Nondiscrimination, Equal Opportunity, and Wage Theft Prevention

- (a) Compliance with All Laws. Milpitas shall comply with all applicable Federal, State, and local laws, regulations, rules, and policies (collectively, “Laws”), including but not limited to the non-discrimination, equal opportunity, and wage and hour Laws referenced in the paragraphs below.
- (b) Compliance with Non-Discrimination and Equal Opportunity Laws: Milpitas shall comply with all applicable Laws concerning nondiscrimination and equal opportunity in employment and contracting, including but not limited to the following: Santa Clara County’s policies for contractors on nondiscrimination and equal opportunity; Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; the Age Discrimination in Employment Act of 1967; the Rehabilitation Act of 1973 (Sections 503 and 504); the Equal Pay Act of 1963; California Fair Employment and Housing Act (Gov. Code § 12900 et seq.); California Labor Code sections 1101, 1102, and 1197.5; and the Genetic Information Nondiscrimination Act of 2008. In addition to the foregoing, Milpitas shall not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex, gender identity, gender expression, sexual orientation, mental disability, physical disability, medical condition, political belief, organizational affiliation, or marital status in the recruitment, selection for training (including but not limited to apprenticeship), hiring, employment, assignment, promotion, layoff, rates of pay or other forms of compensation. Nor shall Milpitas discriminate in the provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex, gender identity, gender expression, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.
- (c) Compliance with Wage and Hour Laws: Milpitas shall comply with all applicable wage and hour Laws, which may include but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code, and, if applicable, any local minimum wage, prevailing wage, or living wage Laws.
- (d) Definitions: For purposes of this Subsection (h), the following definitions shall apply. A “Final Judgment” shall mean a judgment, decision, determination, or order (a) which is issued by a court of law, an investigatory government agency authorized by law to enforce an applicable Law, an arbiter, or arbitration panel and (b) for which all appeals have been exhausted or the time period to appeal has expired. For pay equity Laws, relevant investigatory government agencies include the federal Equal Employment Opportunity Commission, the California Division of Labor Standards Enforcement, and the California Department of Fair Employment and Housing. Violation of a pay equity Law shall mean unlawful discrimination in compensation on the basis of an individual’s sex, gender, gender identity, gender expression, sexual orientation,

race, color, ethnicity, or national origin under Title VII of the Civil Rights Act of 1964 as amended, the Equal Pay Act of 1963, California Fair Employment and Housing Act, or California Labor Code section 1197.5, as applicable. For wage and hour Laws, relevant investigatory government agencies include the federal Department of Labor, the California Division of Labor Standards Enforcement, and the Milpitas's Office of Equality Assurance.

- (e) **Prior Judgments, Decisions or Orders against Contractor:** By signing this Agreement, Milpitas affirms that it has disclosed any final judgments that (A) were issued in the five years prior to executing this Agreement by a court, an investigatory government agency, arbiter, or arbitration panel and (B) found that Milpitas violated an applicable wage and hour law or pay equity law. Milpitas further affirms that it has satisfied and complied with – or has reached Agreement with the County regarding the manner in which it will satisfy – any such final judgments.
- (f) **Violations of Wage and Hour Laws or Pay Equity Laws During Term of Contract:** If at any time during the term of this Agreement, Milpitas receives a Final Judgment rendered against it for violation of an applicable wage and hour Law or pay equity Law, then Milpitas shall promptly satisfy and comply with any such Final Judgment. Milpitas shall inform the Office of the County Executive-Office of Countywide Contracting Management (OCCM) of any relevant Final Judgment against it within 30 days of the Final Judgment becoming final or of learning of the Final Judgment, whichever is later. Milpitas shall also provide any documentary evidence of compliance with the Final Judgment within 5 days of satisfying the Final Judgment. Any notice required by this paragraph shall be addressed to the Office of the County Executive-OCCM at 70 W. Hedding Street, East Wing, 11th Floor, San José, CA 95110. Notice provisions in this paragraph are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the Office of the County Executive-OCCM satisfies the notice requirements in this paragraph.
- (g) **Access to Records Concerning Compliance with Pay Equity Laws:** In addition to and notwithstanding any other provision of this Agreement concerning access to Milpitas's records, Milpitas shall permit the County and/or its authorized representatives to audit and review records related to compliance with applicable pay equity Laws. Upon the County's request, Milpitas shall provide the County with access to any and all facilities and records, including but not limited to financial and employee records that are related to the purpose of this Section, except where prohibited by federal or state laws, regulations or rules. County's access to such records and facilities shall be permitted at any time during Milpitas's normal business hours upon no less than 10 business days' advance notice.
- (h) **Pay Equity Notification:** Milpitas shall (1) at least once in the first year of this Agreement and annually thereafter, provide each of its employees working in California and each person applying to Milpitas for a job in California (collectively, "Employees and Job Applicants") with an electronic or paper copy of all applicable pay equity Laws or (2) throughout the term of this Agreement, continuously post an electronic copy of all applicable pay equity Laws in conspicuous places accessible to all of Milpitas's Employees and Job Applicants.
- (i) **Material Breach:** Failure to comply with any part of this Section shall constitute a material breach of this Agreement. In the event of such a breach, the County may, in its discretion, exercise any

or all remedies available under this Agreement and at law. County may, among other things, take any or all of the following actions:

1. Suspend or terminate any or all parts of this Agreement.
2. Withhold payment to Milpitas until full satisfaction of a Final Judgment concerning violation of an applicable wage and hour Law or pay equity Law.
3. Offer Milpitas an opportunity to cure the breach.

- (j) Subcontractors: Milpitas shall impose all of the requirements set forth in this Section on any subcontractors permitted to perform work under this Agreement. This includes ensuring that any subcontractor receiving a Final Judgment for violation of an applicable Law promptly satisfies and complies with such Final Judgment.

3. County No-Smoking Policy

Milpitas and its employees, agents and subcontractors shall comply with County's No Smoking Policy, as set forth in the Board of Supervisors Policy Manual section 3.47 (as amended from time to time), which prohibits smoking: (1) at the Santa Clara Valley Medical Center Campus and all County-owned and operated health facilities, (2) within 30 feet surrounding County-owned buildings and leased buildings where County is the sole occupant, and (3) in all County vehicles.

4. Food and Beverage Standards

Except in the event of an emergency or medical necessity, the following nutritional standards shall apply to any foods and/or beverages purchased by Milpitas with County funds for County-sponsored meetings or events.

If food is to be provided, healthier food options shall be offered. "Healthier food options" include (1) fruits, vegetables, whole grains, and low-fat and low-calorie foods; (2) minimally processed foods without added sugar and with low sodium; (3) foods prepared using healthy cooking techniques; and (4) foods with less than 0.5 grams of trans-fat per serving. Whenever possible, Milpitas shall (1) offer seasonal and local produce; (2) serve fruit instead of sugary, high-calorie desserts; (3) attempt to accommodate special dietary and cultural needs; and (4) post nutritional information and/or a list of ingredients for items served. If meals are to be provided, a vegetarian option shall be provided, and Milpitas should consider providing a vegan option. If pre-packaged snack foods are provided, the items shall contain: (1) no more than 35% of calories from fat, unless the snack food items consist solely of nuts or seeds; (2) no more than 10% of calories from saturated fat; (3) zero trans-fat; (4) no more than 35% of total weight from sugar and caloric sweeteners, except for fruits and vegetables with no added sweeteners or fats; and (5) no more than 360 mg of sodium per serving.

If beverages are to be provided, beverages that meet the County's nutritional criteria are: (1) water with no caloric sweeteners; (2) unsweetened coffee or tea, for which sugar and sugar substitutes may be provided as condiments; (3) unsweetened, unflavored nonfat or 1% low-fat dairy milk; (4) plant-derived milk (e.g., soy milk, rice milk, and almond milk) with no more than 130 calories per 8-ounce serving; (5) 100% fruit or vegetable juice (limited to a maximum of 8 ounces per container); and (6) other low-calorie beverages (including tea and/or diet soda) that do not exceed 40 calories per 8-ounce serving. Sugar-sweetened beverages shall not be provided.

5. Governing Law

This Agreement has been executed and delivered in, and shall be construed and enforced in accordance with, the laws of the State of California.

6. Assignment

The parties may not assign this Agreement or the rights and obligations hereunder without the specific written consent of the other.

7. Entire Agreement

This document represents the entire Agreement between the parties with respect to the subject matter hereof. All prior negotiations and written and/or oral agreements between the parties with respect to the subject matter of this Agreement are merged into this Agreement.

8. Amendments

This Agreement may only be amended by an instrument signed by the parties.

9. Counterparts; Contract Execution

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Unless otherwise prohibited by law or County policy, the parties agree that an electronic copy of a signed Agreement, or an electronically signed Agreement, has the same force and legal effect as a contract executed with an original ink signature. The term “electronic copy of a signed contract” refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term “electronically signed contract” means a contract that is executed by applying an electronic signature using technology approved by the County.

10. Severability

If any provision of this Agreement is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same shall either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

11. Waiver

No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a party must be in writing, and shall apply to the specific instance expressly stated.

12. Conflict of Interest

In accepting this Agreement, Milpitas covenants that is presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of services under this Agreement. Milpitas is responsible for assuring compliance of its subcontractors, if any, with the requirements of this provision.

13. Certified Resolution of Signature Authority

Upon request of County, Milpitas shall deliver to County a copy of the resolution(s) authorizing execution, delivery and performance of this Agreement, certified as true, accurate and complete by the appropriate authorized representative of Milpitas.

Signed:

COUNTY OF SANTA CLARA

CITY OF MILPITAS

By _____
Garry Herceg
Deputy County Executive

Date

By _____
Steven McHarris
City Manager

Date

By _____
Armando Corpuz
Chief of Police

Date

Approved as to Form and Legality:

Approved as to Form and Legality:

Kavita Narayan
Lead Deputy County Counsel

Date

Christopher Diaz
City Attorney

Date

Enclosures

- | | |
|-----------|--|
| Exhibit A | 2019 SHSGP Project Funding |
| Exhibit B | Grant Assurances |
| Exhibit C | Quarterly Reporting Requirements and Report Template |
| Exhibit D | Financial Disclosure Form |



Standard Assurances For All Cal OES Federal Grant Programs

As the duly authorized representative of the Applicant, I hereby certify that the Applicant has the legal authority to apply for federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management, and completion of the project described in this application, within prescribed timelines.

I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:

- (a) Applicable Federal Regulations (see below);
- (b) Federal Program Notice of Funding Opportunity (NOFO);
- (c) Federal Preparedness Grants Manual;
- (d) California Supplement to the NOFO; and
- (e) Federal and State Grant Program Guidelines.

Federal Regulations

Government cost principles, uniform administrative requirements, and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (C.F.R.). Updates are issued by the [Office of Management and Budget \(OMB\)](http://www.whitehouse.gov/omb/) and can be found at <http://www.whitehouse.gov/omb/>.

Significant state and federal grant award requirements (some of which appear in the documents listed above) are set forth below. The Applicant hereby agrees to comply with the following:

1. Proof of Authority

The Applicant will obtain written authorization from the city council, governing board, or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board, or authorized body agree:

- (a) To provide all matching funds required for the grant project and that any cash match will be appropriated as required;
- (b) Any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board, or authorized body;
- (c) Grant funds shall not be used to supplant expenditures controlled by the city council, governing board, or authorized body; and
- (d) The official executing this agreement is, in fact, authorized to do so.



Standard Assurances For All Cal OES Federal Grant Programs

This Proof of Authority must be maintained on file and readily available upon request.

2. Period of Performance

The Applicant will initiate work after approval of the award and complete all work within the period of performance specified in the grant.

3. Lobbying and Political Activities

As required by Section 1352, Title 31 of the United States Code (U.S.C.), for persons entering into a contract, grant, loan, or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

- (a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and §§ 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.



Standard Assurances For All Cal OES Federal Grant Programs

Finally, the Applicant agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

4. Debarment and Suspension

As required by Executive Orders 12549 and 12689, and 2 C.F.R. § 200.213 and codified in 2 C.F.R. Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud, and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the federal government. The Applicant certifies that it and its principals, recipients, or subrecipients:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transaction (federal, state, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

5. Non-Discrimination and Equal Employment Opportunity

The Applicant will comply with all federal statutes relating to non-discrimination. These include, but are not limited to, the following:



Standard Assurances For All Cal OES Federal Grant Programs

- (a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. § 2000d et. seq.) which prohibits discrimination on the basis of race, color, or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
- (b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;
- (c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794), which prohibits discrimination against those with disabilities or access and functional needs;
- (d) Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs (42 U.S.C. §§ 12101-12213);
- (e) Age Discrimination Act of 1975, (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age;
- (f) Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd—2), relating to confidentiality of patient records regarding substance abuse treatment;
- (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)— be designed and constructed with certain accessible features (See 24 C.F.R. § 100.201);
- (h) Executive Order 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identification or national origin;
- (i) Executive Order 11375, which bans discrimination on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin in hiring and employment in both the United States federal workforce and on the part of government contractors;
- (j) California Public Contract Code § 10295.3, which prohibits discrimination based on domestic partnerships and those in same sex marriages;



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- (k) DHS policy to ensure the equal treatment of faith-based organizations, under which all applicants and recipients must comply with equal treatment policies and requirements contained in 6 C.F.R. Part 19;
- (l) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
- (m) The requirements of any other nondiscrimination statute(s) which may apply to the application.

In addition to the items listed in (a) through (m), the Applicant will comply with California's Fair Employment and Housing Act (FEHA). FEHA prohibits harassment and discrimination in employment because of ancestry, familial status, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (California Government Code §§12940, 12945, 12945.2), military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions.

6. Drug-Free Workplace

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.), the Applicant certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

7. Environmental Standards

The Applicant will comply with state and federal environmental standards, which may be prescribed pursuant to the following, as applicable:

- (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§ 21000- 21177), to include coordination with the city or county planning agency;
- (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§ 15000- 15387);
- (c) Federal Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;



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- (d) Federal Clean Air Act of 1955 (42 U.S.C. § 7401) which regulates air emissions from stationary and mobile sources;
- (e) Institution of environmental quality control measures under the National Environmental Policy Act (NEPA) of 1969 (P.L. 91-190); the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA; and Executive Order 12898 which focuses on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities;
- (f) Evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
- (g) Executive Order 11514 which sets forth national environmental standards;
- (h) Executive Order 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act Executive Order 11990 which requires preservation of wetlands;
- (i) The Safe Drinking Water Act of 1974, (P.L. 93-523);
- (j) The Endangered Species Act of 1973, (P.L. 93-205);
- (k) Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);
- (l) Conformity of Federal Actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.);
- (m) Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to § 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.



Standard Assurances For All Cal OES Federal Grant Programs

8. Audits

For subrecipients expending \$750,000 or more in federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

9. Access to Records

In accordance with 2 C.F.R. § 200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

10. Conflict of Interest

The Applicant will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

11. Financial Management

False Claims for Payment - The Applicant will comply with 31 U.S.C §§ 3729-3733 which sets forth that no subrecipient, recipient, or subrecipient shall submit a false claim for payment, reimbursement or advance.

12. Reporting - Accountability

The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements for executive compensation, and also requirements implementing the Act for the non-federal entity at 2 C.F.R. Part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 C.F.R. Part 170 Reporting Subaward and Executive Compensation Information.

13. Whistleblower Protections

The Applicant also must comply with statutory requirements for whistleblower protections at 10 U.S.C. § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. § 4304 and § 4310.



Standard Assurances For All Cal OES Federal Grant Programs

14. Human Trafficking

The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a subrecipient from: (1) engaging in trafficking in persons during the period of time that the award is in effect; (2) procuring a commercial sex act during the period of time that the award is in effect; or (3) using forced labor in the performance of the award or subawards under the award.

15. Labor Standards

The Applicant will comply with the following federal labor standards:

- (a) The Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. § 3145 and 18 U.S.C. § 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction contracts or subcontracts, and
- (b) The Federal Fair Labor Standards Act (29 U.S.C. § 201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

16. Worker's Compensation

The Applicant must comply with provisions which require every employer to be insured to protect workers who may be injured on the job at all times during the performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§ 3700 et seq.

17. Property-Related

If applicable to the type of project funded by this federal award, the Applicant will:

- (a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchase;
- (b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more;



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- (c) Assist the awarding agency in assuring compliance with Section 106 of the
- (d) National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), Executive Order 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §469a-1 et seq.); and
- (e) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

18. Certifications Applicable Only to Federally-Funded Construction Projects

For all construction projects, the Applicant will:

- (a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project;
- (b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications; and
- (c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

19. Use of Cellular Device While Driving is Prohibited

Applicants are required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services.



Standard Assurances For All Cal OES Federal Grant Programs

20. California Public Records Act and Freedom of Information Act

The Applicant acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity's grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and the California Public Records Act, California Government Code section 6250 et seq. The Applicant should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.

HOMELAND SECURITY GRANT PROGRAM (HSGP) – PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS

21. Reporting Accusations and Findings of Discrimination

If during the past three years the recipient has been accused of discrimination on any basis the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS Financial Assistance Office and the DHS Office for Civil Rights and Civil Liberties (CRCL) by e-mail at CRCL@hq.dhs.gov or by mail at U.S. Department of Homeland Security, Office for Civil Rights and Civil Liberties, Building 410, Mail Stop #0190, Washington, D.C. 20528.

In the courts or administrative agencies make a finding of discrimination on grounds of race, color, national origin (including LEP), sex, age, disability, religion, or familial status against the recipient, or the recipients settle a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS Financial Assistance Office and the CRCL by e-mail or mail at the addresses listed above.

The United States has the right to seek judicial enforcement of these obligations.

22. Acknowledgment of Federal Funding from DHS

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.



Standard Assurances For All Cal OES Federal Grant Programs

23. Activities Conducted Abroad

All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

24. Best Practices for Collection and Use of Personally Identifiable Information (PII)

DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. All recipients who collect PII are required to have a publically-available privacy policy that describes standards on the usage and maintenance of PII they collect. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template a useful resource respectively.

25. Copyright

All recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of U.S. Government sponsorship (including the award number) to any work first produced under federal financial assistance awards.

26. Duplication of Benefits

Any cost allocable to a particular federal financial assistance award provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other federal financial assistance awards to overcome fund deficiencies, to avoid restrictions imposed by federal statutes, regulations, or federal financial assistance award terms and conditions, or for other reasons. However, these prohibitions would not preclude recipients from shifting costs that are allowable under two or more awards in accordance with existing federal statutes, regulations, or the federal financial assistance award terms and conditions.

27. Energy Policy and Conservation Act

All recipients must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

28. Federal Debt Status

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.



Standard Assurances For All Cal OES Federal Grant Programs

29. Fly America Act of 1974

All recipients must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

30. Hotel and Motel Fire Safety Act of 1990

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, all Applicants must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. § 2225a.

31. Non-supplanting Requirement

All recipients who receive federal financial assistance awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources.

32. Patents and Intellectual Property Rights

Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.

33. SAFECOM

All recipients who receive federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.



Standard Assurances For All Cal OES Federal Grant Programs

34. Terrorist Financing

All recipients must comply with Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible to ensure compliance with the Order and laws.

35. Reporting of Matters Related to Recipient Integrity and Performance

If the total value of the recipient's currently active grants, cooperative agreements, and procurement contracts from all federal assistance offices exceeds \$10,000,000 for any period of time during the period of performance of this federal financial assistance award, you must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the award terms and conditions.

36. USA Patriot Act of 2001

All recipients must comply with requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

37. Use of DHS Seal, Logo, and Flags

All recipients must obtain permission from their DHS Financial Assistance Office, prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.



Standard Assurances For All Cal OES Federal Grant Programs

IMPORTANT

The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers. All recipients are bound by the [Department of Homeland Security Standard Terms and Conditions 2018, Version 8.1](https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions), hereby incorporated by reference, which can be found at:
<https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions>.

The undersigned represents that he/she is authorized to enter into this agreement for and on behalf of the Applicant.

Subrecipient: _____

Signature of Authorized Agent: _____

Printed Name of Authorized Agent: _____

Title: _____ Date: _____

CITY COUNCIL MEETING**10/06/2020****SUMMARY OF ACTIONS****Item****Staff****CLOSED SESSION**

Chris Diaz

No announcement out of Closed Session

PUBLIC FORUM

- 1) As previously directed, the City Clerk read aloud 4 comments submitted in writing during the September 29 special City Council meeting.
- 2) Via zoom webinar live comments, 40 people addressed the City Council, primarily speaking on Project Homekey proposed at Extended Stay America location in Milpitas.

ANNOUNCEMENTS

- 1) City Manager highlighted live public comments at Council and Commission zoom meetings, upcoming Measure F public meeting, 77.4% participation in Milpitas for 2020 US Census, Oct. 19 next date for Covid19 testing at Milpitas Sports Center by appointment.
- 2) Mayor Tran asked for agenda item to consider litigation regarding other govt. entities action on placement of Project Homekey for homeless in Milpitas. All members supported his request for discussion.
- 3) Vice Mayor Nunez asked for agenda item at next meeting on budget reductions in the next FY budget, with input to be given by employees, citizens and to present recommendations to City Council. All members supported.
- 4) Councilmember Dominguez asked Council to explore an emergency request to cap rents on small businesses in Milpitas, and include Chamber of Commerce. All member supported this item.

C1. RECEIVE CITY COUNCIL CALENDAR OF MEETINGS FOR OCTOBER 2020

Mary Lavelle

Received City Council Calendar of Meetings for October 2020.

VOTE: 5-0

C2. APPROVE CITY COUNCIL MEETING MINUTES FOR THE SEPTEMBER 15, 2020 REGULAR MEETING

Pam Caronongan

Approved September 15, 2020 City Council meeting minutes.

VOTE: 5-0

C3. ADOPT A RESOLUTION ACCEPTING AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT TO ACCEPT THE 2019 STATE HOMELAND SECURITY GRANT PROGRAM FUNDING AND APPROVING AND AUTHORIZING A SOLE SOURCE PURCHASE FOR PROCUREMENT OF MOBILE CRASH BARRIERS AND PORTABLE BOLLARDS MANUFACTURED BY DELTA SCIENTIFIC CORPORATION; AND APPROVE BUDGET APPROPRIATION TO THE POLICE DEPARTMENT'S FY 2020-21 OPERATING BUDGET

John Torrez

Adopted **Resolution No. 9004** accepting and authorizing City Manager to execute the Agreement to accept 2019 State Homeland Security Grant Program Funding, and approving and authorizing a sole source purchase for procurement of Mobile Crash Barriers and Portable Bollards Manufactured by Delta Scientific Corporation; and approve a budget appropriation into the Police Department's FY 2020-21 operating budget.

VOTE: 5-0

CITY COUNCIL MEETING

10/06/2020

SUMMARY OF ACTIONS

<u>Item</u>		<u>Staff</u>
C4.	<u>ADOPT A RESOLUTION TO AUTHORIZE THE CHIEF OF POLICE TO EXECUTE THE GRANT AGREEMENT WITH THE OFFICE OF TRAFFIC SAFETY TO ACCEPT THE FY 2021 OFFICE OF TRAFFIC SAFETY SELECTIVE TRAFFIC ENFORCEMENT PROGRAM GRANT AND APPROVE A BUDGET APPROPRIATION IN THE AMOUNT OF \$57,500</u> a) Adopted Resolution No. 9005 to authorize Police Chief to execute the Grant Agreement with the Office of Traffic Safety accepting the FY 2021 OTS Selective Traffic Enforcement Program Grant. b) Approved budget appropriation in the amount of \$57,500 for overtime in the Police Department operating budget. VOTE: 5-0	Jared Hernandez
C5.	<u>ADOPT A RESOLUTION TO APPROVE PROJECT PLANS & SPECIFICATIONS; REJECT A BID PROTEST FROM PACIFIC ELECTRIC CONTRACTING, INC.; AWARD A CONSTRUCTION CONTRACT TO THE BEAR ELECTRICAL SOLUTIONS, INC. IN THE AMOUNT OF \$418,150 FOR THE ENHANCED CROSSWALK STRIPING & BEACONS/RADAR SPEED FEEDBACK SIGNAGE, PROJECTS NO. 3454 AND NO. 3458; AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONSTRUCTION CONTRACT; AND AUTHORIZE THE ENGINEERING DIRECTOR/CITY ENGINEER TO NEGOTIATE AND EXECUTE CONTRACT CHANGE ORDERS</u> Adopted Resolution No. 9006 approving project plans & specifications; reject a bid protest from Pacific Electric Contracting, Inc.; award a construction contract to Bear Electrical Solutions, Inc. in the amount of \$418,150 for the Enhanced Crosswalk Striping & Beacons/ Radar Speed Feedback Signage, Projects No. 3454 and No. 3458; authorize the City Manager to execute the contract with Bear; and authorize City Engineer to negotiate and execute contract change orders in an aggregate amount not to exceed \$63,000. VOTE: 5-0	Steve Erickson
C6.	<u>ADOPT A RESOLUTION GRANTING ACCEPTANCE OF THE MILPITAS SKATE PARK & SNACK SHACK/RESTROOM BUILDING REPLACEMENT, PROJECTS NO. 5111, NO. 3424, AND NO. 6133, AUTHORIZING THE CITY ENGINEER TO FILE A NOTICE OF COMPLETION, AND AUTHORIZE HIM TO ISSUE A NOTICE OF FINAL ACCEPTANCE, AND APPROVE A BUDGET APPROPRIATION OF \$52,900 FROM THE COMMUNITY FACILITIES DISTRICT NO. 2005 FUNDS INTO THE PUBLIC WORKS OPERATION AND MAINTENANCE BUDGET</u> Adopted Resolution No. 9007 granting acceptance of the Milpitas Skate Park & Snack Shack/ Restroom Building Replacement, Projects No. 5111, No. 3424, and No. 6133, authorizing the City Engineer to file a Notice of Completion, and authorize him to issue a Notice of Final Acceptance, and approve a budget appropriation of \$52,900 from Community Facilities District No. 2005 funds into the Public Works operation and maintenance budget. VOTE: 5-0	Steve Erickson
C7.	<u>ADOPT A RESOLUTION GRANTING ACCEPTANCE OF WATER BOTTLE REFILL STATION INSTALLATION PROJECT, CUP 2353 AND AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO FILE A NOTICE OF COMPLETION AND ISSUE A NOTICE OF FINAL ACCEPTANCE</u> Adopted Resolution No. 9008 granting acceptance of Water Bottle Refill Station Installation Project, CUP (California Uniform Public Construction Cost Accounting Act public works project) 2353 and authorizing the Director of Public Works to file a Notice of Completion and issue a Notice of Final Acceptance after 1-year warranty period has elapsed. VOTE: 5-0	Tony Ndah

CITY COUNCIL MEETING**10/06/2020****SUMMARY OF ACTIONS**

Item		Staff
C8.	<u>ADOPT A RESOLUTION GRANTING ACCEPTANCE OF PUBLIC IMPROVEMENTS AND APPROVING REDUCTION OF FAITHFUL PERFORMANCE BOND FOR PUBLIC IMPROVEMENTS FOR 260 SOUTH MAIN STREET SUBDIVISION AT 260 SOUTH MAIN STREET BY EASTSIDE SAN RAMON PARTNERS, LLC, AND GRANTING AUTHORIZATION TO THE CITY ENGINEER TO RELEASE THE PERFORMANCE BOND AFTER THE ONE-YEAR WARRANTY PERIOD</u> Adopted Resolution No. 9009:: a) Granting acceptance of public improvements for 260 South Main Street Subdivision at 260 South Main Street, Tract 10435, Public Improvement Plan No. 2-1233; and b) Approving a reduction in the faithful performance bond to \$16,000, which shall be subject to and in effect for 1-year warranty period; and c) Granting authorization to the City Engineer to release the performance bond after 1-year warranty period, without further City Council action provided all required warranty work is completed to his satisfaction. VOTE: 5-0	Steve Erickson
C9.	<u>APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE AGREEMENT WITH GROUP 4 ARCHITECTURE, RESEARCH & DESIGN FOR SPACE PLANNING AND DESIGN OF OFFICE SPACES AT CITY HALL AND APPROVE RELATED BUDGET AMENDMENT</u> Approved and authorized City Manager to execute Amendment No. 1 to the Agreement with Group 4 Architecture, Research & Design for Space Planning and Design of Office Spaces at City Hall, resulting in a decrease of the total not to exceed amount by \$40,000 - from \$150,000 to \$110,000 - and approve a budget amendment returning the contractual savings to the General Government CIP Fund balance. VOTE: 5-0	Tony Ndah
C10.	<u>AUTHORIZE THE CITY MANAGER TO PAY THE SANTA CLARA COUNTY CAL ID PROGRAM FY 2020-21 INVOICE IN AN AMOUNT NOT TO EXCEED \$126,235</u> Authorized the City Manager to pay the Santa Clara County Cal ID Program FY 2020-21 invoice in an amount not to exceed \$126,235. VOTE: 5-0	Frank Morales
C11.	<u>APPROVE A BUDGET APPROPRIATION IN THE AMOUNT OF \$96,100 TO THE EQUIPMENT FUND NON DEPARTMENTAL FY 2020-21 OPERATING BUDGET FOR THE REPLACEMENT OF TWO POLICE</u> Approved a budget appropriation in the amount of \$96,100 to the Equipment Fund Non-departmental FY 2020-21 operating budget for the replacement of two Police vehicles. VOTE: 5-0	Jared Hernandez

CITY COUNCIL MEETING**10/06/2020****SUMMARY OF ACTIONS**

Item		Staff
C12.	<u>REPORT ON STATUS OF COVID19 TESTING IN THE CITY; DIRECT CITY MANAGER TO DEVELOP A MEMORANDUM OF UNDERSTANDING WITH THE SANTA CLARA CO. FOR COVID-19 TESTING ACTIVITIES RETROACTIVE TO MARCH 13, 2020 FOR FEMA REIMBURSEMENT PURPOSES; AUTHORIZE ADDITIONAL \$155,000 TO FUND THE CITY'S MOBILE TESTING UNIT & CO. FIXED TESTING SITE THROUGH DEC 31, 2020; AND DIRECT CITY MANAGER TO EXPLORE DEVELOPING AN AGREEMENT WITH CO. TO ESTABLISH A CITY-OPERATED VACCINATION SITE (WHEN AVAILABLE)</u> a) Receive an update regarding the status of COVID-19 testing in Milpitas. b) Authorized \$155,000 to fund the City's mobile testing unit, the County mobile and pop-up testing sites and the fixed testing site at Milpitas Library through December 31, 2020. c) Directed the City Manager to develop a Memorandum of Understanding with Co of Santa Clara for COVID-19 testing activities retroactive to March 13, 2020 for FEMA reimbursement purposes. d) Directed the City Manager to explore developing an agreement with the County to establish a City-operated vaccination site when a vaccine becomes available. VOTE: 5-0	Geoffrey Maloon
C13.	<u>MAYOR'S RECOMMENDATION TO MOVE UP 2 ALTERNATE MEMBERS AND APPOINT ONE NEW ALTERNATE MEMBER ON THE SENIOR ADVISORY COMMISSION</u> a) Appointed Willy Wong as a voting Commissioner to a term that will expire in December of 2022. b) Appointed Nona Tolentino as Alternate No.1 seat, into a term that will expire in December of 2020. c) Newly appointed Barbara Jo Navarro as Alternate No. 2 into a term that will expire in December of 2021. VOTE: 5-0	Mayor Tran
14.	<u>CONDUCT A PUBLIC HEARING AND APPROVE OF THE LIST OF ENERGY AND WATER CONSERVATION MEASURES AND CONSIDER ADOPTION OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE ENERGY SERVICES AGREEMENT WITH ENGIE SERVICES U.S., INC. FOR THE CONSTRUCTION OF ENERGY AND WATER CONSERVATION MEASURES IN THE AMOUNT OF \$33,983,429</u> a) Closed the public hearing following 2 comments. b) Approved list of Energy and Water Conservation Measures developed for the City. c) Found that the implementation of the proposed projects is categorically exempt under CEQA Guideline Section 15301. d) Adopted Resolution No. 9010 authorizing the City Manager to execute a contract with ENGIE Services U.S. for energy and water conservation measures identified in Bundles A, B, and C.1 in the amount of \$33,983,429, subject to City obtaining necessary financing and appropriation of funds. e) Authorized the City Manager to execute 1 or more amendments to the Energy Service Agreement to increase the maximum compensation by an aggregate amount not to exceed \$3.3 million. Direct the City Manager to return to City Council for authorization to sell approximately \$11.3 million VOTE: 5-0	Tony Ndah

CITY COUNCIL MEETING**10/06/2020****SUMMARY OF ACTIONS**

<u>Item</u>	<u>Staff</u>
15. <u>ADOPT A RESOLUTION TO ENDORSE THE 2020-2025 SANTA CLARA COUNTY COMMUNITY PLAN TO END HOMELESSNESS</u> 1) After staff presentations and a great deal of City Council discussion, did not vote to adopt Resolution to endorse the 2020-2025 Santa Clara County Community Plan to End Homelessness. 2) <u>Motion</u>: to direct staff to host a community meeting hosted by the City to review a framework provided to City Council, bring that back with a Milpitas Community Plan with a scope of work to support Milpitas families being housed, include a full assessment, and delivery, within the framework – directed by the conversation, and bring info back from meeting Dominguez and Nunez will have with SC Co. staff Kathryn Kaminski, and work in partnership with the School District VOTE: 4 AYES and 1 ABSTAIN (Montano)	Sharon Goei
16. <u>RECEIVE AND ACCEPT GENERAL FUND MONTHLY FINANCIAL STATUS VERBAL REPORT</u> This item was not heard.	Walter Rossmann
17. <u>ADOPT A RESOLUTION ESTABLISHING THE MEASURE F OVERSIGHT COMMITTEE SUBJECT TO VOTER APPROVAL OF MEASURE F</u> Adopted Resolution No. 9011 establishing the Measure F Oversight Committee and approve the Measure F Oversight Committee structure and responsibilities, subject to voter approval of Measure F (1/4 cent sales tax) on November 3, 2020. VOTE: 5-0	Walter Rossmann
18. <u>INTRODUCE ORDINANCE NO. 23.15 FOR UPDATES TO MILPITAS MUNICIPAL CODE ON PURCHASING</u> This item was not heard.	Walter Rossmann
19. <u>INTRODUCE ORDINANCE NO. 65.150 REGARDING RESPONSIBLE CONSTRUCTION</u> This item was not heard.	Chris Diaz
20. <u>DISCUSS COUNCIL SPONSORED EVENTS; AND, DISCUSS AND PROVIDE DIRECTION ON 2020 UNITED STATES CENSUS OUTREACH AND ANY COUNCIL SPONSORSHIP</u> This item was not heard.	Councilmember Dominguez
21. <u>PER REQUEST OF VICE MAYOR NUÑEZ, ENGAGE IN DISCUSSION ON COUNCILMEMBERS' IDEAS TO ECONOMICALLY ASSIST THE MILPITAS COMMUNITY DURING THE PANDEMIC</u> This item was not heard.	Vice Mayor Nuñez
22. <u>RECEIVE AND DIRECT STAFF ON LIST OF AGENDA ITEMS REQUESTED BY CITY</u> This item was not heard.	City Clerk
23. <u>RECEIVE PREVIEW LIST OF ANTICIPATED ITEMS FOR THE NEXT REGULAR CITY COUNCIL MEETING SCHEDULED ON OCTOBER 20, 2020</u> Received list of anticipated agenda items for the October 20, 2020 regular City Council meeting. No vote	Mary Lavelle

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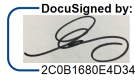
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Walter C. Rossmann

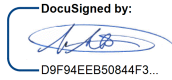
wrossmann@ci.milpitas.ca.gov

Director Finance

City of Milpitas

Security Level: Email, Account Authentication
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Christopher Diaz

cdiaz@ci.milpitas.ca.gov

Security Level: Email, Account Authentication
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Rachelle Currie rcurrie@ci.milpitas.ca.gov Senior Executive Assistant City of Milpitas Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: October 8, 2020 06:13
Michelle Sandoval michelle.sandoval@oem.sccgov.org Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: October 8, 2020 14:12 Viewed: October 9, 2020 10:38
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Notary Events	Signature	Timestamp
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Certified Delivered	Security Checked	October 8, 2020 14:12
Signing Complete	Security Checked	October 8, 2020 14:12
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Payment Events	Status	Timestamps
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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, 2020
Category:	Leadership and Support Services
Meeting Date:	12/1/2020
Staff Contact:	Walter C. 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, 2020.

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, 2020, this staff reports presents 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.

Analysis:

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, 2020, in conformance with Generally Accepted Accounting Principles (GAAP).

Highlights and items to note from the CAFR for the fiscal year ended June 30, 2020 are detailed below:

City-wide:

- The City's total net position was \$619.9 million at June 30, 2020. Of this total, \$409.5 million were Governmental and \$210.4 million were Business-type, a net increase of total \$9.9 million from prior year's total of \$610 million primarily due to a net increase in assets over liabilities. Net asset increases were primarily due to increases in cash and investments and capital assets offset by net liability increases primarily due to increased pension liabilities.
- City-wide revenues include program revenues of \$112.8 million, general revenues and transfers of \$84.9 million, totaling \$198 million, a decrease of \$18.2 million from the prior year's total of \$215.9 million primarily due to COVID-19 impact which resulted in slowing down project activities and collecting less developer fees as well as decreased sales tax, transient occupancy tax, and other tax receipts.
- Total City-wide expenses were \$188 million, an increase of \$22 million from the prior year's \$166 million primarily due to increase in personnel and benefit costs.

Fund Level:

- Governmental Fund balances were \$279.9 million, a net increase of \$7.4 million from fiscal 2019 primarily due to an increase of \$13.9 million in the Transit Area Impact Fee Fund offset with a decrease of \$5.9 million in the General Fund.
- Governmental Fund revenues were \$141.2 million in fiscal 2020, down \$20.1 million from the prior year's \$161.3 million, primarily due to COVID-19 related impacts which resulted in slowing down project

activities causing the City to collect less developer fees compared to the prior year as well as decreased sales tax, transient occupancy tax, and other tax receipts.

- Governmental Fund expenditures were \$139.1 million in fiscal 2020, an increase of \$17.2 million from fiscal 2019 level of \$121.9 million primarily due to increases in capital outlay and personnel and benefits cost.
- General Fund revenues of \$99.4 million represented a decrease of \$8.7 million from fiscal 2019 revenues of \$108.1 million caused primarily by decreased sales tax, transient occupancy tax, and other tax receipts.
- Net other financing uses of the General Fund were (\$2.5) million in fiscal 2020 while fiscal 2019 had a total other financing uses of (\$6.9) million. The decrease is due to less General Fund funds being transferred out to fund capital projects in fiscal year 2020.
- General Fund fund balance of \$94.8 million, which includes unassigned, assigned, committed and non-spendable fund balance accounts, at the fiscal 2020 year-end was net \$5.9 million less than the fund balance at fiscal 2019 year-end in the amount of 100.7 million primarily due to a decrease in the unassigned fund balance of \$6.3 million. The unassigned fund balance account net decreased from \$40.7 million to \$34.4 million primarily due to transfers to the General Government Capital Improvement Fund (\$4 million) and the Affordable Housing Unrestricted Fund (\$2 million).

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, 2020. 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 the 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, 2020. 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. However, events that occurred during fiscal year June 30, 2020 discussed below could have an impact to financial statements.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether shelter in place orders will be reinstated. Although many of the City's services are considered essential, City Hall was closed to the public, certain other services transitioned to online-only and because the City's major revenue sources, including businesses that collect sales and transient occupancy taxes, are directly impacted by these events, it is probable that

this matter will negatively impact the City. However, the ultimate financial impact and duration cannot be reasonably estimated at this time

- 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 full year of operation), and increases each year using specified growth factors. The Appropriations Limit applies 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.

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, 2020.

Attachments:

- A. Comprehensive Annual Financial Report for FY 2019-20
- B. Memorandum on Internal Control for FY 2019-20
- C. Required Communications for FY 2019-20
- D. Agreed Upon Procedures report on Compliance with the Appropriations Limit Increment FY 2019-20

CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL
FOR THE YEAR ENDED
JUNE 30, 2020

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**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

For the Year Ended June 30, 2020

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MEMORANDUM ON INTERNAL CONTROL

To the City Council of
the City of Milpitas, California

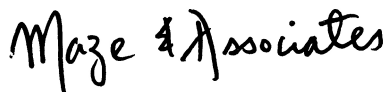
We have audited the basic financial statements of the City of Milpitas, California, for the year ended June 30, 2020, and have issued our report thereon dated November 4, 2020. Our opinions on the basic financial statements and this report, insofar as they relate to Terrace Gardens, Inc., are based solely 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.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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. 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.

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.

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.

A handwritten signature in black ink that reads 'Maze & Associates'.

Pleasant Hill, California
November 4, 2020

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**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

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 2020/21:

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.

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.

EFFECTIVE FISCAL YEAR 2021/22:

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.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

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.

GASB 92 – Omnibus 2020

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

GASB 93 – Replacement of Interbank Offered Rates

Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, Leases, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable.

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

GASB 97 – *Certain Component Unit Criteria, and Accounting for and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

EFFECTIVE FISCAL YEAR 2022/23:

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.

GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

GASB 96 – Subscription-Based Information Technology Arrangements

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

**CITY OF MILPITAS
MEMORANDUM ON INTERNAL CONTROL**

**STATUS OF PRIOR YEAR
OTHER MATTERS**

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:

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

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

² For more information see "Contingency Planning Guide for Information Technology Systems" NIST SP 800-34.

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**

2016-05 Information Systems Best Practices (Continued)

Current Status:

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 a consultant on developing and implementing a new Disaster Recovery and Business Continuity Plan. This project is scheduled in fiscal 2020-2021 as recommended in the Information Technology Strategic Plan.

CITY OF MILPITAS
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED
JUNE 30, 2020

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CITY OF MILPITAS
REQUIRED COMMUNICATIONS
For the Year Ended June 30, 2020

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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, 2020. We did not audit the discretely presented component unit financial statements of Terrace Gardens, Inc. as of and for the year ended December 31, 2019, which represent 1.10%, 1.62%, and 1.15% 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 95 – Postponement of the Effective Dates of Certain Authoritative Guidance

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The City implemented the provisions of Statement No. 95 in fiscal year 2019-20.

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. However, events that occurred during fiscal year June 30, 2020 discussed below could have an impact on the financial statements:

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. However, the ultimate financial impact and duration cannot be reasonably estimated at this time.

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, 2020, the City held approximately \$398.9 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, 2020. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2020.

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 12C 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 Total OPEB Liability and OPEB-Related Deferred Outflows and Inflows of Resources: Management's estimate of the total OPEB liability are disclosed in Note 12D 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 12F 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 4, 2020.

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 accompanying 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.

Maze & Associates

Pleasant Hill, California
November 4, 2020

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES FOR
COMPLIANCE WITH THE PROPOSITION 111
2019-2020 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, 2020. 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 2019-2020 Appropriations Limit of \$106,818,595 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 2019-2020 Appropriations Limit by multiplying the 2018-2019 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
November 4, 2020

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Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020



Milpitas Transit Center and BART Station



City Hall



Future Development: 355 Sango Court
(100% Affordable Housing)



Creighton Park

City of Milpitas
California

CITY OF MILPITAS, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

Prepared by
THE FINANCE DEPARTMENT



INTRODUCTORY SECTION

CITY OF MILPITAS
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

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CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479 www.ci.milpitas.ca.gov

November 25, 2020

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, 2020 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' governing board. However, the Terrace Gardens Inc. issues its own component unit financial statements. The purpose and authority of the Milpitas Public Financing Authority (MPFA), Milpitas Housing Authority (Housing Authority), the Milpitas Municipal Financing Authority (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 Building Safety and Housing, Planning, Engineering, Fire, Police, 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, Finance, Human Resources, and Information Technology.

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: Art Commission; Community Advisory Commission; Economic Development and Trade Commission; Energy and Environmental Sustainability Commission; Library and Education Advisory Commission; Parks, Recreation and Cultural Resources Commission; Planning Commission; Public Safety and Emergency Preparedness Commission; Science, Technology, and Innovation Commission; Senior Advisory Commission; Veterans Commission; and Youth Advisory 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 66 years, the population growth has increased from 26,561 in 1970 to nearly 84,196. Milpitas is the 4th fastest-growing city in the nation between 2010 and 2019 and the 2nd fastest-growing city (small city category) according to WalletHub.com’s 2020’s Fastest-Growing Cities in America. Since 2016, the local labor market has improved such that employment has surpassed its pre-recession peak in the Silicon Valley. However, as a result of the COVID-19 related impact, as of September 2020, the City’s unemployment rate was 7.9% while the State of California’s unemployment rate was 10.8% and the national unemployment rate was 7.9%. Similarly, most major economic indicators, as discussed below, are in recession territory.

The City is actively managing the worst economic downturn since the Great Depression, which has resulted in a projected long-term annual deficit of \$9 million in the General Fund. The City has implemented several major budget strategies such as non-personnel expenditure reductions, deferral of capital projects, a managed hiring freeze and placing a ballot measure for a ¼ Cent Sales Tax Measure for voter consideration on November 3, 2020. Additionally, the City is considering service and related position reductions and engaging with its bargaining units to achieve wage and benefits reductions. During the past years, the City has set aside reserves to help mitigate the fiscal impact of the inevitable recession, which has served the City well.

The national GDP (Gross Domestic Product) growth decreased at an annual rate of 31.4 percent in the second quarter of 2020 from the previous quarter (according to the BEA, or Bureau of Economic Analysis’ Advanced estimate), and increased 1.5 percent in 2019 from the 2018 annual level. The sharp decline in the second quarter GDP is attributed to COVID-19, with shelter-in-place orders issued in March and limited re-openings of businesses and services in May and June. 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. The downturn in the economic activity due to the COVID-19 pandemic is worse than any recession since World War II in terms of severity, scope, and speed. As of June 2020, the Federal Reserve Board’s advanced projection shows GDP growth to increase to 5.0 percent in 2021, 3.5 percent in 2022.

The CPI (Consumer Price Index), is used by the U.S. Bureau of Labor Statistics to measure inflation. The September 2020 CPI-U (Consumer Price index for all Urban Consumers) increased 1.4 percent over the last 12 months. Core CPI (CPI less food and energy) is 1.7 percent compared to 2.4 percent in September 2019. Core CPI represents a more accurate picture of underlying inflation trends since volatile food and energy products are excluded. While the global economic activity remains uncertain and is largely dependent on the course of the pandemic, the U.S. Bureau of Labor Statistics’ Employment Projections for 2019-2020 shows a projected growth from 162.8 million to 168.8 million over the 2019-29 decade. Overall inflation for items others than food and energy is running below 2 percent, therefore the FOMC (Federal Open Market Committee) decided to lower the target range for federal funds rate to 0-0.25 percent at its September 2020 meeting due to the economic hardship across the nation and world caused by the COVID-19 pandemic. The FOMC noted that inflation continues to run below the 2.0 percent target, as there is weaker demand and lower oil prices which are holding down consumer prices.

The housing market has remained strong during the COVID-19 Pandemic. Single family starts increased 4.1 percent while multi-family starts decreased 22.7 percent. Total housing starts increased 2.8 percent in August compared to the prior year. The median sale price of a single family residential home in Milpitas was \$1.0 million as of September 2020, down approximately 0.1% from last year. Year-over-year prices significantly increased throughout some Bay Area Counties. San Mateo had an increase of 19 percent, 18.6 percent increase in Santa Clara, 18.6 percent increase in Contra Costa, and 13.4 percent increase in Alameda. The C.A.R (California Association of Realtors) forecasts an increase of 3.3 percent to reach 392,510 units in 2021, up from the 2020 projection of 380,060 units. Residential use values increased 8.7 percent, a total of \$1.07 billion, and represented 72% of all growth experienced in the City. Construction for New multi-family residential complexes are the main driver of the growth. 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

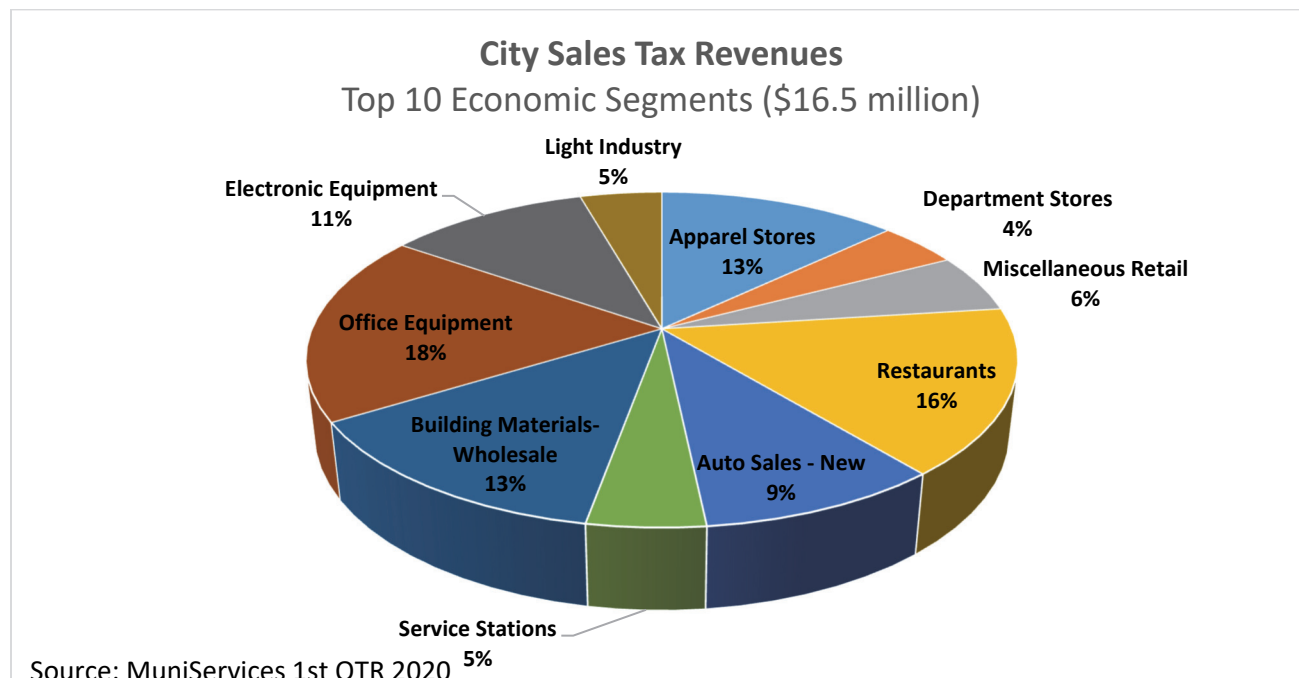
The Conference Board Consumer Confidence Index increased to 101.8 in September, up from 86.3 in August. Although the Consumer Confidence Index increased in September from prior monthly declines, it remains below pre-pandemic levels. Consumer confidence is an indicator designed to measure the degree of 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. Employment drives consumer spending, which in turn impacts the economy greatly. Nonfarm payroll employment increased 661,000 in September 2020, and the unemployment rate declined to 7.9 percent from 8.4 percent in August 2020.



Source: The Conference Board

Top Ten Sales Tax Generators by Economic Segment

The shelter-in-place orders and business closures due to the COVID-19 pandemic and social distancing requirements led to a 21% nationwide decline in sales tax revenues through May, compared to 2019 according to the Urban-Brookings Tax Policy Center. 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 \$20 million, with the top ten economic segments generating about \$16.5 million. Total sales tax receipts decreased by 5.7 percent from 2019. The sales tax revenue generated from economic segments such as Drug Stores, Florist/Nursery, Food Markets, Office Equipment, Electronic Equipment, Energy Sales, Leasing, and Miscellaneous Other, increased over a year ago, while all other segments decreased such as Apparel Stores, Recreation Products, Miscellaneous Retail, Auto Sales – Used, Service Stations, and Health & Government, which had more than a 20 percent decrease from the prior year.



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 and resource conservation. In 1994, the General Plan was adopted and has not been comprehensively updated since then. The General Plan update process commenced in late 2016. The current update to the Plan targets land uses that may be outdated or insufficient and identifies opportunity sites where changes to land uses and development patterns may be appropriate over the next 20 years. With input from the community, stakeholders, appointed and elected officials, the Plan update is anticipated to be completed in 2020, with an anticipated adoption by the City Council in late 2020.

Milpitas Metro Specific Plan – The City adopted a Transit Area Specific Plan in June 2008 to encourage medium to high density development surrounding the new Milpitas Transit Center. The Plan was last updated in 2011. The Milpitas Transit Center, which opened to regional bus service in early 2020, includes direct connections to two existing Santa Clara Valley Transportation Authority (VTA) light rail stations and BART service, which opened up mid-June 2020. The intent of the Milpitas Metro Specific Plan (Plan) is to encourage the development of housing and neighborhood amenities such as parks, retail and restaurants and to foster economic development and employment opportunities in the area.

In March 2020, staff and consultants kicked off an update to the Plan to identify opportunities for additional housing units, a renewed emphasis on office, retail, restaurant and other uses in an Adopted Innovation District, and a particular emphasis on improvements to public amenities such as open space and trails. Staff expects to complete the Plan update in early 2021.

Residential Development – Until the COVID-19 Pandemic brought economic uncertainty to the region, a robust economy and high median home prices led to heightened interest in residential development. Outside of the Midtown and Transit Area, several residential developments have been approved and are either under building permit review, under construction, or completed and occupied. These projects include a single-family home development for 38 lots, including ten ADUs (Accessory Dwelling Units), at 1005 Park Victoria Drive and several small-scale infill projects throughout the City.

Non-residential Development – FY 2019-20 was a busy year for commercial development and expansion. The new Legoland Discovery Center is expected to open at the Great Mall in spring 2021. Trader Joe's opened a new Milpitas location on the ground-floor of the Turing Building, a mixed-use development project located at the intersection of Great Mall Parkway and McCandless Drive. Amazon has two new delivery stations and Bridge Pointe Silicon Valley has a new warehouse/office building under development near the McCarthy Ranch area. The H.L. Peninsula Chinese dim sum restaurant is also expected to open in the McCarthy Ranch retail area. Celia's Event Center is expected to open on Dempsey Road, and several new hotels are in various stages of development.

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. The City has also approved expansion plans for several ethnic grocery stores and other small businesses in the Midtown area and along the Calaveras Boulevard gateway corridor.

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 which is made up of the Contingency Reserve to be at least 16.67% of the annual operating expenditures and the Budget Stabilization Reserve with a reserve target of 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 2019-20 Adopted Capital Improvement Project (CIP) Budget totaled \$62.5 million. The CIP included improvements to the City's infrastructure which includes community improvements, parks, streets, water, sewer and storm drain utilities.

In addition, the City produces an annual ten-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 ten 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, 2019. 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-five 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 in preparation for the inevitable economic downturn and during this economic crisis.

Respectfully submitted,



Steven G. McHarris
City Manager



Walter C. Rossman
Deputy City Manager/Director of Finance

DIRECTORY OF OFFICIALS

June 30, 2020

City Council

Mayor	Rich Tran
Vice-Mayor	Bob Nuñez
Councilmember	Karina R. Dominguez
Councilmember	Carmen Montano
Councilmember	Anthony Phan

City Manager

Steven G. McHarris

Assistant City Manager

Ashwini Kantak

Deputy City Manager

Walter C. Rossmann

Building & Housing Director

Sharon Goei

City Attorney

Christopher Diaz

City Clerk

Mary Lavelle

Director of Finance

Vacant

Director of Recreation & Community Services

Renee Lorentzen

Economic Development Director

Alex Andrade

Engineering Director/City Engineering

Steve Erickson

Fire Chief

Brian Sherrard

Human Resources Director

Jeannine Seher

Information Services Director

Mike Luu

Planning & Neighborhood Services Director

Ned Thomas

Police Chief

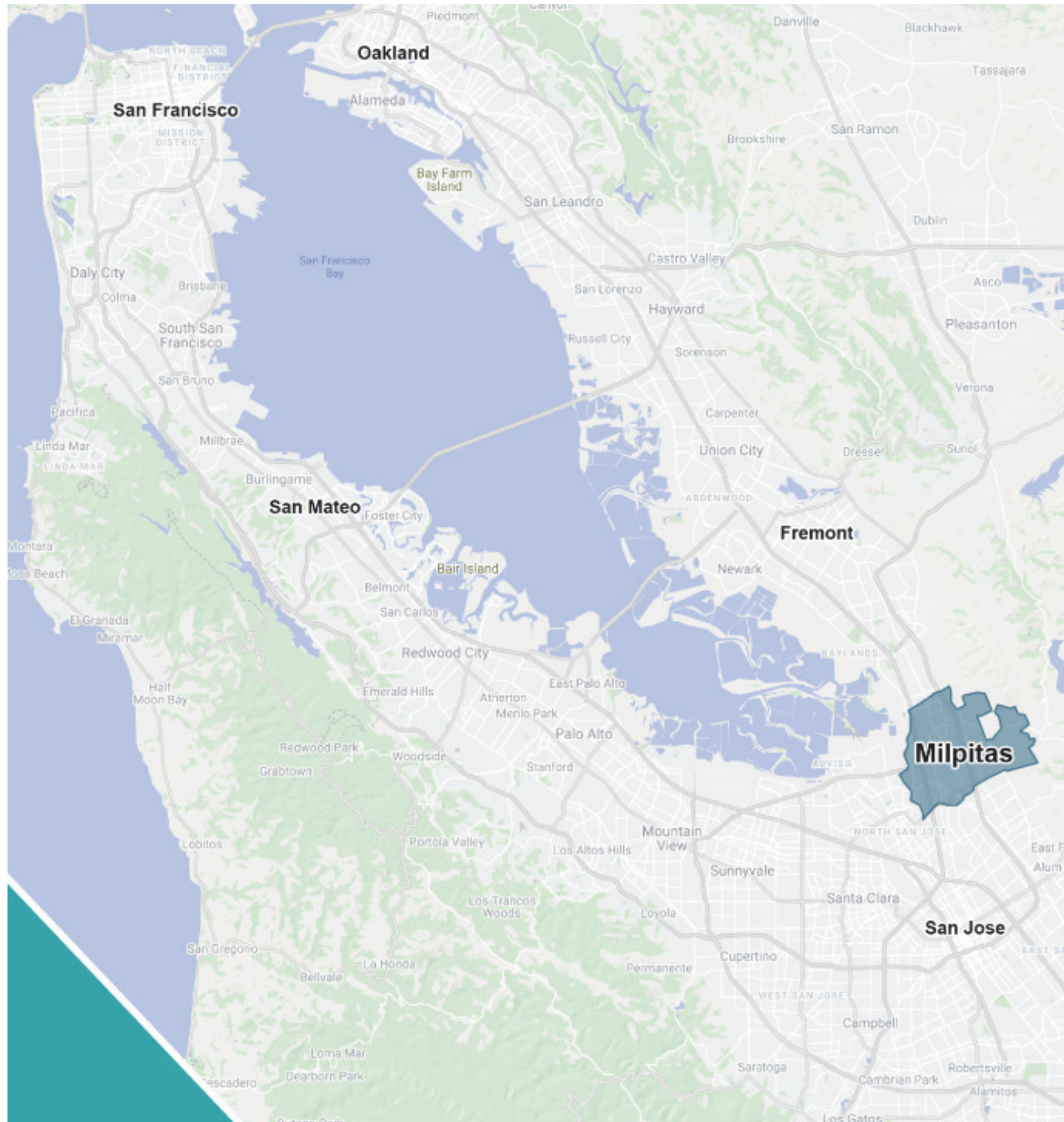
Armando Corpuz

Public Information Officer

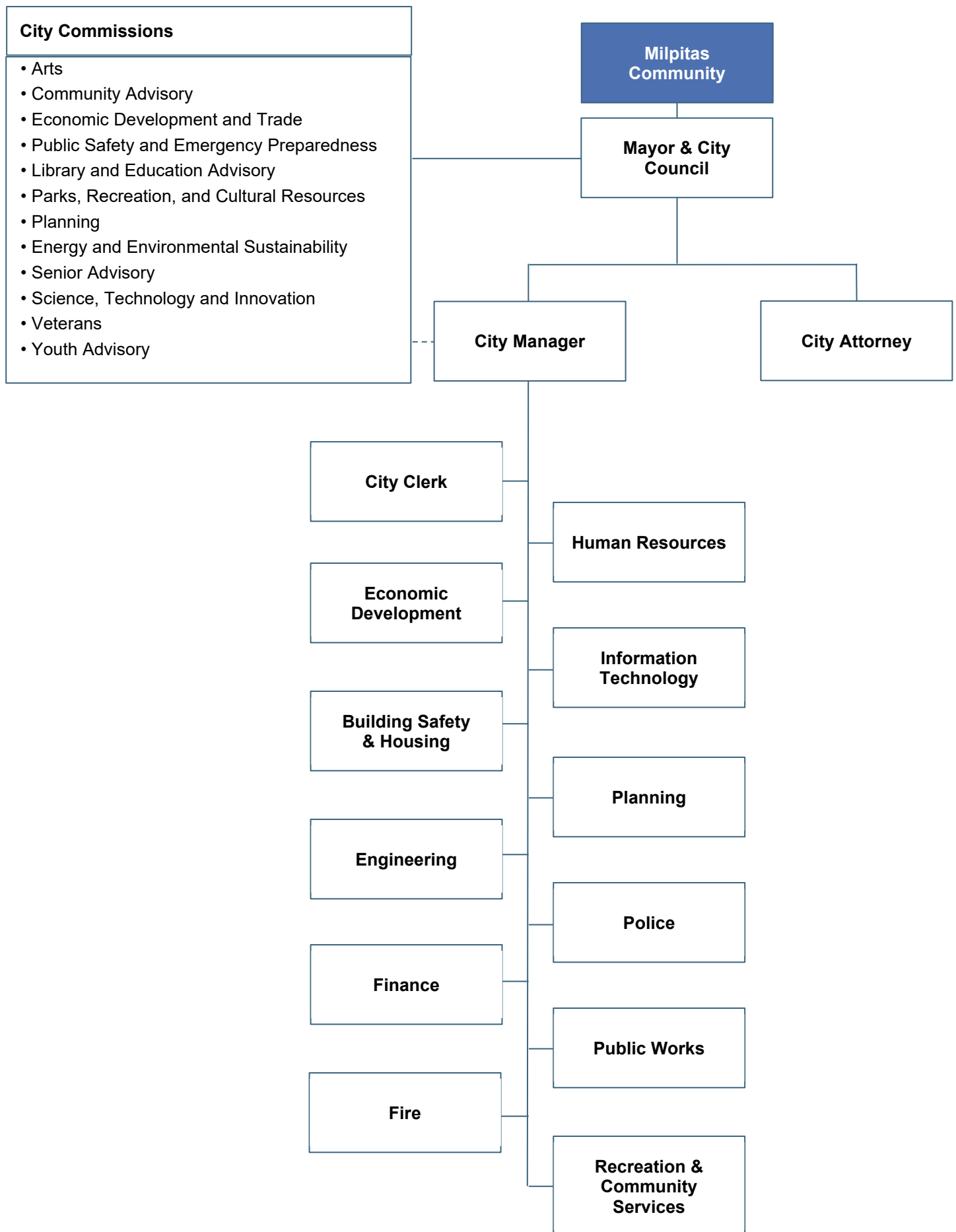
Charmaine Angelo

Public Works Director

Tony Ndah



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 13.6 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 in the planning stages.





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, 2019

Christopher P. Morill

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, 2020, 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, 2019, which represent 1.10%, 1.62%, and 1.15% 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, 2020, 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 4, 2020, 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.

Maze & Associates

Pleasant Hill, California
November 4, 2020



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, 2020. Please read this document in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

FISCAL YEAR 2020 FINANCIAL HIGHLIGHTS

The City's revenues in Fiscal Year 2020 reflect a declining local economy growth due to COVID-19 in the South Bay region. The unemployment rate for the San Jose-Sunnyvale-Santa Clara metropolitan area in June 2020 was at 7.6%, a significant increase of 4.9% from last year's 2.7%. The property tax revenue and franchise fee has increased slightly, however, sales taxes, hotel/motel taxes and other taxes have shown a decrease in revenue due to the Shelter-in-Place order implemented by the State on March 12, 2020.

Fiscal 2020 financial highlights include the following:

City-wide:

- The City's total net position was \$619.9 million at June 30, 2020. Of this total, \$409.5 million were Governmental and \$210.4 million were Business-type, a net increase of total \$9.9 million from prior year's total of \$610 million primarily due to a net increase in assets over liabilities. Net asset increases were primarily due to increases in cash and investments and capital assets offset by net liability increases primarily due to increased pension liabilities.
- City-wide revenues include program revenues of \$112.8 million, general revenues and transfers of \$84.9 million, totaling \$198 million, a decrease of \$18.2 million from the prior year's total of \$215.9 million primarily due to COVID-19 impact which resulted in slowing down project activities and collecting less developer fees as well as decreased sales tax, hotel/motel tax, and other tax receipts.
- Total City-wide expenses were \$188 million, an increase of \$22 million from the prior year's \$166 million primarily due to increase in personnel and benefit cost.

Fund Level:

- Governmental Fund balances were \$279.9 million, a net increase of \$7.4 million from fiscal 2019 primarily due to an increase of \$13.9 million in the Transit Area Impact Fee Fund offset with a decrease of \$5.9 million in the General Fund.
- Governmental Fund revenues were \$141.2 million in fiscal 2020, down \$20.1 million from the prior year's \$161.3 million, primarily due to COVID-19 related impacts which resulted in slowing down project activities causing the City to collect less developer fees compared to the prior year as well as decreased sales tax, hotel/motel tax, and other tax receipts.
- Governmental Fund expenditures were \$139.1 million in fiscal 2020, an increase of \$17.2 million from fiscal 2019 level of \$121.9 million primarily due to increases in capital outlay and personnel and benefits cost.
- General Fund revenues of \$99.4 million represented a decrease of \$8.7 million from fiscal 2019 revenues of \$108.1 million caused primarily by decreased sales tax, hotel/motel tax, and other tax receipts.
- Net other financing uses of the General Fund were (\$2.5) million in fiscal 2020 while fiscal 2019 had a total other financing uses of (\$6.9) million. The decrease is due to less General Fund funds being transferred out to fund capital projects in fiscal year 2020.
- General Fund balance of \$95 million at the fiscal 2020 year-end was \$5.9 million less than the fund balance at fiscal 2019 year-end primarily to offset loss in revenue caused by COVID-19.

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 2020 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 2019 are presented in table form. Any significant changes are analyzed and discussed.

Governmental Activities

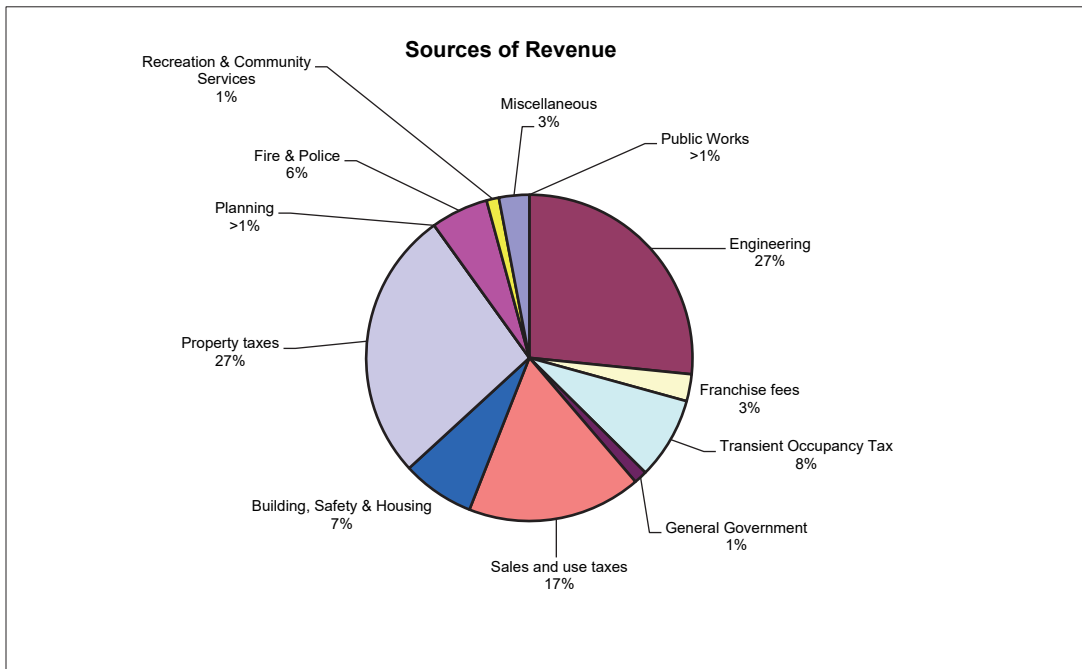
Table 1
Governmental Net Position at June 30
(in Millions)

	Governmental Activities	
	2020	2019
Cash and investments	\$267.0	\$252.7
Other assets	48.7	52.6
Capital assets	344.5	327.3
Total assets	660.2	632.6
Deferred Outflows of Resources		
–Related to pensions and OPEB	35.9	32.8
Net Pension liabilities	196.2	182.4
Net OPEB liability	12.5	40.0
Total OPEB liability	26.2	0
Other liabilities	37.1	32.7
Total liabilities	272.2	255.1
Deferred Inflows of Resources		
–Related to pensions and OPEB	14.6	3.6
Net position:		
Net investment in capital assets	344.5	326.5
Restricted	158.7	146.0
Unrestricted	(93.9)	(65.8)
Total net position	\$409.3	\$406.7

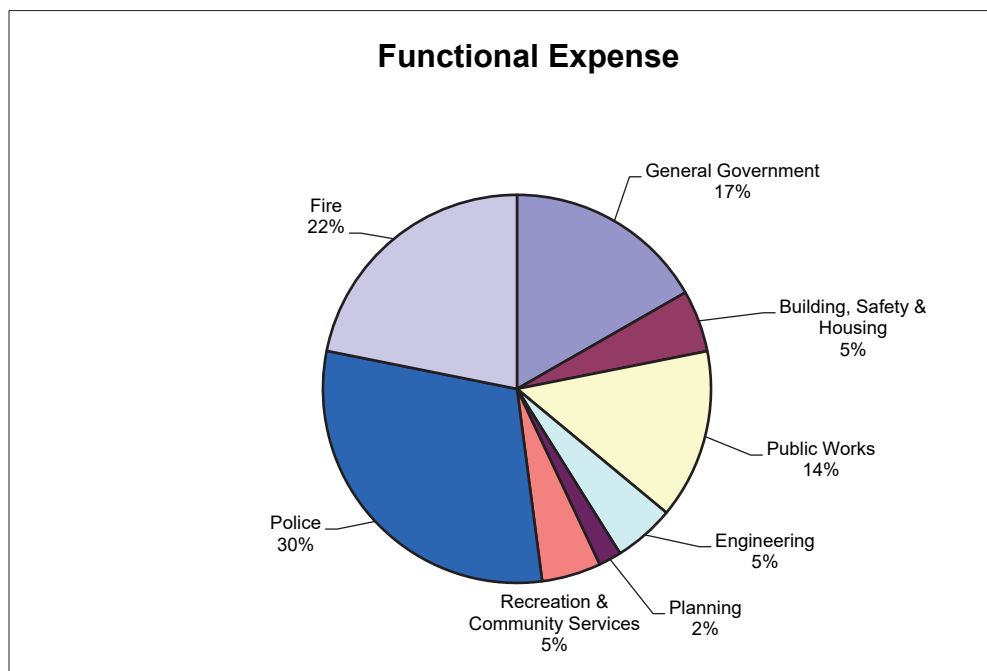
The City's governmental net position was \$409.3 million at June 30, 2020, an increase of \$2.6 million from 2019. This increase is reflected as Change in Net Position in the Governmental Activities column of the Statement of Activities and is also shown in Table 2 of this analysis:

- Cash and investments increased \$14.3 million principally due to increased revenue from property tax.
- Other assets decreased \$3.9 million from last year due to the net activity between receivables and decrease in prepaids, materials, supplies and deposits.
- Capital assets increased \$17.2 million from last year, resulting from \$15.4 million of depreciation, offset by \$34 million in asset additions, net of retirements in fiscal 2020.
- Deferred outflows of resources related to pension and OPEB increased \$3.1 million from last year due to changes in actuarial results.

Fiscal Year 2020 Governmental Activities



As the Sources of Revenue Chart above shows, \$37.3 million or 26% of the City's fiscal 2020 governmental activities revenue came from impact fees, \$37.7 million or 26% came from property taxes, while \$24.2 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 2020'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>2020</u>	<u>2019</u>
Expenses		
General Government	\$24.0	\$25.3
Building, Safety and Housing	7.4	5.4
Recreation and Community Services	7.1	7.0
Public Works	20.3	20.1
Engineering	7.3	6.5
Planning	2.7	1.9
Police	43.5	35.9
Fire	31.5	26.5
Total expenses	<u>143.8</u>	<u>128.6</u>
Revenues		
Program revenues:		
Charges for services	15.6	20.6
Operating contributions and grants	10.6	8.3
Capital Grants	33.4	47.2
Total program revenues	<u>59.6</u>	<u>76.1</u>
General revenues:		
Taxes:		
Property taxes	37.7	33.8
Sales and use taxes	24.2	28.0
Transient Occupancy taxes	11.4	14.5
Other taxes	0.8	0.8
Franchise fees	5.2	5.1
Investment earnings	2.8	4.5
Miscellaneous	0.5	0.4
Total general revenues	<u>82.6</u>	<u>87.1</u>
Total Revenues	<u>142.5</u>	<u>163.2</u>
Surplus (Deficit) before transfers	(1.3)	34.36
Transfers	4.2	2.5
Changes in net position	<u>2.9</u>	<u>37.1</u>
Beginning net position	<u>406.7</u>	<u>369.6</u>
Ending net position	<u>\$409.6</u>	<u>\$406.7</u>

Table 2 compares fiscal 2020 expenses and revenues with those of fiscal 2019. Expenses increased by \$15.2 million in fiscal 2020, due to an increase in positions and increases in salaries and benefits costs.

Table 2 shows that total governmental revenues decreased 20.7 million in fiscal 2020. Program revenues decreased \$16.1 million while general revenues decreased \$4.6 million. The program revenues decreased \$16.1 million from fiscal 2019, the net activity was due to decreases of \$4.7 million in charges for services, \$13.7 million decrease in capital grants and \$2.3 million increases in operating contributions. The general revenue decreased \$4.6 million from fiscal 2019, the net activity was due to decreases of \$3.8 million in sales and uses taxes, decreases of \$3.1 million in hotel/motel taxes, and decreases of \$1.7 million in investment earnings due to COVID-19 impact to the economy. The decreases are offset with \$3.9 million increases in Property tax and \$0.1 million increases in Franchise Fee.

Table 3 presents the net cost of each of the City's largest programs—general government, building, safety and housing, recreation and community services, public works, engineering, planning, 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 \$84 million.

Table 3
Governmental Activities
(in Millions)

	Net (Expenses) Revenue From Services	
	2020	2019
General Government	\$(22.2)	\$(22.8)
Building, Safety and Housing	2.7	6.9
Recreation and Community Services	(5.1)	(3.0)
Public Works	(20.3)	(20.1)
Engineering	30.0	43.5
Planning	(2.0)	(1.1)
Police	(39.1)	(32.4)
Fire	(28.0)	(23.4)
Totals	\$(84.0)	\$(52.4)

Business-type Activities

Table 4
Business-Type Net Position at June 30
(in Millions)

	Business-Type Activities	
	2020	2019
Cash and investments	\$118.7	\$74.6
Other assets	3.9	4.4
Capital assets	158.8	139.8
Total assets	281.4	218.8
Deferred Outflows of Resources		
– Related to Pensions and OPEB	1.2	1.1
Other liabilities	3.6	3.0
Net pension liabilities	4.3	4.7
Net OPEB liability	3.8	4.0
Long-term Debt	59.4	4.8
Total liabilities	71.1	16.5
Deferred Inflows of Resources		
– Related to Pensions and OPEB	1.1	0.2
Net position:		
Net investment in capital assets	99.3	135.0
Restricted	63.1	59.2
Unrestricted	48.0	8.9
Total net position	\$210.4	\$203.1

The net position of business-type activities were \$210.4 million in fiscal 2020, an increase of \$7.3 million from fiscal 2019. Total assets increased \$62.6 million, deferred outflows increased \$0.1 million and deferred inflows increased \$0.9 million in 2020. The increase in net position was due to increase in total assets of \$62.7 million. The increase in total assets is comprised of \$44.1million increase in cash due to the bond proceed received from water and sewer bond issuance, decrease of \$0.5 million in other assets and \$19 million increases in capital assets. The increases are offset by additional liability of \$55.5 million recorded in fiscal year 2020 in which the \$54.6 million is an additional debt balance recorded for water and sewer revenue bond.

Table 5
Changes in Business-Type Net Position
(in Millions)

	Business-Type Activities	
	2020	2019
Expenses		
Water Utility	\$28.7	\$25.2
Sewer Utility	14.4	12.2
Total expenses	<u>43.1</u>	<u>37.4</u>
Revenues		
Program revenues:		
Charges for services	52.4	47.2
Operating grants	0.2	0.1
Capital grants	0.6	2.7
Total program revenues	<u>53.1</u>	<u>50.0</u>
General revenues:		
Investment earnings	2.3	2.7
Total general revenues	<u>2.3</u>	<u>2.7</u>
Total Revenues	<u>55.5</u>	<u>52.7</u>
Excess before transfers	11.5	15.3
Net Transfers	<u>(4.2)</u>	<u>(2.5)</u>
Changes in net position	7.2	12.8
Beginning net position	<u>203.1</u>	<u>190.3</u>
Ending net position	<u>\$210.3</u>	<u>\$203.1</u>

Table 5 compares fiscal 2020 expenses and revenues with those of fiscal year 2019. Total expenses increased by \$6.5 million in fiscal 2020 due to an increase in personnel services and an increase in water purchase and contractual services. Total program revenues increased by \$3.1 million primarily due to an increase in charges for services related to a rate increase and an increase in operating grants. Total general revenue decreased \$0.4 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)

	2020	2019
Total assets	\$308.5	\$297.5
Total liabilities	26.6	23.0
Total deferred inflows of resources	1.7	1.5
Total fund balances	280.2	272.5
Total revenues	141.4	161.4
Total expenditures	139.1	121.9
Total other financing sources	5.4	3.3

At June 30, 2020, the City's governmental funds reported combined fund balances of \$280.2 million, an net increase of \$7.7 million from last year. The fund balances of the Housing Authority Fund, Street Improvement Fund, Transit Area Impact Fee Fund and General Government Capital Improvement Fund increased \$0.1 million, \$1.4 million, \$13.9 million, and \$1 million respectively. General Fund and Other Governmental Funds decreased \$5.7 and \$3.1 million, respectively.

Revenues at the fund level totaled \$141.4 million, a net decrease of \$20 million. Revenues for the Street Improvement Fund, General Government Capital Improvement and Other Governmental Funds increased \$2.2 million, \$0.4 million and \$1.6 million, respectively while General Fund, Housing Authority and Transit Area Impact Fee decreased \$8.3 million, \$0.1 million and \$15.8 million, respectively.

Expenditures net increased \$17.2 million this year to \$139.1 million from last year's \$121.9 million. The expenditures of the General Fund, Transit Area Impact Fee Fund, General Government Capital Improvement Fund and Other Government Fund increased \$9.5 million, \$2 million, \$2.2 million and \$6.9 million, respectively while the Housing Authority Fund and Street Improvement Fund decreased \$1.4 million and \$2 million respectively.

Analyses of Major Governmental Funds

General Fund

General Fund revenues decreased to \$99.7 million this fiscal year, down \$8.4 million from the prior fiscal year. Increases came from property tax revenue, franchise fee, and intergovernmental revenue. Property tax revenue increased \$4.0 million due to the continued demand in the housing market thus increasing the assessed valuation of properties throughout the City.

Sales tax, hotel/motel taxes, licenses and permits, charges for services experienced significant decreases in fiscal year 2020. Sales tax reduced from \$28.9 million in fiscal year 2019 to \$25.1 million. COVID-19 virus causing sales tax generating business to close since March 12, 2020 to comply with the Shelter-in-Place order which was partially offset with residents shopping online.

General Fund expenditures increased \$9.5 million to \$102.8 million in fiscal 2020 primarily due to an increase in salary and benefits costs.

Net Other Financing Sources decreased by \$4.4 million. Transfers out were approximately \$8.5 million, as compared to Transfers out of \$13.9 million in fiscal 2019 due to transfers to fund future capital projects, affordable housing and equipment fund. Transfers in consisted of \$6 million from other funds for operating costs.

For the City's General Fund, actual revenues of \$99.4 million were \$6.7 million less than the final budgeted revenues of \$106.1 million. Property taxes and Use of Money and Property exceeded budget by \$1.1 million and \$1.4 million respectively. However, budgeted Sales taxes, Hotel/Motel taxes, Franchise Fees, Licenses and fines, Intergovernmental, Charges of Services and Other Revenue exceeded Actuals by \$2 million, \$0.8 million, \$0.2 million, \$4.1 million, \$0.3 million and \$1.8 million, respectively.

At the end of the year, actual General Fund expenditures were \$105.6 million, \$12.2 million less than final budget of \$117.8 million. Savings were primarily in Non-departmental \$5.7 million for decreased payroll, benefits and utility expenditures, Recreation and Community Services \$1.3 million, Police \$1.3 million, City Manager \$0.8 million, Information Services \$0.5 million, Fire \$0.9 million.

The difference in General Fund original expenditure budget and final expenditure budget was \$0.6 million. The additional appropriations consisted of \$0.6 million of expenditures funded by additional grants.

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 \$0.9 million in fiscal 2020, comprised of \$0.9 million of interest, rental income and repayment of housing loans. Total expenditures were \$0.7 million for administration, interest forgiveness related to a restructure of an affordable housing loan, management of two 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 \$3.8 million in fiscal 2020, an increase of \$2.2 million from fiscal 2019. The increase in revenues was mainly due to reimbursement Measure B local monies from VTA. Fund expenditures were \$6.1 million in fiscal 2020, a decrease of \$2 million from fiscal 2019, due to decreased in capital outlay. Net transfers were \$3.7 million in fiscal 2020, a decrease in \$1.6 million from fiscal 2019 due returning unexpended capital improvement project funds back to the General Fund, Gas Tax Fund, Water Fund, Sewer Fund, General Government Capital Improvement Fund and Transit Area Impact Fee Fund. Transfers in of \$6.3 million were from the General Fund, Gas Tax Special Revenue Fund, and Transit Area Impact Fee Capital Projects 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 2020, fund revenues were \$24.2 million, primarily from fees collected from developers. Expenditures were \$10.2 million, consisting of \$10 million capital improvement project, \$0.1 interest expense and fees and \$0.03 million general government. The transfers out of \$0.5 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 2020, expenditures of \$8.1 million consisted of \$7.4 million of capital improvement project expenditures and \$0.7 million debt service. The transfers in of \$9.7 million were primarily from the General Fund, Gas Tax 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 \$1.5 million were to the Park Improvement Fund, and Storm Drain Development to fund capital project.

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)

	2020	2019
General Fund		
Nonspendable	\$ 10.2	\$ 10.2
Committed	44.0	43.9
Assigned	6.1	5.9
Unassigned	34.4	40.7
Total	<u>\$94.8</u>	<u>\$100.7</u>
 Housing Authority Fund		
Restricted	<u>\$39.4</u>	<u>\$39.3</u>
 Street Improvement Fund		
Restricted	<u>\$9.1</u>	<u>\$7.4</u>
 Transit Area Impact Fee Fund		
Restricted	<u>\$62.2</u>	<u>\$48.3</u>
 General Government Project Fund		
Nonspendable	\$ 0.0	\$ 0.1
Assigned	28.8	27.8
Total	<u>\$28.8</u>	<u>\$27.9</u>

At June 30, 2020, the fund balance of the General Fund was \$94.8 million: \$10.2 million was classified as nonspendable, comprised of \$0.6 for prepaid materials and supplies, \$4.2 million of property held for resale, and \$5.4 million for advances to other funds; \$33.9 million for PERS Rate Stabilization \$1.2 million for Artificial turf replacement, \$2 million for Technology replacement and \$7 million for Facilities replacement were classified as committed; \$6.1 million of the fund balance comprised of \$1 million of changes in investment market value, \$2 million for uninsured claims and \$3 million for encumbrances, was classified as assigned; \$34.4 million of the fund balance comprised of \$17.3 million for contingency reserve and \$17.1 million for budget stabilization.

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 \$28.8 million: \$28.8 million classified as assigned due to Council's reserve policy.

Analyses of Major Proprietary Funds

Total operating revenues of Business-type Activities increased \$5.2 million from last year, while operating expenses increased \$0.7 million. Total operating revenues and total operating expenses were \$52.4 million and \$43.1 million, respectively. Non-operating revenues were \$1.6 million in fiscal 2020, a decrease of \$1.1 million from the prior year. Capital contributions decreased by \$1 million and net transfers out increased by \$1.8 million.

Water Utility

Water fund revenues were \$32.8 million in fiscal 2020, an increase of \$3.4 million from prior year. . The increase in revenues was primarily due to rate increase in the water utility. Expenses were \$28.7 million in fiscal 2020, up \$3.5 million from prior year, primarily due to increased purchased water expense of \$0.7 million ,personnel services of \$0.5 million and \$1.5 million in services and supplies. Net position of the Water Utility Fund increased \$2.9 million in the current year to a total of \$86.9 million. The increase comprised of \$32.7 million of operating revenues for the current year, \$28.7 million of operating expenses, which result in \$4.0 million operating income. The water fund also received \$1.3 million in interest income, \$0.1 million of grants, \$0.2 million of capital contributions and net of transfers of -\$2.7 million, and this resulted in increase of net position of \$2.9 million.

This Fund's Net Position includes \$29.2 million invested in capital assets, \$32.9 million in restricted net position, and \$24.8 million in unrestricted net position.

Sewer Utility

Sewer fund revenues were \$19.6 million in fiscal 2020, up \$1.8 million from the prior year due to an increase in usage. Expenses were \$14.4 million in fiscal 2020, an increase of \$2.3 million from the prior year due to an increase in sewer treatment services. Non-operating revenues and expenses in fiscal year 2020 consisted of \$1.1 million interest income, and \$0.9 million interest expense. Net position of the Sewer Utility Fund increased \$4.3 million in the current year to a total of \$123.5 million. The increase comprised of \$19.6 million of operating revenues for the current year, \$14.4 million of operating expenses, which result in \$5.2 million operating income. The sewer fund also received \$1.1 million in interest income, net of interest expense of \$0.8 million, \$0.3 million of capital contributions and net of transfers of -\$1.5 million, and this resulted in increase of net position of \$4.3 million.

\$23.1 million of the Fund's Net Position in the amount of \$123.5 million was unrestricted at the fiscal year end. Of the remainder, \$70.2 million was invested in capital assets and \$30.2 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 2020, 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)

	2020	2019
<i>Governmental Activities:</i>		
Land	\$ 73.7	\$ 68.4
Construction in progress	81.2	62.9
Buildings and improvements	173.4	173.4
Other improvements	30.6	30.6
Machinery and equipment	46.5	45.2
Landscape system	30.0	30.0
Storm system	74.3	74.3
Street system	276.7	271.2
Traffic system	19.9	19.3
Less accumulated depreciation	(461.9)	(448.0)
Totals	\$344.5	\$327.3
<i>Business-type Activities:</i>		
Land	\$ 1.1	\$ 1.1
Construction in progress	12.3	12.8
Distribution facilities	81.2	80.5
Water Service lines	17.0	16.9
Sewer lines	86.1	84.0
Capacity rights	100.6	78.0
Less accumulated depreciation	(139.5)	(133.5)
Totals	\$158.8	\$139.8

The principal additions in fiscal 2020 were to the land, construction-in-progress, machinery and equipment, landscape system, street system, traffic system, and capacity rights activities. Construction in progress included the Montague Pedestrian Overcrossing at Piper Drive, Police Department Communications, Fire Station number 2 replacement, Street Resurfacing Project, and Sports Center Skate Park.

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.

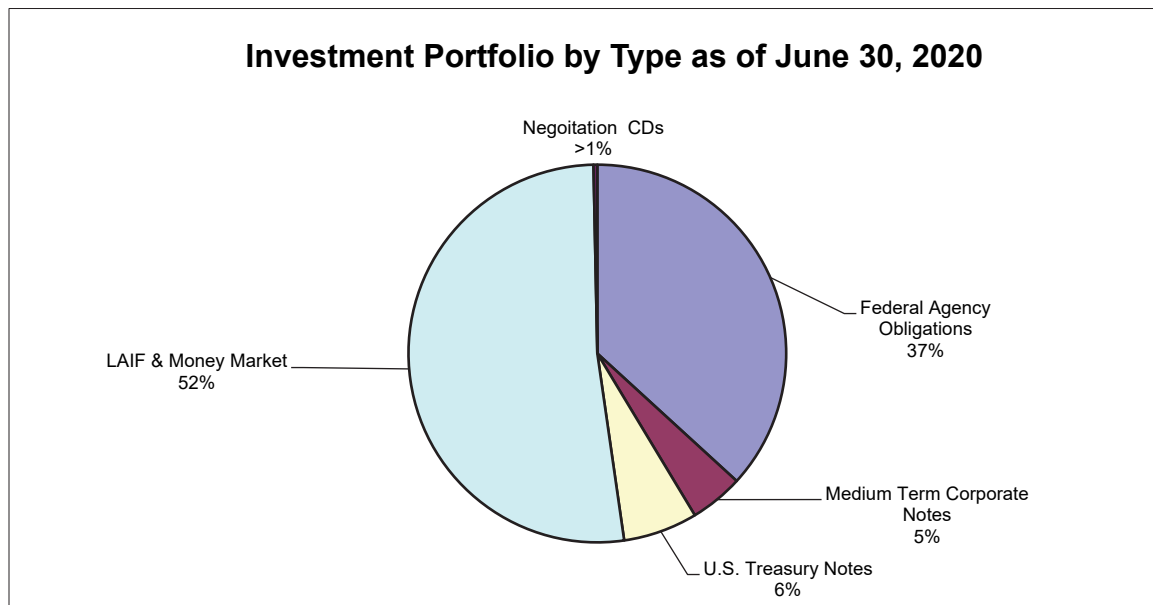
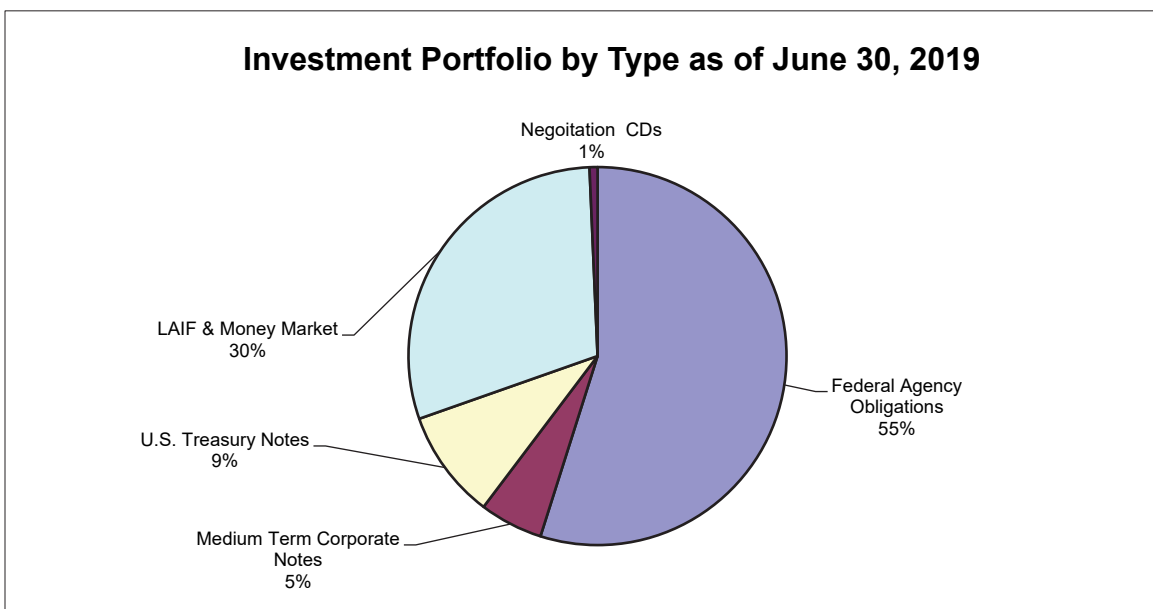
CASH AND INVESTMENTS

The City outsourced the management of the City's investments to Chandler Asset Management effective June 1, 2020 and held in a custodial account with The Bank of New York. The managed portfolio consists of securities invested in accordance with City's investment policy and the California Government Code.

Total cash and investments increased \$59.3 million from \$326.4 million to \$385.7 million. This increase was due to proceeds from the debt issuance of water and sewer revenue bond.

Total investment earnings for fiscal year 2020 were \$5.1 million. City's investment income from interest and dividends on investments was \$1.2 million in 2020. The change in fair value for the portfolio for the fiscal year ending June 30, 2020 was an unrealized gain on investments of \$3.9 million.

The following graphs depict the make-up of \$383.6 million cash and investments at June 30, 2020 and \$334.2 million at June 30, 2019.



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. In fiscal 2020, Milpitas Municipal Financing Authority issued Wastewater Revenue Bonds, Series 2019 and Water Revenue Bonds, Series 2019 in an amount of \$29.8 million and \$17.2 million respectively. Each of the City's debt issues are discussed in detail in Note 9 to the financial statements. At June 30, 2020 the City's debt is comprised of:

Table 9
Outstanding Debt
(in Millions)

	Balance June 30, 2020	Balance June 30, 2019
Governmental Activity Debt:		
Capital Lease (Network Upgrade)	\$0.0	\$0.7
4.25%, due January 21, 2023		
Total Governmental-type Activity Debt	<u>\$ 0.0</u>	<u>\$ 0.7</u>
Business-type Activity Debt:		
Wastewater Revenue Refunding Bonds, 2017 Series		
2.0% - 5.0%, due November 1, 2026	<u>3.8</u>	<u>4.2</u>
Plus: Unamortized bond premium	<u>0.5</u>	<u>0.6</u>
Wastewater Revenue Bonds, 2019 Series		
4.0% - 5.0%, due November 1, 2049	<u>29.8</u>	
Plus: Unamortized bond premium	<u>5.3</u>	
Water Revenue, 2019 Series		
4.0% - 5.0%, due June 1, 2049	<u>17.1</u>	
Plus: Unamortized bond premium	<u>2.9</u>	
Total Business-type Activity Debt	<u>\$ 59.4</u>	<u>\$ 4.8</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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Terrace Gardens Inc. (As of December 31, 2019)
ASSETS				
Cash and investments available for operations (Note 3)	\$266,994,623	\$83,469,754	\$350,464,377	\$99,922
Restricted cash and investments (Note 3)		35,183,496	35,183,496	2,693,631
Receivables:				
Accounts	2,358,017	3,377,375	5,735,392	3,974
Due from other governments	5,431,034	88,808	5,519,842	
Interest	1,127,386	346,254	1,473,640	
Loans receivable (Note 5)	32,514,834		32,514,834	
Prepays, materials, supplies and deposits (Note 1E)	744,149	178,699	922,848	58,645
Property held for resale (Note 6)	6,533,018		6,533,018	
Capital assets and capacity rights (Note 8):				
Land and construction in progress	154,940,979	13,443,024	168,384,003	1,565,277
Depreciable capital assets, net	189,529,867	145,336,153	334,866,020	5,905,551
Total assets	660,173,907	281,423,563	941,597,470	10,327,000
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions (Note 11D)	30,298,664	643,311	30,941,975	
Related to OPEB (Note 12E)	5,601,555	540,883	6,142,438	
Total deferred outflows of resources	35,900,219	1,184,194	37,084,413	
LIABILITIES				
Accounts payable	4,824,955	2,534,756	7,359,711	185,444
Accrued payroll	3,825,444	134,550	3,959,994	7,867
Interest payable		316,163	316,163	
Uninsured claims payable (Note 13):				
Due within one year	1,172,486		1,172,486	
Due in more than one year	6,002,189		6,002,189	
Refundable deposits	2,918,014	88,739	3,006,753	76,200
Unearned revenue	9,658,173	6,922	9,665,095	6,865
Accrued vacation (Note 12F):				
Due within one year	2,790,494	161,610	2,952,104	18,309
Due in more than one year	3,327,531	136,475	3,464,006	
Sick leave payable (Note 12F):				
Due within one year	936,941	54,262	991,203	
Due in more than one year	1,908,264	134,732	2,042,996	
Net pension liabilities (Note 11C):				
Due in more than one year	196,207,535	4,276,403	200,483,938	
Net OPEB liability (Note 12C):				
Due in more than one year	12,496,648	1,500,257	13,996,905	
Total OPEB liability (Note 12D)				
Due in more than one year	26,173,174	2,331,698	28,504,872	
Long term debt (Note 9):				
Due within one year		1,210,000	1,210,000	
Due in more than one year		58,238,333	58,238,333	
Total liabilities	272,241,848	71,124,900	343,366,748	294,685
DEFERRED INFLOWS OF RESOURCES				
Related to pensions (Note 11D)	3,108,185	62,297	3,170,482	
Related to OPEB (Note 12E)	11,448,264	1,038,254	12,486,518	
Total deferred inflows of resources	14,556,449	1,100,551	15,657,000	
NET POSITION (Note 10)				
Net investment in capital assets and capacity rights	344,470,846	99,330,844	443,801,690	7,470,828
Restricted for:				
Capital projects	107,224,518	63,084,429	170,308,947	
Redevelopment and community development activities	49,729,435		49,729,435	
Other programs	1,762,001		1,762,001	
Total restricted net position	158,715,954	63,084,429	221,800,383	
Unrestricted	(93,910,971)	47,967,033	(45,943,938)	2,561,487
Total net position	\$409,275,829	\$210,382,306	\$619,658,135	\$10,032,315

See accompanying notes to financial statements

CITY OF MILPITAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

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	\$24,049,645	\$1,808,856	\$47,605		(\$22,193,184)	
Building, Safety and Housing	7,417,540	6,620,733	3,460,748		2,663,941	
Recreation and Community Services	7,095,913	1,144,805	577,816		(5,373,292)	
Public Works	20,342,422				(20,342,422)	
Engineering	7,314,207	2,131,684	1,711,111	\$33,423,034	29,951,622	
Planning	2,741,169	451,739	360,803		(1,928,627)	
Police	43,504,697	1,087,176	3,342,045		(39,075,476)	
Fire	31,472,283	2,402,518	1,142,995		(27,926,770)	
Interest on long term debt	36,710				(36,710)	
Total Governmental Activities	143,974,586	15,647,511	10,643,123	33,423,034	(84,260,918)	
Business-type Activities:						
Water Utility	28,749,785	32,792,346	140,154	281,064		\$4,463,779
Sewer Utility	15,240,501	19,565,623	30,745	319,763		4,675,630
Total Business-type Activities	43,990,286	52,357,969	170,899	600,827		9,139,409
Total Primary Government	\$187,964,872	\$68,005,480	\$10,814,022	\$34,023,861	(84,260,918)	9,139,409
Component Unit:						
Terrace Gardens Inc.	\$2,368,820	\$2,220,123	\$12,263			
General revenues:						
Taxes:						
Property taxes					37,684,295	
Sales and use taxes					24,173,315	
Hotel/Motel taxes					11,376,522	
Other taxes					835,720	
Franchise fees, unrestricted					5,173,191	
Motor vehicle in-lieu, unrestricted					60,333	
Investment earnings					2,808,428	2,261,236
Gain from sale of property					42,754	
Miscellaneous					445,967	
Transfers (Note 4)					4,187,368	(4,187,368)
Total general revenues and transfers					86,787,893	(1,926,132)
Change in Net Position					2,526,975	7,213,277
Net position-Beginning					406,748,854	203,169,029
Net position-Ending					\$409,275,829	\$210,382,306

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, 2019)
Total	
(\$22,193,184)	
2,663,941	
(5,373,292)	
(20,342,422)	
29,951,622	
(1,928,627)	
(39,075,476)	
(27,926,770)	
(36,710)	
(84,260,918)	
4,463,779	
4,675,630	
9,139,409	
(75,121,509)	
	(\$136,434)
37,684,295	
24,173,315	
11,376,522	
835,720	
5,173,191	
60,333	
5,069,664	40,263
42,754	
445,967	
84,861,761	40,263
9,740,252	(96,171)
609,917,883	10,128,486
\$619,658,135	\$10,032,315



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, 2020

	General	Housing Authority	Street Improvement	Transit Area Impact Fee
ASSETS				
Cash and investments available for operations (Note 3)	\$96,110,257	\$8,223,834	\$9,304,902	\$68,387,298
Receivables:				
Accounts	979,460			1,378,557
Due from other governments	5,074,187			
Interest	418,524	34,091	39,977	291,330
Loans receivable, net (Note 5)		28,855,124		
Prepays, materials, supplies and deposits (Note 1E)	594,977	4,110		
Property held for resale (Note 6)	4,200,000	2,333,018		
Advances to other funds (Note 4B)	5,394,208			
Total Assets	\$112,771,613	\$39,450,177	\$9,344,879	\$70,057,185
LIABILITIES				
Accounts payable	\$2,446,074	\$12,490	\$240,805	\$655,195
Accrued payroll	3,720,608	12,492	3,420	1,705
Refundable deposits	2,886,205	12,100		438,806
Unearned revenue	8,667,844			
Advances from other funds (Note 4B)				5,394,208
Total Liabilities	17,720,731	37,082	244,225	6,489,914
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable (Note 7D)				1,378,557
Unavailable revenue - interest on advances to other funds	274,458			
Total Deferred Inflows of Resources	274,458			1,378,557
FUND BALANCES				
Fund balances (Note 10):				
Nonspendable	10,189,185	4,110		
Restricted		39,408,985	9,100,654	62,188,714
Committed	44,081,915			
Assigned	6,118,015			
Unassigned	34,387,309			
TOTAL FUND BALANCES	94,776,424	39,413,095	9,100,654	62,188,714
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$112,771,613	\$39,450,177	\$9,344,879	\$70,057,185

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
- Net pension liability and pension-related deferred outflows/inflows of resources
- Net OPEB liability
- Total OPEB liability
- Deferred outflows/inflows of resources related to OPEB liabilities
- 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
\$28,594,225	\$43,916,684	\$254,537,200
		2,358,017
	356,847	5,431,034
118,257	173,290	1,075,469
	3,659,710	32,514,834
	16,008	615,095
		6,533,018
		5,394,208
<u>\$28,712,482</u>	<u>\$48,122,539</u>	<u>\$308,458,875</u>
\$182,440	\$1,145,722	\$4,682,726
8,183	45,169	3,791,577
	18,843	3,355,954
	990,329	9,658,173
		5,394,208
<u>190,623</u>	<u>2,200,063</u>	<u>26,882,638</u>
		1,378,557
		274,458
		1,653,015
	16,008	10,209,303
	44,660,338	155,358,691
		44,081,915
28,521,859	1,246,130	35,886,004
		34,387,309
<u>28,521,859</u>	<u>45,922,476</u>	<u>279,923,222</u>
<u>\$28,712,482</u>	<u>\$48,122,539</u>	
		344,470,846
		12,357,668
		438,000
		1,653,015
		(169,017,056)
		(12,496,648)
		(26,173,174)
		(5,846,709)
		(8,858,660)
		(7,174,675)
		<u>\$409,275,829</u>

CITY OF MILPITAS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	General	Housing Authority	Street Improvement	Transit Area Impact Fee
REVENUES				
Property taxes	\$37,799,083			
Sales taxes	25,058,325			
Hotel /Motel taxes	11,376,522			
Franchise fees	5,173,191			
Other taxes	1,049,047			
Licenses and fines	9,039,341			
Use of money and property	3,060,413	\$857,422	\$171,643	\$2,080,274
Intergovernmental	1,582,302		3,608,409	
Charges for services	4,891,110			
Developer contributions			11,087	22,158,628
Other	392,536			
Total Revenues	99,421,870	857,422	3,791,139	24,238,902
EXPENDITURES				
Current:				
General Government	17,900,376	745,198		27,774
Building, Safety and Housing	5,633,523			
Recreation and Community Services	5,226,706			
Public Works	8,202,655			
Engineering	3,412,607			
Planning	1,950,945			
Police	34,029,212			
Fire	26,415,595			
Capital outlay			6,099,040	10,035,284
Debt service:				
Principal				
Interest and fees				103,958
Total Expenditures	102,771,619	745,198	6,099,040	10,167,016
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,349,749)	112,224	(2,307,901)	14,071,886
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4A)	6,019,566		6,289,458	380,000
Transfers (out) (Note 4A)	(8,549,721)		(2,290,509)	(545,000)
Total Other Financing Sources (Uses)	(2,530,155)		3,998,949	(165,000)
NET CHANGE IN FUND BALANCES	(5,879,904)	112,224	1,691,048	13,906,886
Fund balances at beginning of year	100,656,328	39,300,871	7,409,606	48,281,828
FUND BALANCES AT END OF YEAR	\$94,776,424	\$39,413,095	\$9,100,654	\$62,188,714

See accompanying notes to financial statements

General Government Capital Projects	Other Governmental Funds	Total Governmental Funds
		\$37,799,083
		25,058,325
		11,376,522
		5,173,191
	\$3,583,106	4,632,153
		9,039,341
\$896,127	1,025,913	8,091,792
29,000	3,869,246	9,088,957
	336,920	5,228,030
	2,514,772	24,684,487
	590,338	982,874
<u>925,127</u>	<u>11,920,295</u>	<u>141,154,755</u>
	472,731	19,146,079
	150,000	5,783,523
		5,226,706
	1,385,699	9,588,354
	146,819	3,559,426
	164,988	2,115,933
	272,138	34,301,350
		26,415,595
7,367,537	8,603,681	32,105,542
728,307		728,307
50,729		154,687
<u>8,146,573</u>	<u>11,196,056</u>	<u>139,125,502</u>
<u>(7,221,446)</u>	<u>724,239</u>	<u>2,029,253</u>
9,389,070	4,821,418	26,899,512
<u>(1,500,000)</u>	<u>(8,626,914)</u>	<u>(21,512,144)</u>
<u>7,889,070</u>	<u>(3,805,496)</u>	<u>5,387,368</u>
667,624	(3,081,257)	7,416,621
<u>27,854,235</u>	<u>49,003,733</u>	<u>272,506,601</u>
<u>\$28,521,859</u>	<u>\$45,922,476</u>	<u>\$279,923,222</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, 2020

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	\$7,416,621
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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 expenditures are therefore added back to fund balance	
(Internal service fund additions of \$2,680,785 have already been added to capital assets)	29,866,254
Depreciation expense is deducted from the fund balance	
(Depreciation expense is net of internal service fund depreciation of \$1,091,230 which has already been allocated to serviced funds.)	(14,277,738)

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.	
Capital contributions and repayment of debt principal are added back to fund balance	728,307

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	(1,041,532)
Non-current portion of uninsured claims payable	(960,002)
Net pension liabilities and pension-related deferred outflows/inflows of resources	(13,505,033)
Net OPEB liability	(27,461,506)
Total OPEB liability	26,173,174
Deferred outflows/inflows of resources related to OPEB liabilities	(5,625,747)
Unavailable revenue	103,959

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	1,096,199

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$2,526,975
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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, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$34,914,700	\$36,686,700	\$37,799,083	\$1,112,383
Sales taxes	26,971,932	27,146,932	25,058,325	(2,088,607)
Hotel /Motel taxes	19,547,938	12,164,938	11,376,522	(788,416)
Franchise fees	4,937,000	5,337,000	5,173,191	(163,809)
Other taxes	1,128,000	1,128,000	1,049,047	(78,953)
Licenses and fines	15,250,296	13,186,296	9,039,341	(4,146,955)
Use of money and property	1,708,000	1,708,000	3,060,413	1,352,413
Intergovernmental	1,327,927	1,846,077	1,582,302	(263,775)
Charges for services	6,534,914	6,647,914	4,891,110	(1,756,804)
Other	226,000	226,000	392,536	166,536
Total Revenues	112,546,707	106,077,857	99,421,870	(6,655,987)
Expenditures				
Current:				
General Government:				
City Manager	4,674,006	4,624,006	3,823,609	800,397
City Attorney	1,190,364	1,315,364	1,214,130	101,234
Finance	4,549,580	4,411,880	4,186,013	225,867
Human Resources	2,110,798	2,059,161	1,930,344	128,817
Information Services	3,803,383	3,539,760	3,076,248	463,512
Non-departmental	8,160,673	10,580,506	4,872,199	5,708,307
Building, Safety and Housing	6,778,951	6,280,695	5,847,333	433,362
Recreation and Community Services	6,653,545	6,570,305	5,236,551	1,333,754
Public Works	9,514,192	9,267,781	8,790,242	477,539
Engineering	4,105,381	3,879,807	3,590,207	289,600
Planning	1,998,445	1,991,866	1,991,864	2
Police	36,693,472	35,619,579	34,327,695	1,291,884
Fire	26,787,133	27,551,725	26,688,026	863,699
Debt service:				
Principal	100,000	100,000		100,000
Total Expenditures	117,119,923	117,792,435	105,574,461	12,217,974
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,573,216)	(11,714,578)	(6,152,591)	5,561,987
OTHER FINANCING SOURCES (USES)				
Transfers in	6,019,566	6,019,566	6,019,566	
Transfers (out)	(6,800,000)	(8,549,721)	(8,549,721)	
Total Other Financing Sources (Uses)	(780,434)	(2,530,155)	(2,530,155)	
NET CHANGE IN FUND BALANCE	(\$5,353,650)	(\$14,244,733)	(8,682,746)	\$5,561,987
Adjustment to budgetary basis:				
Encumbrance expenditures			2,802,842	
Fund balance at beginning of year			100,656,328	
FUND BALANCE AT END OF YEAR			\$94,776,424	

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Budget Positive (Negative)
Revenues				
Use of money and property	\$741,000	\$185,000	\$857,422	\$672,422
Total Revenues	741,000	185,000	857,422	672,422
Expenditures				
Current:				
General Government:				
City Manager		86,234	3,598	82,636
City Attorney		12,025	12,025	
Finance	311,912	88,686	55,765	32,921
Non-departmental	260,632	7,862,729	673,810	7,188,919
Planning	228,780			
Total Expenditures	801,324	8,049,674	745,198	7,304,476
NET CHANGE IN FUND BALANCE	(\$60,324)	(\$7,864,674)	112,224	\$7,976,898
Fund balances at beginning of year			39,300,871	
FUND BALANCE AT END OF YEAR			\$39,413,095	

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, 2020

	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)	\$43,363,539	\$40,106,215	\$83,469,754	\$12,457,423
Restricted cash and investments (Note 3)	19,272,990	15,910,506	35,183,496	
Receivables:				
Accounts	2,104,523	1,272,852	3,377,375	
Due from other governments	52,240	36,568	88,808	
Interest	179,681	166,573	346,254	51,917
Prepays, materials, supplies and deposits (Note 1E)	162,065	16,634	178,699	129,054
Total current assets	65,135,038	57,509,348	122,644,386	12,638,394
Noncurrent assets:				
Capital assets and capacity rights (Note 8):				
Land and construction in progress	12,033,231	1,409,793	13,443,024	
Depreciable capital assets, net	37,160,486	108,175,667	145,336,153	8,392,395
Total noncurrent assets	49,193,717	109,585,460	158,779,177	8,392,395
Total assets	114,328,755	167,094,808	281,423,563	21,030,789
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions (Note 11D)	365,445	277,866	643,311	
Related to OPEB (Note 12E)	282,970	257,913	540,883	
Total deferred outflows of resources	648,415	535,779	1,184,194	
LIABILITIES				
Current liabilities:				
Accounts payable	2,388,891	145,865	2,534,756	142,229
Accrued payroll	89,002	45,548	134,550	33,867
Interest payable	224,242	91,921	316,163	
Refundable deposits	88,695	44	88,739	60
Unearned revenue	3,461	3,461	6,922	
Accrued vacation (Note 12F)	80,805	80,805	161,610	56,687
Sick leave payable (Note 12F)	27,131	27,131	54,262	8,090
Certificates of Participation (Note 9)		475,000	475,000	
Revenue Bonds (Note 9)	290,000	445,000	735,000	
Total current liabilities	3,192,227	1,314,775	4,507,002	240,933
Non-current liabilities:				
Accrued vacation (Note 12F)	85,407	51,068	136,475	28,214
Sick leave payable (Note 12F)	68,976	65,756	134,732	11,579
Net pension liabilities (Note 11C):	2,429,292	1,847,111	4,276,403	
Net OPEB liability (Note 12C)	741,864	758,393	1,500,257	
Total OPEB liability (Note 12D)	1,248,513	1,083,185	2,331,698	
Certificates of Participation (Note 9)		3,622,809	3,622,809	
Revenue Bonds (Note 9)	19,725,061	34,890,463	54,615,524	
Total non-current liabilities	24,299,113	42,318,785	66,617,898	39,793
Total liabilities	27,491,340	43,633,560	71,124,900	280,726
DEFERRED INFLOWS OF RESOURCES				
Related to pensions (Note 11D)	35,389	26,908	62,297	
Related to OPEB (Note 12E)	553,020	485,234	1,038,254	
Total deferred inflows of resources	588,409	512,142	1,100,551	
NET POSITION (Note 10)				
Net investment in capital assets and capacity rights	29,178,656	70,152,188	99,330,844	8,392,395
Restricted for capital projects	32,869,666	30,214,763	63,084,429	
Unrestricted	24,849,099	23,117,934	47,967,033	12,357,668
Total net position	\$86,897,421	\$123,484,885	\$210,382,306	\$20,750,063

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, 2020

	Business-type Activities-Enterprise Funds			Governmental Activities- Equipment Management Internal Service Fund
	Water Utility	Sewer Utility	Totals	
OPERATING REVENUES				
Charges for services	\$32,665,458	\$19,293,825	\$51,959,283	\$4,242,517
Developer contributions		17,760	17,760	
Other operating revenue	126,888	254,038	380,926	1,696
Total Operating Revenues	32,792,346	19,565,623	52,357,969	4,244,213
OPERATING EXPENSES				
Purchased water	18,612,316		18,612,316	
Sewer treatment services		5,947,282	5,947,282	
Personnel services	3,910,585	1,947,744	5,858,329	1,491,370
Services and supplies	3,404,396	2,264,643	5,669,039	875,572
Depreciation	1,830,330	4,135,891	5,966,221	1,091,230
Repairs and maintenance	992,158	75,794	1,067,952	596,873
Total Operating Expenses	28,749,785	14,371,354	43,121,139	4,055,045
Operating Income (Loss)	4,042,561	5,194,269	9,236,830	189,168
NONOPERATING REVENUES (EXPENSES)				
Gain on sale of capital assets				42,754
Interest income	1,161,908	1,099,328	2,261,236	295,048
Interest expense		(869,147)	(869,147)	
Subventions and grants	140,154	30,745	170,899	
Total Nonoperating Revenues (Expenses)	1,302,062	260,926	1,562,988	337,802
Income (Loss) Before Contributions and Transfers	5,344,623	5,455,195	10,799,818	526,970
Capital contributions				1,769,229
Capital contributions - connection fees	281,064	319,763	600,827	
Transfers in (Note 4A)	3,089	119,879	122,968	300,000
Transfers (out) (Note 4A)	(2,741,851)	(1,568,485)	(4,310,336)	(1,500,000)
Change in net position	2,886,925	4,326,352	7,213,277	1,096,199
Net position-beginning	84,010,496	119,158,533	203,169,029	19,653,864
Net position-ending	\$86,897,421	\$123,484,885	\$210,382,306	\$20,750,063

See accompanying notes to financial statements

CITY OF MILPITAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	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	\$32,644,312	\$19,672,349	\$52,316,661	\$4,244,213
Payments to suppliers	(22,402,902)	(8,352,971)	(30,755,873)	(777,975)
Payments to employees for salaries and benefits	(3,651,166)	(1,961,499)	(5,612,665)	(1,468,530)
Net cash provided by operating activities	6,590,244	9,357,879	15,948,123	1,997,708
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Subventions and grants	140,154	30,745	170,899	
Transfers in	3,089	119,879	122,968	300,000
Transfers (out)	(2,741,851)	(1,568,485)	(4,310,336)	(1,500,000)
Cash Flows from Noncapital Financing Activities	(2,598,608)	(1,417,861)	(4,016,469)	(1,200,000)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Proceeds from issuance of debt	17,210,000	29,840,000	47,050,000	
Bond premium	3,062,132	5,495,463	8,557,595	
Principal paid on long-term debt	(155,000)	(460,000)	(615,000)	
Interest paid	122,171	(1,062,514)	(940,343)	
Proceeds from sale of capital assets				42,754
Acquisition of capital assets	(1,701,065)	(23,184,856)	(24,885,921)	(911,556)
Capital contributions - connection fees	281,064	319,763	600,827	
Cash Flows from Capital and Related Financing Activities	18,819,302	10,947,856	29,767,158	(868,802)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,172,666	1,110,742	2,283,408	304,196
Cash Flows from Investing Activities	1,172,666	1,110,742	2,283,408	304,196
Net increase (decrease) in cash and cash equivalents	23,983,604	19,998,616	43,982,220	233,102
Cash and investments at beginning of period	38,652,925	36,018,105	74,671,030	12,224,321
Cash and investments at end of period	\$62,636,529	\$56,016,721	\$118,653,250	\$12,457,423
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$4,042,561	\$5,194,269	\$9,236,830	\$189,168
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,830,330	4,135,891	5,966,221	1,091,230
Change in assets and liabilities:				
Receivables, net	(131,059)	106,682	(24,377)	
Materials, supplies and deposits	306,457	5,034	311,491	676,633
Accrued payroll	25,671	5,953	31,624	
Accounts and other payables	278,701	(59,058)	219,643	40,677
Due to retirement system	(92,232)	(317,032)	(409,264)	
Due to OPEB	329,815	286,140	615,955	
Net cash provided by operating activities	\$6,590,244	\$9,357,879	\$15,948,123	\$1,997,708
NONCASH TRANSACTIONS:				
Contributions and transfers of capital assets				\$1,769,229

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.

	Successor Agency to the Milpitas Redevelopment Agency Private-purpose Trust Fund	Agency Funds
ASSETS		
Cash and investments (Note 3)	\$9,683,730	\$771,757
Restricted cash and investments (Note 3)	2,156	
Total Assets	9,685,886	\$771,757
LIABILITIES		
Accounts payable	12,364	\$492
Interest payable	1,582,250	
Refundable deposits		771,265
Long-term obligations (Note 15C):		
Due in one year	9,818,669	
Due in more than one year	108,061,422	
Total Liabilities	119,474,705	\$771,757
NET POSITION (DEFICIT)		
Held in trust for other governments	(\$109,788,819)	

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CITY OF MILPITAS
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Successor Agency to the Milpitas Redevelopment Agency Private-purpose Trust Fund
Additions:	
Property taxes	\$17,704,410
Use of money and property	70,621
Total additions	17,775,031
Deductions:	
General and administrative	35,985
Debt service:	
Interest and fees	6,725,810
Total deductions	6,761,795
Net change in net position	11,013,236
Net position (deficit) - beginning	(120,802,055)
Net position (deficit) - ending	(\$109,788,819)

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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; fire and building inspection; engineering; public works; water; sewer; sanitation; recreation services; building and safety; planning and zoning; general administration services 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, 2020

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, 2019 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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, except for the Park Improvement and Storm Drain Capital Projects Funds which are budgeted on a project basis. 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 \$100,000 or less. Interfund transfers or transfers of an appropriation amount within a fund in which any single instance exceeds \$100,000 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.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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, money market mutual funds, 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 and Custody 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	\$350,464,377
Restricted Cash and Investments	<u>35,183,496</u>
Total Primary Government cash and investments	<u>385,647,873</u>
 Cash and investments available for operations	 99,922
Restricted Cash	<u>2,693,631</u>
Total Component Unit cash and investments	<u>2,793,553</u>
 Cash and investments in Fiduciary Funds (separate statement)	 <u>10,457,643</u>
Total cash and investments	<u><u>\$398,899,069</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, 2020

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%	No Limit
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 outstanding paper of an issuing corporation.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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, 2020

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 36 Months	36 to 60 Months	Total	Percentage of Portfolio
<i>City and Successor Agency:</i>					
Federal Agency Obligations	\$49,490,357	\$63,073,701	\$28,588,545	\$141,152,603	35.37%
Medium-Term Corporate Notes	7,090,805	7,282,823	3,163,184	17,536,812	4.40%
U.S. Treasury Notes	12,029,881	12,367,110		24,396,991	6.12%
California Local Agency Investment Fund	182,197,528			182,197,528	45.68%
Mutual Funds (U.S. Securities)	17,050,112			17,050,112	4.27%
Negotiable Certificates of Deposit	1,263,793			1,263,793	0.32%
<i>Terrace Gardens, Inc.:</i>					
Nonnegotiable Certificates of Deposit	2,396,792			2,396,792	0.60%
Total Investments	<u>\$271,519,268</u>	<u>\$82,723,634</u>	<u>\$31,751,729</u>	385,994,631	
<i>Demand Deposits - City of Milpitas</i>				12,507,677	3.14%
<i>Demand Deposits - Terrace Gardens</i>				396,761	0.10%
Total Cash and Investments				<u>\$398,899,069</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 \$75 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, 2020 these investments matured in an average of 191 days.

Mutual funds are available for withdrawal on demand and at June 30, 2020 matured in an average of 13 days.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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, 2020 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-	Total
Federal Agency Obligations		\$141,152,603		\$141,152,603
Medium-Term Corporate Notes	\$2,034,731	9,254,288	\$6,247,793	17,536,812
Totals	<u>\$2,034,731</u>	<u>\$150,406,891</u>	<u>\$6,247,793</u>	158,689,415
<i>Not rated:</i>				
California Local Agency Investment Fund				182,197,528
Mutual Funds (U.S. Securities)				17,050,112
Negotiable Certificates of Deposit				1,263,793
<i>Exempt from credit rate disclosure:</i>				
U.S. Treasury Notes				24,396,991
Total Investments				<u>\$383,597,839</u>

All of the unrated negotiable certificates of deposit were fully insured by Federal Deposit Insurance at June 30, 2020.

Terrace Gardens, Inc. invests only in Nonnegotiable Certificates of Deposit. At December 31, 2019, all of Terrace Gardens' Nonnegotiable Certificates of Deposit totaling \$2,396,792 were fully insured by Federal Deposit Insurance.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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, 2020:

	Level 2	Total
<i>Investments by Fair Value Level:</i>		
Federal Agency Obligations	\$141,152,603	\$141,152,603
Medium-Term Corporate Notes	17,536,812	17,536,812
U.S. Treasury Notes	24,396,991	24,396,991
Negotiable Certificates of Deposit	1,263,793	1,263,793
Subtotal	<u>\$184,350,199</u>	184,350,199
<i>Investments Measured at Amortized Cost:</i>		
Mutual Funds (U.S. Securities)		17,050,112
<i>Investments Measured at Cost:</i>		
<i>Terrace Gardens, Inc.</i>		
Nonnegotiable Certificates of Deposit		2,396,792
<i>Investments Exempt from Fair Value Hierarchy:</i>		
California Local Agency Investment Fund		<u>182,197,528</u>
Total Investments		<u>\$385,994,631</u>

Federal Agency Obligations totaling \$141.2 million, Medium Term Corporate Notes of \$17.5 million, U.S. Treasury Notes totaling \$24.4 million, and Negotiable Certificates of Deposit of \$1.3 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, 2020:

Issuer	Investment Type	Amount
Federal Farm Credit Bank	Federal Agency Obligations	\$72,232,500
Federal Home Loan Bank	Federal Agency Obligations	34,333,467
Federal Home Loan Mortgage Corporation	Federal Agency Obligations	20,424,934
Federal National Mortgage Association	Federal Agency Obligations	14,161,702

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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, 2020 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
Governmental Funds:		
General Fund	Street Improvement Capital Projects Fund	\$26,564 (A)
General Fund	Water Utility Enterprise Fund	2,725,061 (B)
General Fund	Sewer Utility Enterprise Fund	1,568,485 (B)
General Fund	Solid Waste Reduction and Services Special Revenue Fund	99,456 (B)
General Fund	Community Facility District Special Revenue Fund	1,600,000 (B)
Street Improvement Capital Projects Fund	General Fund	1,600,000 (C)
Street Improvement Capital Projects Fund	Transit Area Impact Fee Capital Projects Fund	245,000 (C)
Street Improvement Capital Projects Fund	Gas Tax Special Revenue Fund	4,444,458 (C)
Transit Area Impact Fee Capital Projects Fund	Street Improvement Capital Projects Fund	380,000 (A)
General Government Capital Projects Fund	General Fund	4,149,721 (C)
General Government Capital Projects Fund	Street Improvement Capital Projects Fund	1,256,349 (A)
General Government Capital Projects Fund	Gas Tax Special Revenue Fund	800,000 (C)
General Government Capital Projects Fund	Lighting & Landscape Maintenance District Special Revenue Fund	108,000 (C)
General Government Capital Projects Fund	Community Planning Special Revenue Fund	500,000 (C)
General Government Capital Projects Fund	Park Improvement Capital Projects Fund	75,000 (C)
General Government Capital Projects Fund	Storm Drain Development Capital Projects Fund	1,000,000 (A)
General Government Capital Projects Fund	Equipment Management Internal Service Fund	1,500,000 (C)
Gas Tax Special Revenue Fund	Street Improvement Capital Projects Fund	521,418 (A)
Affordable Housing Unrestricted Special Revenue Fund	General Fund	2,000,000 (B)
Park Improvement Capital Projects Fund	Transit Area Impact Fee Capital Projects Fund	300,000 (C)
Park Improvement Capital Projects Fund	General Government Capital Projects Fund	1,250,000 (C)
Storm Drain Development Capital Projects Fund	General Fund	500,000 (C)
Storm Drain Development Capital Projects Fund	General Government Capital Projects Fund	250,000 (C)
	Governmental Funds Subtotal	<u>26,899,512</u>
Proprietary Funds:		
Water Utility Enterprise Fund	Street Improvement Capital Projects Fund	3,089 (A)
Sewer Utility Enterprise Fund	Street Improvement Capital Projects Fund	103,089 (A)
Sewer Utility Enterprise Fund	Water Utility Enterprise Fund	16,790 (A)
	Enterprise Funds Subtotal	<u>122,968</u>
Equipment Management Internal Service Fund	General Fund	<u>300,000</u> (B)
	Total Interfund Transfers	<u>\$27,322,480</u>

(A) To Return Unexpended Project Funds

(B) Transfer for Operating Cost

(C) To Fund capital projects

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, 2020, the balance of the advance was \$5,394,208.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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, 2020:

Housing and Community Development Loans:	
Rehabilitation Loans	<u>\$3,659,710</u>
Housing Authority Loans:	
Milpitas Housing Associates	3,274,500
Parc Metropolitan Housing Development	56,101
Parc North Associates LLC	530,222
Mid-Peninsula Milpitas Affordable Housing Associates	17,570,908
KB Home South Bay Inc.	1,272,900
Western Pacific Housing Inc.	1,820,203
Shapell Industries	800,000
MIL Aspen Associates, Ltd.	3,370,473
Resources for Community Development	<u>159,817</u>
Total Housing Authority Loans Receivable	<u>28,855,124</u>
Total Loans Receivable	<u><u>\$32,514,834</u></u>

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, 2020, the City had outstanding rehabilitation loans of \$3,659,710 in its Housing and Community Development Special Revenue Fund. During the year ended June 30, 2020, the City received principal payment of \$89,343 from all participants and accrued interest of \$8,973.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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 2020, 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 2020, interest of \$91,500 was accrued, and as of June 30, 2020, principal and accrued interest outstanding totaled \$3,274,500.

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, 2020, the Housing Authority received principal payments of \$2,053 and as of June 30, 2020, there were \$56,101 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 2020, principal of \$133,564 was paid and as of June 30, 2020, there were \$530,222 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 2020, interest of \$288,789 was accrued, and as of June 30, 2020, principal and accrued interest outstanding totaled \$17,570,908.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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, 2020, there were \$1,004,900 of loans to Parcel C households outstanding. As of June 30, 2020 subsidies totaling \$1,272,900 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 \$1,162 was repaid in fiscal year 2020 and as of June 30, 2020 there were \$623,203 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.

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, 2020, there were \$1,197,000 of silent second loans outstanding.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 5 – LOANS RECEIVABLE (Continued)

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, 2020, 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, 2020, interest of \$161,813 accrued, and as of June 30, 2020, principal and accrued interest totaled \$3,370,473.

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 May 30, 2022. During the year ended June 30, 2020, \$892 of interest was accrued, and as of June 30, 2020, principal and accrued interest totaled \$159,817.

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, 2020, the developer had not finalized project funding and therefore had not drawn down on the loan.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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, 2020, 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.

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.

As of June 30, 2020, 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.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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.

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, 2019 or 2020.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 7 – DEVELOPMENT AND TAX SHARING AGREEMENTS (Continued)

B. 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 \$111,350 of sales tax to the corporation during fiscal year 2020.

C. 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, 2018-2019 or 2019-2020, because the corporation has not provided the tax information to the City for the fiscal year 2017, 2018, 2019 and 2020 property tax or for any of the sales and use or transient occupancy taxes.

D. 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 \$1,378,557 as of June 30, 2020.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 7 – DEVELOPMENT AND TAX SHARING AGREEMENTS (Continued)

E. 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 reimbursements 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, 2020, the City issued park land fee credits in the amount of \$84,050 and improvement fee credits of \$850,000, and total fee credits of \$5,744,486 have been issued to date.

F. 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 reimbursements totaling \$8,910,221 for construction costs for parking and a variety of site improvements, including a public park. During the year ended June 30, 2020, no reimbursements were issued, and total reimbursements of \$5,910,221 have been issued to date.

G. 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 reimbursements totaling \$4,689,574 for construction and design costs for Montague Expressway and East Penitencia Creek. During the year ended June 30, 2020, no reimbursements were issued, and total reimbursements of \$3,136,544 have been issued to date.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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, 2020

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, 2019	Additions	Retirements	Transfers	Balance at June 30, 2020
Capital assets not being depreciated:					
Land	\$68,435,083	\$5,204,321		\$100,000	\$73,739,404
Construction in progress	62,885,415	18,416,160		(100,000)	81,201,575
Total capital assets not being depreciated	131,320,498	23,620,481			154,940,979
Capital assets being depreciated:					
Buildings and improvements	173,371,133				173,371,133
Other improvements	30,558,026				30,558,026
Machinery and equipment	45,236,876	2,680,784	(\$1,434,342)		46,483,318
Landscape system	29,937,853	114,994			30,052,847
Storm system	74,340,148				74,340,148
Street system	271,210,745	5,515,443			276,726,188
Traffic system	19,300,485	615,337			19,915,822
Total capital assets being depreciated	643,955,266	8,926,558	(1,434,342)		651,447,482
Less accumulated depreciation for:					
Buildings and improvements	(81,419,095)	(6,153,695)			(87,572,790)
Other improvements	(21,960,780)	(872,512)			(22,833,292)
Machinery and equipment	(35,818,666)	(1,575,571)	1,434,342		(35,959,895)
Landscape system	(15,277,885)	(598,548)			(15,876,433)
Storm system	(72,434,362)	(288,718)			(72,723,080)
Street system	(205,907,774)	(5,391,630)			(211,299,404)
Traffic system	(15,164,427)	(488,294)			(15,652,721)
Total accumulated depreciation	(447,982,989)	(15,368,968)	1,434,342		(461,917,615)
Net capital assets being depreciated	195,972,277	(6,442,410)			189,529,867
Governmental activities capital assets, net	\$327,292,775	\$17,178,071			\$344,470,846

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 8 – CAPITAL ASSETS (Continued)

Governmental activities construction in progress comprised the following at June 30, 2020:

Project	Total Budget	Actual Costs	Unexpended Budget
S Milpitas Blvd Extension	\$17,000,000	\$17,000,000	
Alviso Adobe Renovation	8,159,272	6,693,654	\$1,465,618
Park Irrigation System	400,000	276,086	123,914
McCandless Park	12,154,820	2,834,212	9,320,608
Sports Fields Turf Rehabilitation Program	450,000	50,874	399,126
Creighton Park Renovation	3,300,000	1,690,300	1,609,700
Sandalwood Park Renovation	2,325,000	182,322	2,142,678
Sports Center Skate Park	6,325,000	4,866,549	1,458,451
Carlo Park	1,100,000	99,458	1,000,542
Minor Sports Courts Rehabilitation	450,000	227,222	222,778
McCarthy Blvd Landscape	947,256	473,370	473,886
Fire Station Improvements	1,820,000	739,332	1,080,668
City Building Improve	3,525,000	2,296,534	1,228,466
Sinclair LMD Improvements	117,000	84,650	32,350
City Building, Exterior Painting	900,000	78,858	821,142
Police Department Communications	4,455,000	2,865,999	1,589,001
Replacement Fire Station Alert System	393,000	233,215	159,785
City Building Roofing	900,000	148,053	751,947
Police Records Management	849,721	271,108	578,613
Citywide Park Playground	850,000	346,329	503,671
Annual Sidewalk, Curb & Gutter Repair	1,556,840	1,153,047	403,793
Technology Projects	1,100,000	936,166	163,834
Midtown Street Light	300,000	263,937	36,063
2017-19 Finance System Upgrade	1,150,000	626,743	523,257
Annual Tree Replacement Program	679,000	91,173	587,827
Fire Station #2 Replacement	5,520,000	1,442,648	4,077,352
LAN/WAN Network Upgrade	952,245	789,143	163,102
Storm Drain System Rehabilitation	1,190,000	853,037	336,963
Dempsey Road Storm Drain	3,090,000	230,962	2,859,038
BART Project-Storm Improvement	33,000		33,000
Minor Storm Drain Projects 2016	100,000	36,914	63,086
Trash Removal Devices	600,000	449,006	150,994
Flap Gate Replacement	175,000		175,000
Storm Drain Systems Rehab 17-19	1,400,000	514,818	885,182
Minor Storm Projects	100,000	100,000	
Storm Supervisory Control & Data Acquisition	200,000		200,000
Light Rail Median Landscaping	6,005,000	3,938,826	2,066,174
Second SCVWD Water Reservoir & Pump Station	200,000	825	199,175
Lower Penitencia Creek	1,825,000	335,188	1,489,812
Montague Pedestrian Overcrossing at Piper Drive	8,000,000	7,801,221	198,779
SCVWD Second Water Supply Turnout #2	100,000	643	99,357
Transit Area Police Substation	310,000		310,000
TASP Linear Trails	3,270,000		3,270,000
Trade Zone/Montague Park - North	3,100,000		3,100,000
S. Milpitas Imprv - Gibraltar to UPRR	850,000	850,000	
S. Milpitas Blvd. Vehicle Bridge at Penitencia	1,025,000	10,004	1,014,996
TASP On-Street Parking Program	330,000	137,683	192,317
Montague Ped. Overcrossing at Penitencia	1,010,000		1,010,000
TASP Recycled Water Distribution	800,000		800,000
SCVWD Zone 1 Pressure Red. Valve	100,000		100,000
TASP Citation-SCS	12,400,047	12,400,047	
TASP Pulte	4,244,485	4,244,485	
TASP Lennar	2,536,934	2,536,934	
Total construction in progress	<u>\$130,673,620</u>	<u>\$81,201,575</u>	<u>\$49,472,045</u>

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 8 – CAPITAL ASSETS (Continued)

B. Business-Type Capital Asset Additions, Retirements and Balances

	Balance at June 30, 2019	Additions	Transfers	Balance at June 30, 2020
Capital assets not being depreciated:				
Land	\$1,133,079			\$1,133,079
Construction in progress	12,813,915	\$2,269,771	(\$2,773,741)	12,309,945
Total capital assets not being depreciated	13,946,994	2,269,771	(2,773,741)	13,443,024
Capital assets being depreciated:				
Distribution facilities	80,461,211		735,830	81,197,041
Water Service lines	16,935,579		27,136	16,962,715
Sewer lines	84,046,733		2,010,775	86,057,508
Capacity rights	77,977,190	22,616,150		100,593,340
Total capital assets being depreciated	259,420,713	22,616,150	2,773,741	284,810,604
Less accumulated depreciation for:				
Distribution facilities	(52,344,911)	(1,442,112)		(53,787,023)
Water Service lines	(6,824,029)	(388,218)		(7,212,247)
Sewer lines	(49,571,066)	(1,371,493)		(50,942,559)
Capacity rights	(24,768,224)	(2,764,398)		(27,532,622)
Total accumulated depreciation	(133,508,230)	(5,966,221)		(139,474,451)
Net capital assets being depreciated	125,912,483	16,649,929		145,336,153
Business-type activities capital assets, net	\$139,859,477	\$18,919,700		\$158,779,177

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 8 – CAPITAL ASSETS (Continued)

Business-type activities construction in progress comprised the following at June 30, 2020:

Project	Total Budget	Actual Costs	Unexpended Budget
TASP Sewer Line Replacement	\$2,500,000	\$129	\$2,499,871
CCTV Sanitary Sewer	407,472	20,578	386,894
BART Project-Sewer Improvements	243,323	229,730	13,593
Sanitary Sewer Overflow Improvement	205,745	204,335	1,410
Sewer Pump Station Rehabilitation	400,000	151,074	248,926
Sewer Pump Station Treatment Improvement	550,000	341,426	208,574
Minor Sewer Projects	150,000	42,079	107,921
Sanitary Supervisory Control	450,000		450,000
Main Lift Station Odor Emissions Control	2,250,000	121,467	2,128,533
Sanitary Sewer Cathodic Protection Improvement	1,525,000	102,979	1,422,021
Sewer System Replacement	500,000	194,495	305,505
Well Upgrade Project	12,475,000	4,005,277	8,469,723
Water System Seismic Improvement	4,887,951	966,774	3,921,177
Hydrant Replacement	386,360	167,487	218,873
Abel St Pipeline Extension	940,000	44,061	895,939
Dempsey Road Water Line	7,857,772	1,240,321	6,617,451
Automated Water Meter Replacement	5,671,700	967,355	4,704,345
BART Project-Water Improvements	2,503,920	1,820,243	683,677
Water Conservation Program	1,400,000	1,096,891	303,109
Supervisory Control	1,050,000		1,050,000
Recycled Water Pipeline Infill	300,000	104,896	195,104
Minor Water Projects	300,000	295,759	4,241
Water O & M Database Management	150,000	137,725	12,275
Water Leak Detection	300,000	54,864	245,136
	<u>\$47,404,243</u>	<u>\$12,309,945</u>	<u>\$35,094,298</u>

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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, 2019:

	Balance December 31, 2018	Additions	Deletions/ transfer	Balance December 31, 2019
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	1,572,277		(7,000)	1,565,277
Capital assets being depreciated:				
Buildings	11,967,991	\$139,944		12,107,935
Furniture	352,148	12,695		364,843
Office equipment	65,096			65,096
Improvements	2,527,390	73,860		2,601,250
Total capital assets being depreciated	14,912,625	226,499		15,139,124
Less accumulated depreciation	(8,791,023)	(442,550)		(9,233,573)
Net capital assets being depreciated	6,121,602	(216,051)		5,905,551
Total capital assets, net	\$7,693,879	(\$216,051)	(\$7,000)	\$7,470,828

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	\$2,311,783
Public Works	7,388,151
Engineering	2,527,795
Recreation and Community Services	1,219,743
Police	508,927
Fire	321,339
Internal Service Fund	1,091,230
Total Governmental Activities	\$15,368,968

Business-Type Activities:

Water Utility	\$1,830,330
Sewer Utility	4,135,891
Total Business-Type Activities	\$5,966,221

Discretely Presented Component Unit:

Terrace Gardens, Inc.	\$442,550
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CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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 \$100,593,341. The operation and maintenance costs are calculated based upon actual sewage flow and strengths. In fiscal year 2020 the City's operation and maintenance share was approximately 6.196% 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, 2019	Additions	Retirements	Balance June 30, 2020	Current Portion
Governmental Activities Debt - Direct Borrowing:						
Capital Lease (Network Upgrade Project)						
4.25%, due January 21, 2023	\$952,245	\$728,307		\$728,307		
Business-type Activities Debt						
Wastewater Revenue Refunding Bonds, 2017 Series						
2.0% - 5.0%, due November 1, 2026	\$4,725,000	\$4,245,000		\$460,000	\$3,785,000	\$475,000
Plus: Unamortized bond premium		566,847		70,856	495,991	
Wastewater Revenue Bonds, 2019 Series						
4.0% - 5.0%, due November 1, 2049	29,840,000		\$29,840,000		29,840,000	445,000
Plus: Unamortized bond premium			5,495,463	183,182	5,312,281	
Water Revenue Bonds, 2019 Series						
4.0% - 5.0%, due June 1, 2049	17,210,000		17,210,000	155,000	17,055,000	290,000
Plus: Unamortized bond premium			3,062,132	102,071	2,960,061	
Total Business-Type Activities	\$51,775,000	\$4,811,847	\$55,607,595	\$971,109	\$59,448,333	\$1,210,000

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. The lease was paid off as of June 30, 2020.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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 pledged by net revenues from the City's Sewer System.

D. *Wastewater Revenue Bonds, Series 2019*

On October 22, 2019, the Milpitas Municipal Financing Authority issued Wastewater Revenue Bonds, Series 2019, in the original principal amount of \$29,840,000 to provide funds for certain improvements to the City's wastewater system. The Bonds bear interest rates of 4.0% to 5.0%. Interest is payable every May 1 and November 1 beginning on May 1, 2020. Principal on the bonds will be payable on November 1 beginning on November 1, 2020 through 2039, followed by a term bond which will be due on November 1, 2049. The Bonds were structured with a par optional redemption date of May 1, 2029. Bonds maturing on May 1, 2049 are subject to mandatory redemption. The 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 Bonds, and the City will pay all reasonable fees and expenses incurred by the Trustee and those of its attorneys.

The 2019 Bonds are pledged by net revenues from the City's Wastewater System and are on parity with the 2017 Bonds. For the fiscal year 2020, net revenues amounted to \$10,429,488 which represented coverage of 8.22 over the \$1,268,477 debt service of both bond issues.

E. *Water Revenue Bonds, Series 2019*

On October 24, 2019, the Milpitas Municipal Financing Authority issued Water Revenue Bonds, Series 2019, in the original principal amount of \$17,210,000 to provide funds to the City for certain improvements to the City's water system. 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 2039, followed by term bonds that are due June 1, 2044 and June 1, 2049 respectively. The Bonds were structured with a par optional redemption date of June 1, 2029. Bonds maturing on June 1, 2044 and June 1, 2049 are subject to mandatory redemption. The 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 Bonds, and the City will pay all reasonable fees and expenses incurred by the Trustee and those of its attorneys.

The Bonds are collateralized by net revenues from the City's Water System. For the fiscal year 2020, net revenues amounted to \$7,034,799 which represented coverage of 12.26 over the \$574,018 debt service.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 9 – LONG-TERM DEBT (Continued)

F. Debt Service Requirements

Annual debt service requirements are shown below:

Year Ending June 30	Business-Type Activities	
	Revenue Bonds	
	Total Principal	Total Interest
2021	\$1,210,000	\$2,254,175
2022	1,280,000	2,199,925
2023	1,335,000	2,143,325
2024	1,395,000	2,081,400
2025	1,460,000	2,013,650
2026 - 2027	44,000,000	26,916,800
	50,680,000	\$37,609,275
Plus: Unamortized bond premium	8,768,333	
	<u>\$59,448,333</u>	

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.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

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.

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, 2020

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2020, 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 Projects Fund		
Nonspendable:							
Loans receivable							
Prepays, materials, supplies and deposits	\$594,977	\$4,110				\$16,008	\$615,095
Property held for resale	4,200,000						4,200,000
Advance to other funds	5,394,208						5,394,208
Subtotal Nonspendable	10,189,185	4,110				16,008	10,209,303
Restricted for:							
Redevelopment Projects and Programs and Maintenance			\$9,100,654			2,112,602	11,213,256
Housing and community development		39,408,985				3,805,685	43,214,670
Law enforcement services						157,854	157,854
Solid waste reduction and services						1,868,940	1,868,940
Assessment district services						1,957,640	1,957,640
Hetch-Hetchy ground lease						1,604,147	1,604,147
Community planning						783,767	783,767
Community benefits						266,971	266,971
Affordable housing						3,289,971	3,289,971
Affordable housing unrestricted						2,165,406	2,165,406
Park improvement projects						19,444,935	19,444,935
Storm drain projects						7,202,420	7,202,420
Transit area capital projects				\$62,188,714			62,188,714
Subtotal Restricted		39,408,985	9,100,654	62,188,714		44,660,338	155,358,691
Committed to:							
PERS stabilization	33,871,915						33,871,915
Artificial turf replacement	1,210,000						1,210,000
Technology replacement	2,000,000						2,000,000
Facilities replacement	7,000,000						7,000,000
Subtotal Restricted	44,081,915						44,081,915
Assigned to:							
Change in investment market values	1,086,531						1,086,531
Uninsured claims payable	2,000,000						2,000,000
Public art projects						1,246,130	1,246,130
Other contracts	3,031,484						3,031,484
General government capital projects					\$28,521,859		28,521,859
Subtotal Assigned	6,118,015				28,521,859	1,246,130	35,886,004
Unassigned:							
General Fund							
Contingency reserve	17,300,000						17,300,000
Budget stabilization	17,087,309						17,087,309
Subtotal Unassigned	34,387,309						34,387,309
Total fund balances (deficit)	\$94,776,424	\$39,413,095	\$9,100,654	\$62,188,714	\$28,521,859	\$45,922,476	\$279,923,222

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

C. Fund Balance Policies

The City's Fiscal Policies, which are annually approved as part of the adoption of the budget, prescribes the City's fund balance requirements and targets.

- 1) The City will maintain a Contingency Reserve of at least 16.67% or two months of the annual operating expenditures in the General Fund to be used only in the case of dire need as a result of physical or financial emergencies and disasters as determined by the City Council. 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. For the year ended June 30, 2020, the reserve is set at 17.3 million and classified in the unassigned fund balance.
- 2) The City will maintain a General Fund Budget Stabilization Reserve with a target of 16.67%, or two months, of annual operating expenditures. 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 rebalanced 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. This reserve will be funded only after General Fund Contingency Reserve requirements have been met. 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. For the year ended June 30, 2020, the reserve is set at \$17.1 million and classified in the unassigned fund balance.
- 3) The City will maintain in the General Fund and the Water and Sewer Utility Enterprise Funds or in a Section 115 Trust a Public Employees Retirement (PERS) Rate Stabilization Reserve to be funded by 20% of any General Fund or Enterprise Funds annual operating surpluses. The City's actuary has determined that the General Fund portion of the Unfunded Actuarial Liability for the Miscellaneous Retirement Plan is 84.9% and for the Water and Sewer Utility Enterprise Funds portion of the Unfunded Actuarial Liability for the Miscellaneous Retirement Plan is 8.5% and 6.6%, respectively. The General Fund portion of the contribution to the PERS Rate Stabilization Reserve shall only be funded after General Fund Contingency Reserve and the General Fund Budget Stabilization Reserve requirements have been met. The Utility Funds' portion of the contribution to the PERS Rate Stabilization Reserve shall be consistent with the General Fund contributions and only be funded after the Capital Reserve and Rate Stabilization Reserve (RSR) requirements in the Water and Sewer utility funds have been met. The City may use the PERS Rate Stabilization Reserve to fund either the annual actuarially determined contribution amount in lieu of a contribution amount derived from a percentage of salary, pay down unfunded pension liabilities with CalPERS, or reduce the length of pension cost amortization schedules with CalPERS. Any savings or additional costs resulting from the budgeting methodologies shall benefit or be adjusted from the PERS Rate Stabilization Reserve. This reserve may also be drawn on if the required employer contribution rates exceed previous year's contribution rates by more than 3% of payroll. In this instance, the City Council must approve utilization of this reserve at the time of the budget hearing.
- 4) The City will maintain a capital reserve for artificial turf replacement with a target of \$2 million and an annual set-aside amount of at least \$230,000 until the target is reached. This reserve shall be used to accrue funding for the normal depreciation expense of the City's artificial turf fields over their useful life. Eligible uses of this reserve may include the replacement of the City's artificial turf fields so as to eliminate large spikes in capital expenses and normalize annual costs.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

- 5) Annually, the City will endeavor to transfer \$300,000 from the General Fund to the Technology Replacement Fund set aside in a reserve with a target of \$5 million. This reserve shall be used to accrue funding for technology projects such as the major rehabilitation or replacement of the City's technology infrastructure or new technology initiatives.
- 6) The City will maintain a capital reserve for Facilities Replacement with a target of \$10 million. This reserve shall be used to accrue funding for major rehabilitation or replacement of City facilities (buildings/structures). Eligible uses of this reserve may include both the direct funding of public facility improvements and the servicing of related debt.
- 7) The City will maintain a Storm Drain replacement reserve to replace and repair storm drain pump stations. The City will endeavor to transfer \$500,000 annually from the General Fund to the Storm Drain Fund for this purpose.
- 8) The City will maintain a General Liability and Workers' Compensation Claims Reserve of \$2 million in the General Fund, which will be reviewed for adjustments annually.
- 9) Other reserves designated in the General Fund for investment portfolio market gain and uninsured claims payable will be calculated adjusted annually at appropriate levels.
- 10) The City will maintain capital reserves in the Water and Sewer utility enterprise funds to provide for future capital projects and unanticipated emergencies, such as water main break repairs, pump station repairs. The City will attempt to maintain a capital reserve of approximately 30% of the annual operating and maintenance expenses for the Water utility fund and 25% of the annual operating and maintenance expenses for the Sewer utility fund. The City Council will set the reserve amounts annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. For the year ended June 30, 2020, the capital reserve for the Water Operating Fund is set at \$8.3 million and for the Sewer Operating Fund at \$3.1 million.
- 11) The City will maintain a Rate Stabilization Reserve (RSR) in the Water and Sewer utility enterprise funds with a goal of at least 16.67% or two months of the respective annual operating expenditures after the Capital Reserve requirements have been met. The RSR shall be used to mitigate the effects of occasional shortfalls in revenue or unanticipated expenditures that cannot be re-balanced within existing budgeted resources in any given fiscal year. Revenue shortfalls may result from a number of events such as weather factors (wet weather or drought events and natural disasters), increased water conservation, and poor regional economic conditions. The Rate Stabilization Reserves should be used to assist in smoothing out revenue variability resulting from these factors and ensure that adequate resources are available during such times that might otherwise require large rate increases to utility customers. The City Council will set the reserve amounts annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The RSR funding will be phased within five years, or sooner, as part of the fiscal year end closing process. Thereafter, the replenishment of these reserves may also be incorporated into the annual Adopted Operating Budget if resources are available to replenish the reserves.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

- 12) The City will 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.
- 13) The City will 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, 2020

NOTE 11 – PENSION PLANS (Continued)

The Plans' provisions and benefits in effect at June 30, 2020, 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%	6.25%
Required employer contribution rates	10.040%	10.040%	10.040%
Required Unfunded Actuarial Liability Contribution	\$5,501,100		

	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	19.318%	19.318%	19.318%
Required Unfunded Actuarial Liability Contribution	\$7,480,263		

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 for the year ended June 30, 2020 were \$5,501,100 and \$7,480,263, 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, 2018 and measurement date of June 30, 2019:

	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	383			238		
Inactive employees entitled to but not yet receiving benefits	320			30		
Active employees	116	11	75	106	6	28
Total	819	11	75	374	6	28

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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 Plan is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 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, 2019 measurement date were determined using the following actuarial assumptions:

	Miscellaneous (1)	Safety (1)
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
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	2.75%	2.75%
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	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter	The lesser of contract COLA or 2.50% 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 probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 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.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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 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 rounded 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 equal 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.

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%	0.00%	-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, 2020

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, 2018 (Measurement Date)	\$230,556,047	\$163,919,915	\$66,636,132
Changes in the year:			
Service cost	3,361,140		3,361,140
Interest on the total pension liability	16,517,342		16,517,342
Differences between actual and expected experience	4,569,776		4,569,776
Changes in assumptions			
Changes in benefit terms			
Contribution - employer		6,864,376	(6,864,376)
Contribution - employee		1,569,027	(1,569,027)
Net Plan to Plan Resource Movement			
Net investment income		10,774,536	(10,774,536)
Administrative expenses		(116,977)	116,977
Other Miscellaneous Income/(Expense)		381	(381)
Benefit payments, including refunds of employee contributions	(11,589,225)	(11,589,225)	
Net changes	12,859,033	7,502,118	5,356,915
Balance at June 30, 2019 (Measurement Date)	\$243,415,080	\$171,422,033	\$71,993,047

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018 (Measurement Date)	\$344,599,333	\$224,139,384	\$120,459,949
Changes in the year:			
Service cost	6,211,449		6,211,449
Interest on the total pension liability	24,560,414		24,560,414
Differences between actual and expected experience	4,563,968		4,563,968
Changes in assumptions			
Changes in benefit terms			
Contribution - employer		10,288,856	(10,288,856)
Contribution - employee		2,441,763	(2,441,763)
Net Plan to Plan Resource Movement			
Net investment income		14,733,700	(14,733,700)
Administrative expenses		(159,951)	159,951
Other Miscellaneous Income/(Expense)		521	(521)
Benefit payments, including refunds of employee contributions	(17,533,455)	(17,533,455)	
Net changes	17,802,376	9,771,434	8,030,942
Balance at June 30, 2019 (Measurement Date)	\$362,401,709	\$233,910,818	\$128,490,891
Grand Totals - Both Plans	\$605,816,789	\$405,332,851	\$200,483,938

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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	\$103,876,949	\$176,725,838
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$71,993,047	\$128,490,891
1% Increase	8.15%	8.15%
Net Pension Liability	\$45,596,001	\$88,701,151

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, 2020, the City recognized pension expense of \$11,235,713 for the Miscellaneous Plan and \$21,937,424 for the Safety Plan, for total pension expense of \$33,173,137. At June 30, 2020, 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	\$8,337,504	
Differences between actual and expected experience	2,492,605	
Changes in assumptions		
Net differences between projected and actual earnings on plan investments		(\$1,048,762)
Total	<u>\$10,830,109</u>	<u>(\$1,048,762)</u>

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 11 – PENSION PLANS (Continued)

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions after the measurement date	\$11,739,849	
Differences between actual and expected experience	4,681,328	(\$467,352)
Changes in assumptions	3,690,689	(172,672)
Net differences between projected and actual earnings on plan investments		(1,481,696)
Total	<u>\$20,111,866</u>	<u>(\$2,121,720)</u>
Grand Totals - Both Plans	<u>\$30,941,975</u>	<u>(\$3,170,482)</u>

\$20,077,353 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization	
	Miscellaneous	Safety
2021	\$2,633,436	\$6,322,974
2022	(1,073,388)	(\$960,500)
2023	(278,737)	\$669,781
2024	162,532	\$218,042

Subsequent Event - CalPERS Pension Contribution Rates – The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the City's contribution rates for the Miscellaneous and Safety Plans for the fiscal year ended June 30, 2021 are expected to increase 0.105% and 1.152% over the fiscal year 2020 contribution rates.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 11 – PENSION PLANS (Continued)

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.

The City's required contributions of \$32,350 and the employee's required contributions of \$129,395 were made during the fiscal year ending June 30, 2020.

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 liability for explicit subsidy benefits for the dependents of City retirees were previously included together with other City plan OPEB liabilities. However, the City was also contributing directly toward the cost of these dependent benefits by making negotiated contributions determined as a percentage of payroll for active employees in each bargaining group, effectively contributing twice. Beginning with fiscal year 2020, the total OPEB liability for these dependent fund benefits is now being determined and reported separately. Further discussion is included in Note 12C and 12D.

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, 2020, 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.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 12 – EMPLOYEE BENEFITS (Continued)

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.

Medical Benefit for Retirees:

Hire/Retirement Date		Date of Retirement	Eligibility Rule (Continuous Years of Service)	City Contribution Requirement
Professional / Technical (PROTECH)	Before July 1, 1995	Before June 30, 1989	n/a	PEMHCA Minimum Only
		After July 1, 1990 but before September 1, 2002	Less than 5	PEMHCA Minimum Only
			At least 5	Any employee only medical premium rate
		After August 31, 2002	Less than 5	PEMHCA Minimum Only
			At least 5	Benefit Cap
	After June 30, 1995	After August 31, 2002	Less than 5	PEMHCA Minimum Only
			5 but less than 9	Up to 25% of the Benefit cap
			9 but less than 14	Up to 50% of the Benefit Cap
			14 but less than 19	Up to 75% of the Benefit Cap
			At least 19	Up to 100% of the Benefit Cap
Mid-Management and Confidential (LIUNA) (Began 9/2003)	Before July 1, 1995	Any	Less than 5	PEMHCA Minimum Only
	After June 30, 1995	Any	At least 5	Benefit cap
			Less than 5	PEMHCA Minimum Only
			5 but less than 9	Up to 25% of the Benefit Cap
			9 but less than 14	Up to 50% of the Benefit Cap
			14 but less than 19	Up to 75% of the Benefit Cap
Unrepresented Miscellaneous and Fire*	Before July 1, 1995	Before January 1, 1989	n/a	PEMHCA Minimum Only
		After July 1, 1990 but before September 1, 2002	Less than 5	PEMHCA Minimum Only
			At least 5	Any employee only medical premium rate
		After August 31, 2002	Less than 5	PEMHCA Minimum Only
			At least 5	Benefit cap
	After June 30, 1995	Any	Less than 5	PEMHCA Minimum Only
			5 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

- 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, 2020

NOTE 12 – EMPLOYEE BENEFITS (Continued)

Medical benefits for retirees (continued):

Hire/Retirement Date		Date of Retirement		Eligibility Rule (Continuous Years of Service)	City Contribution Requirement
Unrepresented Police ONLY*	Before July 1, 1995	Before January 1, 1989		n/a	PEMHCA Minimum Only
		After December 31, 1988 but before July 1, 2003		Less than 5	PEMHCA Minimum Only
				At least 5	Any employee only medical premium rate
		After June 30, 2003		Less than 5	PEMHCA Minimum Only
	After June 30, 1995			At least 5	Retiree Cap
				Less than 5	PEMHCA Minimum Only
				5 but less than 10	Up to 25% of the Retiree Cap
				10 but less than 15	Up to 50% of the Retiree Cap
				15 but less than 20	Up to 75% of the Retiree Cap
				At least 20	Up to 100% of the Retiree Cap
Fire Safety (IAFF)	Before January 1, 1995	Before January 1, 1990		n/a	PEMHCA Minimum Only
		After December 31, 1989 but before January 1, 1995		Less than 1	PEMHCA Minimum Only
				At least 1	Any employee only premium
		After December 31, 1994 but before February 21, 2007		Less than 1	PEMHCA Minimum Only
				1 but less than 10	50% of any employee only premium
				At least 10	100% of any employee only premium
		After February 20, 2007		Less than 1	PEMHCA Minimum Only
				1 but less than 10	Up to 50% of the lesser of the Retiree Cap and the premium rate
	After December 31, 1994			At least 10	Up to 100% of the lesser of the Retiree Cap and the premium rate
		Before February 21, 2007		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
		After February 20, 2007		Less than 1	PEMHCA Minimum Only
				1 but less than 10	25% of the lesser of the Retiree Cap and the premium rate
				10 but less than 15	50% of the lesser of the Retiree Cap and the premium
				15 but less than 20	75% of the lesser of the Retiree Cap and the premium
				At least 20	100% of the lesser of the Retiree Cap and the premium

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 12 – EMPLOYEE BENEFITS (Continued)

Medical benefits for retirees (continued):

Hire/Retirement Date		Date of Retirement	Eligibility Rule (Continuous Years of Service)	City Contribution Requirement
Police (MPOA)	Before January 1, 1996	Before January 1, 1989	n/a	PEMHCA Minimum Only
		After December 31, 1988 but before July 1, 2003	Less than 5	PEMHCA Minimum Only
			At least 5	Any employee only medical premium rate
		After June 30, 2003	Less than 5	PEMHCA Minimum Only
			At least 5	Up to the Retiree Cap
	After December 31, 1995	Before July 1, 2003	Less than 1	PEMHCA Minimum Only
			1 but less than 9	25% of any employee only premium
			9 but less than 14	50% of any employee only premium
			14 but less than 19	75% of any employee only premium
			At least 19	100% of any employee only premium
		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)	Before July 1, 1996	Before July 16, 1989	n/a	PEMHCA Minimum Only
		After July 17, 1989 but before March 19, 2003	Less than 5	PEMHCA Minimum Only
			At least 5	Any employee only medical premium rate
		After March 18, 2003	Less than 5	PEMHCA Minimum Only
			At least 5	Benefit Cap
	After June 30, 1996	Any	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, 2020

NOTE 12 – EMPLOYEE BENEFITS (Continued)

Medical benefits for retirees (continued):

Hire/Retirement Date		Eligibility Rule (Continuous Years of Service)		City Contribution Requirement
Supervisors (MSA) (Ended June, 30, 2012)	Before June 30, 1995	Before July 1, 1996	n/a	PEMHCA Minimum Only
		After June 30, 1996 and before November 27, 2007	Less than 5	PEMHCA Minimum Only
			At least 5	Any employee only medical premium rate
		After November 26, 2007	Less than 5	PEMHCA Minimum Only
			At least 5	Benefit Cap
	After June 29, 1995	After November 27, 2007	Less than 5	PEMHCA Minimum Only
			5 but less than 9	Up to 25% of the Benefit Cap
			9 but less than 14	Up to 50% of the Benefit Cap
			14 but less than 19	Up to 75% of the Benefit Cap
			At least 19	Up to 100% of the Benefit Cap

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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
			5 but less than 9	Up to 25% of the family/dependent premium
	After June 30, 1995	After December 4, 2006	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
			5 but less than 9	Up to 25% of the family/dependent premium
	After June 30, 1995	After January 1, 2007	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
			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
Unrepresented (UNREP-Fire) ³	Before January 1, 1996	After September 4, 2007	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 September 4, 2007	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
			5 but less than 9	Up to 25% of the family/dependent premium
	After December 31, 1995	After June 30, 2018	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, 2020

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
Police (MPOA)	Before January 1, 1996	After June 30, 2003	At least 19	Up to 100% of the family/dependent premium
			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

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

C. Net OPEB Liability

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, 2020, the City’s contributions to the Plan were \$4,528,174.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2019:

Active employees	372
Inactive employees or beneficiaries currently receiving benefit payments	295
Inactive employees entitled to but not yet receiving benefit payments	92
Total	759

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 12 – EMPLOYEE BENEFITS (Continued)

Actuarial Methods and Assumptions – The City’s net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2018, that was rolled forward using standard update procedures to determine the total OPEB liability as of June 30, 2019, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	July 1, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	6.95% (explicit subsidies) and 3.13% (implicit subsidies)
Inflation	2.50%
Salary Increase	3.00%
Investment Rate of Return	6.85%
Mortality Rate	MacLeod Watts Scale of 2020 applied generationally
Healthcare Trend Rate	5.40% grading down to 4.90% for years 2076 and thereafter

The underlying mortality assumptions were based on the mortality table published by CalPERS in their 2017 study, adjusted to back out 15 years of Scale MP 2016 to central year 2015 and all other actuarial assumptions used in the July 1, 2019 valuation are based on the result of a June 30, 2019 actuarial experience study for the period from 1997 to 2015, 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, 2020

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	59.0%
Fixed Income	25.0%
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 6.95 over the long term, based on information published by CalPERS as of the June 30, 2019 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 6.95%.

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 3.13%.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 12 – EMPLOYEE BENEFITS (Continued)

Changes in Net OPEB Liability – The changes in the net OPEB liability follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2019	\$87,921,496	\$44,016,612	\$43,904,884
Changes Recognized for the Measurement Period:			
Service Cost	2,423,566		2,423,566
Interest on the total OPEB liability	5,462,138		5,462,138
Changes in benefit terms	(17,098,878)		(17,098,878)
Differences between expected and actual experience			
Changes of assumptions	(1,624,371)		(1,624,371)
Contributions from the employer		4,651,743	(4,651,743)
Net investment income		2,834,217	(2,834,217)
Other Expenses			
Plan Experience	(11,594,216)		(11,594,216)
Administrative expenses		(9,742)	9,742
Benefit payments	(3,183,858)	(3,183,858)	
Net changes	(25,615,619)	4,292,360	(29,907,979)
Balance at June 30, 2020 (Measurement Date)	\$62,305,877	\$48,308,972	\$13,996,905

The benefit payments and refunds include implied subsidy benefit payments in the amount of \$1,158,935.

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	
Discount Rate -1%	(6.95%-3.13%)	Discount Rate +1%
\$21,867,673	\$13,996,905	\$7,431,761

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 Trend Rates	
1% Decrease	(5.40%-4.00%)	1% Increase
\$6,815,988	\$13,996,905	\$22,735,601

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 12 – EMPLOYEE BENEFITS (Continued)

D. Dependent Fund Post Employment Benefit (OPEB) Plan (Total OPEB Liability)

Plan Description – The City provides continuation of medical coverage to its retiring employees and their eligible dependents. Pursuant to various bargaining agreements with different employee groups, the City contributes a percent of total payroll toward the cost of medical coverage for the eligible dependents of retirees. The City does not define the eligibility for or amount of any such benefits paid, nor is it legally obligated to make any payments to these dependents. The extent of the City's obligation is to make the negotiated contributions to the funds. However, the City has determined that a liability for the projected cost of these benefits must be reported in its financial statements in accordance with current accounting standards. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2019:

Active employees	372
Inactive dependents of retirees currently receiving benefit payments	149
Inactive employees entitled to but not yet receiving benefit payments	28
Total	549

Actuarial Methods and Assumptions – The Union Dependent Funds' total OPEB liability was measured as of June 30, 2019 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2019, that was rolled forward using standard update procedures to determine the total OPEB liability as of June 30, 2019 based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	3.13% as of June 30, 2019
Inflation	2.50%
Salary Increase	3.00%
Investment Rate of Return	6.85%
Mortality Rate	MacLeod Watts Scale of 2020 applied generationally
Healthcare Trend Rate	5.40% grading down to 4% for years 2076 and thereafter

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 12 – EMPLOYEE BENEFITS (Continued)

Changes in Total OPEB Liability – The changes in the total OPEB liability follows:

	<u>Increase (Decrease)</u> <u>Total OPEB</u> <u>Liability</u> <u>(a)</u>
Balance at June 30, 2019	\$ -
Changes Recognized for the Measurement Period:	
Service Cost	
Interest on the total OPEB liability	
Changes in benefit terms	28,504,872
Differences between expected and actual experience	
Changes of assumptions	
Contributions from the employer	
Net investment income	
Other Expenses	
Plan Experience	
Administrative expenses	
Benefit payments	
Net changes	28,504,872
Balance at June 30, 2020 (Measurement Date)	\$28,504,872

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13%) or 1-percentage point higher (4.13%) than the current discount rate:

<u>Net OPEB Liability/(Asset)</u>		
<u>Discount Rate</u>		
<u>Discount Rate -1%</u>	<u>3.13%</u>	<u>Discount Rate +1%</u>
\$33,069,057	\$28,504,872	\$24,807,977

The following presents the total OPEB liability of the City, as well as what the City's total 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:

<u>Net OPEB Liability/(Asset)</u>		
<u>Healthcare Cost</u>		
<u>Trend Rates</u>		
<u>1% Decrease</u>	<u>(5.40% - 4.00%)</u>	<u>1% Increase</u>
\$24,682,743	\$28,504,872	\$33,322,489

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 12 – EMPLOYEE BENEFITS (Continued)

E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the City recognized Retiree Medical Benefits OPEB Plan and Dependent Fund OPEB Plan recognized expense of \$15,009,463 and \$28,504,872, respectively. At June 30, 2020, the Retiree Medical Benefits OPEB plan and Union Dependent Funds reported deferred outflows and inflows of resources related to OPEB from the following sources:

Retiree Medical Benefits OPEB Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$4,528,174	
Differences between actual and expected experience		(\$9,686,107)
Changes of assumptions	177,063	(2,297,264)
Net differences between projected and actual earnings on plan investments		(503,147)
Total	<u>\$4,705,237</u>	<u>(\$12,486,518)</u>
Dependent Fund OPEB Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$1,437,201	
Differences between actual and expected experience		
Changes of assumptions		
Net differences between projected and actual earnings on plan investments		
Total	<u>\$1,437,201</u>	<u></u>
Grand Total, Both Plans	<u>\$6,142,438</u>	<u>(\$12,486,518)</u>

\$5,965,375 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, 2021. 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	
	Retiree Medical Benefits Plan	Dependent Fund
2021	(\$2,673,833)	
2022	(2,673,834)	
2023	(2,416,397)	
2024	(2,299,834)	
2025	(1,784,170)	
Thereafter	(461,387)	

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 12 – EMPLOYEE BENEFITS (Continued)

F. 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, 2020, sick leave benefits payable decreased by \$157,290 and vacation benefits payable increased by \$1,214,838. 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.

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, 2019	\$4,876,906	\$324,366	\$3,036,125	\$155,364
Additions	3,681,683	147,647	1,154,131	94,032
Payments and adjustments	(2,440,564)	(173,928)	(1,345,051)	(60,402)
Balance as of June 30, 2020	<u>\$6,118,025</u>	<u>\$298,085</u>	<u>\$2,845,205</u>	<u>\$188,994</u>
General Government	\$593,017		\$108,892	
Building	226,321		38,351	
Public Works	416,296		272,166	
Engineering	250,727		62,359	
Planning	134,139		0	
Recreation	162,652		30,090	
Police	2,955,925		1,008,618	
Fire	1,294,047		1,305,060	
Water Utility		\$166,211		\$96,107
Sewer Utility		131,874		92,887
Internal Service	84,901		19,669	
Total	<u>\$6,118,025</u>	<u>\$298,085</u>	<u>\$2,845,205</u>	<u>\$188,994</u>
Long-Term Portion:				
Governmental activities	\$3,327,531		\$1,908,264	
Business-type activities		\$136,475		\$134,732
Total long term portions	<u>\$3,327,531</u>	<u>\$136,475</u>	<u>\$1,908,264</u>	<u>\$134,732</u>
Current Portion:				
Governmental activities	\$2,790,494		\$936,941	
Business-type activities		\$161,610		\$54,262
Total current portions	<u>\$2,790,494</u>	<u>\$161,610</u>	<u>\$936,941</u>	<u>\$54,262</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, 2020

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, 2020, the City contributed \$897,225 for the 2019/20 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, 2020 the City paid \$821,964 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, 2020

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:

	2020			2019
	Worker's Compensation	General Liability	Total	
Beginning balance	\$5,856,080	\$358,593	\$6,214,673	\$6,417,534
Liability for current fiscal year claims	1,090,109	161,236	1,251,345	1,115,722
Increase (decrease) in estimated liability for prior fiscal year claims and claims incurred but not reported (IBNR)	765,148	161,625	926,773	29,732
Claims paid	(895,255)	(322,861)	(1,218,116)	(1,348,315)
Ending balance	<u>\$6,816,082</u>	<u>\$358,593</u>	<u>\$7,174,675</u>	<u>\$6,214,673</u>
Due in one year	<u>\$970,556</u>	<u>\$201,930</u>	<u>\$1,172,486</u>	<u>\$1,117,952</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, 2020

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, 2020 were as follows:

Major Governmental Funds:	
General Fund	\$3,031,484
Housing Authority Fund	6,500,000
Transit Area Impact Fee Fund	1,272,464
Non-Major Governmental Funds	<u>168,688</u>
Total Encumbrances	<u><u>\$10,972,636</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 \$17 million through June 30, 2020, and as of June 30, 2020, all project costs have been paid.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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 6.196% 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, 2020

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 \$995,514 during fiscal year 2020, which is included as a component of purchased water expenses in the Water Enterprise Fund. The surcharge for fiscal year 2021 is estimated to be \$993,732.

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.

I. *COVID-19 Impact*

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. However, the ultimate financial impact and duration cannot be reasonably estimated at this time.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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.

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, 2020 are discussed in Note 3. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2020.

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 15 – SUCCESSOR AGENCY ACTIVITIES (Continued)

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.

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, 2019	Retirements	Balance June 30, 2020	Current Portion
Installment Purchase Agreement with the County of Santa Clara - Direct Borrowing				
due June 30, 2023	\$10,745,676	\$2,886,103	\$7,859,573	\$2,748,669
2015 Tax Allocation Bonds				
2%-5%, due September 1, 2032	101,670,000	6,735,000	94,935,000	7,070,000
Plus: Unamortized bond premium	16,276,480	1,190,962	15,085,518	
Total	\$128,692,156	\$10,812,065	\$117,880,091	\$9,818,669

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 15 – SUCCESSOR AGENCY ACTIVITIES (Continued)

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. As discussed in Note 15B, 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 \$7,859,573 at June 30, 2020, 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.

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
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			8,595,000	3,007,875
2025-2029			41,270,000	8,399,250
2030-2033			14,590,000	946,500
	<u>\$7,859,573</u>	<u>\$10,140,427</u>	<u>94,935,000</u>	<u>\$28,385,625</u>
Plus: Unamortized bond premium			<u>15,085,518</u>	
			<u><u>\$110,020,518</u></u>	

CITY OF MILPITAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 15 – SUCCESSOR AGENCY ACTIVITIES (Continued)

5. *Defeased Bonds*

As of June 30, 2020, the outstanding balance of defeased debt was \$9,740,000 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 EVENT

2020 General Fund Lease Revenue Bonds

On November 10, 2020, the Milpitas Municipal Financing Authority will issue 2020 Lease Revenue Bonds (Capital Projects) in the original principal amount of \$18,445,000 to provide funds to finance a portion of the Fire Station No. 2 Replacement project and variety of energy improvement projects. The Bonds bear interest rates of 4.0 %. Interest is payable every June 1 and December 1 beginning on June 1, 2021. Principal on the bonds will be payable on June 1 beginning on June 1, 2022 through 2041. Interest on the 2020 Bonds was capitalized in full through June 1, 2021. Therefore, the City will start making debt service payments in Fiscal Year 2021-22.

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	6/30/19
Total OPEB Liability			
Service Cost	\$2,386,392	\$2,356,491	\$2,423,566
Interest	4,794,071	5,155,080	5,462,138
Changes in benefit terms			(17,098,878)
Differences between expected and actual experience			(11,594,216)
Changes of assumptions	(1,263,847)	(113,934)	(1,624,371)
Benefit payments	(3,325,081)	(2,994,247)	(3,183,858)
Net change in total OPEB liability	<u>2,591,535</u>	<u>4,403,390</u>	<u>(25,615,619)</u>
Total OPEB liability - beginning	<u>80,926,571</u>	<u>83,518,106</u>	<u>87,921,496</u>
Total OPEB liability - ending (a)	<u><u>\$83,518,106</u></u>	<u><u>\$87,921,496</u></u>	<u><u>\$62,305,877</u></u>
Plan fiduciary net position			
Contributions - employer	\$4,959,756	\$4,803,893	\$4,651,743
Contributions - employee			
Net investment income	3,708,342	3,175,844	2,834,217
Administrative expense	(18,732)	(21,490)	(9,742)
Benefit payments	(3,325,081)	(2,994,247)	(3,183,858)
Other Expenses		(51,721)	
Net change in plan fiduciary net position	<u>5,324,285</u>	<u>4,912,279</u>	<u>4,292,360</u>
Plan fiduciary net position - beginning	<u>33,780,048</u>	<u>39,104,333</u>	<u>44,016,612</u>
Plan fiduciary net position - ending (b)	<u><u>\$39,104,333</u></u>	<u><u>\$44,016,612</u></u>	<u><u>\$48,308,972</u></u>
 Net OPEB liability - ending (a)-(b)	 <u><u>\$44,413,773</u></u>	 <u><u>\$43,904,884</u></u>	 <u><u>\$13,996,905</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 46.82%	 50.06%	 77.54%
 Covered-employee payroll	 <u><u>\$42,017,236</u></u>	 <u><u>\$43,375,678</u></u>	 <u><u>\$48,788,854</u></u>
 Net OPEB liability as a percentage of covered-employee payroll	 <u><u>105.70%</u></u>	 <u><u>101.22%</u></u>	 <u><u>28.69%</u></u>

* 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)	\$ -	\$593,096	\$593,096	\$ -	\$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%

Fiscal Year Ended June 30,	2020		
	Explicit	Implicit	Total
Actuarially determined contribution	\$788,831	\$1,545,113	\$2,333,944
Contributions in relation to the actuarially determined contribution	3,478,018	1,050,156	4,528,174
Contribution deficiency (excess)	(\$2,689,187)	\$494,957	(\$2,194,230)
Covered-employee payroll	\$52,202,907	\$52,202,907	\$52,202,907
Contributions as a percentage of covered-employee payroll	6.66%	2.01%	8.67%

Notes to Schedule

Valuation date:

Methods and assumptions used to determine contribution rates:

Valuation Date	July 1, 2019
Actuarial Assumptions:	
Discount Rate	6.95% (explicit subsidies) and 3.13% (implicit subsidies)
Inflation	2.50%
Salary Increase	3.00%
Investment Rate of Return	6.9%
Mortality Rate	MacLeod Watts Scale of 2020 applied generationally
Healthcare Trend Rate	5.4% grading down to 4% for years 2076 and thereafter

* Fiscal year 2018 was the first year of implementation.

City of Milpitas
Required Supplementary Information

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
Dependent Fund (OPEB) Plan
Last 10 fiscal years *

Measurement Date	6/30/19
Total OPEB Liability	
Service Cost	\$ -
Interest	
Changes in benefit terms	28,504,872
Differences between expected and actual experience	
Changes of assumptions	
Benefit payments	
Net change in total OPEB liability	28,504,872
Total OPEB liability - beginning	
Total OPEB liability - ending (a)	\$28,504,872
 Plan fiduciary net position	
Contributions - employer	
Contributions - employee	
Net investment income	
Administrative expense	
Benefit payments	
Other Expenses	
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	
Plan fiduciary net position - ending (b)	-
 Net OPEB liability - ending (a)-(b)	\$28,504,872
 Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
 Covered-employee payroll	\$48,788,854
 Net OPEB liability as a percentage of covered-employee payroll	58.42%

*The liability of this Plan had been previously included together with other City plan OPEB Liabilities.
Beginning with fiscal year 2020, the City began to report the liability of this plan separately.

City of Milpitas
Required Supplementary Information

SCHEDULE OF CONTRIBUTIONS

Dependent Fund (OPEB) Plan

Last 10 fiscal years*

Fiscal Year Ended June 30,	<u>2020</u>
	<u>Explicit</u>
Actuarially required contribution	N/A (a)
Contributions in relation to the actuarially required contributions	<u>\$1,437,201</u>
Contribution deficiency (excess)	<u>N/A (a)</u>
Covered-employee payroll	<u>\$48,788,854</u>
Contributions as a percentage of covered-employee payroll	N/A (a)

(a) Due to the nature of the Plan, actuarially required contribution is not available. See Note 12D for contribution requirements.

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
Total Pension Liability				
Service Cost	\$2,652,510	\$2,664,628	\$2,666,665	\$3,008,973
Interest	13,600,615	14,114,152	14,689,192	15,078,047
Differences between expected and actual experience	-	(982,598)	(18,301)	(1,238,427)
Changes in assumptions	-	(3,463,459)	-	12,475,424
Changes in benefits	-	-	-	-
Benefit payments, including refunds of employee contributions	(8,381,334)	(8,930,516)	(9,558,779)	(10,236,837)
Net change in total pension liability	7,871,791	3,402,207	7,778,777	19,087,180
Total pension liability - beginning	184,205,937	192,077,728	195,479,935	203,258,712
Total pension liability - ending (a)	<u>\$192,077,728</u>	<u>\$195,479,935</u>	<u>\$203,258,712</u>	<u>\$222,345,892</u>
Plan fiduciary net position				
Contributions - employer	\$3,356,909	\$4,076,975	\$4,519,744	\$5,048,143
Contributions - employee	1,439,932	1,326,989	1,333,019	1,266,956
Net investment income	22,034,637	3,281,429	775,183	16,109,364
Administrative expense	-	(164,523)	(89,109)	(211,414)
Benefit payments, including refunds of employee contributions	(8,381,334)	(8,930,516)	(9,558,779)	(10,236,837)
Other Miscellaneous Income/Expense	-	-	-	-
Net Plan to Plan Resource Movement	-	-	(370)	(370)
Net change in plan fiduciary net position	18,450,144	(409,646)	(3,020,312)	11,975,842
Plan fiduciary net position - beginning	128,172,005	146,622,149	146,212,503	143,192,191
Plan fiduciary net position - ending (b)	<u>\$146,622,149</u>	<u>\$146,212,503</u>	<u>\$143,192,191</u>	<u>\$155,168,033</u>
Net pension liability - ending (a)-(b)	<u>\$45,455,579</u>	<u>\$49,267,432</u>	<u>\$60,066,521</u>	<u>\$67,177,859</u>
Plan fiduciary net position as a percentage of the total pension liability	76.33%	74.80%	70.45%	69.79%
Covered payroll	<u>\$15,682,538</u>	<u>\$16,009,660</u>	<u>\$16,161,589</u>	<u>\$16,418,123</u>
Net pension liability as percentage of covered payroll	289.85%	307.74%	371.66%	409.17%

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30. 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. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, 2018, and 2019, 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.

* Fiscal year 2015 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	2017-18	2018-19
Total Pension Liability		
Service Cost	\$3,042,853	\$3,361,140
Interest	15,647,110	16,517,342
Differences between expected and actual experience	1,831,444	4,569,776
Changes in assumptions	(1,404,854)	
Changes in benefits	-	
Benefit payments, including refunds of employee contributions	(10,906,398)	(11,589,225)
Net change in total pension liability	8,210,155	12,859,033
Total pension liability - beginning	222,345,892	230,556,047
Total pension liability - ending (a)	\$230,556,047	\$243,415,080
Plan fiduciary net position		
Contributions - employer	\$5,762,448	\$6,864,376
Contributions - employee	1,473,732	1,569,027
Net investment income	13,123,448	10,774,536
Administrative expense	(241,795)	(116,977)
Benefit payments, including refunds of employee contributions	(10,906,398)	(11,589,225)
Other Miscellaneous Income/Expense	(459,172)	381
Net Plan to Plan Resource Movement	(381)	
Net change in plan fiduciary net position	8,751,882	7,502,118
Plan fiduciary net position - beginning	155,168,033	163,919,915
Plan fiduciary net position - ending (b)	\$163,919,915	\$171,422,033
 Net pension liability - ending (a)-(b)	 \$66,636,132	 \$71,993,047
 Plan fiduciary net position as a percentage of the total pension liability	 71.10%	 71.10%
 Covered payroll	 \$18,846,066	 \$22,079,190
 Net pension liability as percentage of covered payroll	 382.47%	 382.47%

* 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
Actuarially determined contribution	\$3,252,668	\$4,236,931	\$5,082,638	\$6,243,904
Contributions in relation to the actuarially determined contributions	3,252,668	4,236,931	5,082,638	6,243,904
Contribution deficiency (excess)	<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
Contributions as a percentage of covered payroll	20.32%	26.22%	30.96%	33.13%
Notes to Schedule				
Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015
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% for 2015 to 2019, and 2.875% for 2020			
Salary increases	Varies by Entry Age and Service			
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019 and 7.25% for 2020, net of pension plan investment expense, including inflation.			
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study.			
Mortality	The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries for 2015 to 2018. For 2019 and 2020, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of			

* Fiscal year 2015 was the 1st year of implementation.

2019	2020
\$6,863,508	\$8,337,504
<u>6,863,508</u>	<u>8,337,504</u>
<u>\$0</u>	<u>\$0</u>
\$22,079,190	\$19,463,309
31.09%	42.84%
6/30/2016	6/30/2017

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
Total Pension Liability				
Service Cost	\$4,932,970	\$4,808,751	\$5,094,318	\$5,934,642
Interest	19,838,662	20,535,893	21,663,378	22,434,283
Differences between expected and actual experience	-	(2,363,470)	3,274,330	(690,685)
Changes in assumptions	-	(5,052,089)	-	18,725,315
Changes in benefits	-	-	-	-
Benefit payments, including refunds of employee contributions	(13,076,629)	(13,656,196)	(14,390,575)	(14,864,837)
Net change in total pension liability	11,695,003	4,272,889	15,641,451	31,538,718
Total pension liability - beginning	268,587,329	280,282,332	284,555,221	300,196,672
Total pension liability - ending (a)	<u>\$280,282,332</u>	<u>\$284,555,221</u>	<u>\$300,196,672</u>	<u>\$331,735,390</u>
Plan fiduciary net position				
Contributions - employer	\$5,856,270	\$6,604,951	\$7,230,399	\$7,887,539
Contributions - employee	1,839,234	1,887,408	2,064,277	2,233,341
Net investment income	30,157,647	4,420,615	1,031,136	22,090,936
Administrative expense	-	(224,227)	(121,445)	(288,028)
Net Plan to Plan Resource Movement	-	-	-	-
Other Miscellaneous Income/Expense	-	-	-	-
Benefit payments, including refunds of employee contributions	(13,076,629)	(13,656,196)	(14,390,575)	(14,864,837)
Net change in plan fiduciary net position	24,776,522	(967,449)	(4,186,208)	17,058,951
Plan fiduciary net position - beginning	175,461,012	200,237,534	199,270,085	195,083,877
Plan fiduciary net position - ending (b)	<u>\$200,237,534</u>	<u>\$199,270,085</u>	<u>\$195,083,877</u>	<u>\$212,142,828</u>
 Net pension liability - ending (a)-(b)	 <u>\$80,044,798</u>	 <u>\$85,285,136</u>	 <u>\$105,112,795</u>	 <u>\$119,592,562</u>
 Plan fiduciary net position as a percentage of the total pension liability	 71.44%	 70.03%	 64.99%	 63.95%
 Covered payroll	 <u>\$18,310,535</u>	 <u>\$18,810,920</u>	 <u>\$20,170,400</u>	 <u>\$21,078,669</u>
 Net pension liability as percentage of covered payroll	 437.15%	 453.38%	 521.12%	 567.36%

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. 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. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, 2018, and 2019, 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.

* Fiscal year 2015 was the 1st year of implementation.

<u>2017-18</u>	<u>2018-19</u>
\$5,975,378	\$6,211,449
23,331,989	24,560,414
626,935	4,563,968
(986,630)	
-	
(16,083,729)	(17,533,455)
<u>12,863,943</u>	<u>17,802,376</u>
<u>331,735,390</u>	<u>344,599,333</u>
<u>\$344,599,333</u>	<u>\$362,401,709</u>
\$8,866,550	\$10,288,856
2,240,962	2,441,763
17,931,642	14,733,700
(330,577)	(159,951)
(521)	
(627,771)	521
(16,083,729)	(17,533,455)
<u>11,996,556</u>	<u>9,771,434</u>
<u>212,142,828</u>	<u>224,139,384</u>
<u>\$224,139,384</u>	<u>\$233,910,818</u>
<u>\$120,459,949</u>	<u>\$128,490,891</u>
65.04%	64.54%
<u>\$21,698,152</u>	<u>\$23,314,576</u>
555.16%	551.12%

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	2020
Actuarially determined contribution	\$5,904,019	\$7,346,983	\$8,741,506	\$9,247,165	\$10,289,680	\$11,739,849
Contributions in relation to the actuarially determined contributions	5,904,019	7,346,983	8,741,506	9,247,165	10,289,680	11,739,849
Contribution deficiency (excess)	<u>\$0</u>	<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	\$21,136,130
Contributions as a percentage of covered payroll	31.39%	36.42%	41.47%	42.62%	44.13%	55.54%
Notes to Schedule						
Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
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	3.0% depending on Age, Service, and type of employment.					
Investment rate of return	7.375%, net of pension plan investment expense, including inflation.					
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study					
Mortality	The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries for 2015 to 2018. For 2019 and 2020, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 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.

AFFORDABLE HOUSING UNRESTRICTED FUND

Established to account for Affordable Housing unrestricted activities funded by General Fund Surplus.

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, 2020

	SPECIAL REVENUE FUNDS					
	Gas Tax	Housing and Community Development	Law Enforcement Services	Solid Waste Reduction and Services	Lighting and Landscape Maintenance District	Community Facilities District
ASSETS						
Cash and investments available for operations	\$1,902,947	\$129,000	\$1,138,056	\$1,848,382	\$33,412	\$1,929,388
Receivables:						
Due from other governments	201,619	68,202		72,761		14,265
Interest	8,036		1,243	7,781	140	8,110
Loans receivable		3,659,710				
Prepays, materials, supplies and deposits		2,196		1,603	2,386	7,479
Total Assets	<u>\$2,112,602</u>	<u>\$3,859,108</u>	<u>\$1,139,299</u>	<u>\$1,930,527</u>	<u>\$35,938</u>	<u>\$1,959,242</u>
LIABILITIES						
Accounts payable		\$51,227	\$23,162	\$119	\$58	\$9,912
Accrued payroll				8,976	3,752	13,953
Unearned revenue			958,283	32,046		
Refundable deposits				18,843		
Total Liabilities		<u>51,227</u>	<u>981,445</u>	<u>59,984</u>	<u>3,810</u>	<u>23,865</u>
FUND BALANCE						
Fund Balances:						
Nonspendable		2,196		1,603	2,386	7,479
Restricted	\$2,112,602	3,805,685	157,854	1,868,940	29,742	1,927,898
Assigned						
Total Fund Balances	<u>2,112,602</u>	<u>3,807,881</u>	<u>157,854</u>	<u>1,870,543</u>	<u>32,128</u>	<u>1,935,377</u>
Total Liabilities and Fund Balances	<u>\$2,112,602</u>	<u>\$3,859,108</u>	<u>\$1,139,299</u>	<u>\$1,930,527</u>	<u>\$35,938</u>	<u>\$1,959,242</u>

SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS			Total Nonmajor Governmental Funds
Hetch-Hetchy Ground Lease	Community Planning	Community Benefits	Affordable Housing	Affordable Housing Unrestricted	Public Art	Park Improvement	Storm Drain Development	
\$1,604,147	\$786,053	\$266,971	\$3,279,778	\$ 2,156,297	\$1,240,948	\$20,367,534	\$7,233,771	\$43,916,684
	4,428		14,069	9,109	5,182	84,990	30,202	356,847
	2,344							173,290
								3,659,710
								16,008
<u>\$1,604,147</u>	<u>\$792,825</u>	<u>\$266,971</u>	<u>\$3,293,847</u>	<u>\$2,165,406</u>	<u>\$1,246,130</u>	<u>\$20,452,524</u>	<u>\$7,263,973</u>	<u>\$48,122,539</u>
			\$3,876			\$996,546	\$60,822	\$1,145,722
	\$6,714					11,043	731	45,169
								990,329
								18,843
	6,714		3,876			1,007,589	61,553	2,200,063
	2,344							16,008
\$1,604,147	783,767	\$266,971	\$3,289,971	\$2,165,406		19,444,935	7,202,420	44,660,338
					\$1,246,130			1,246,130
<u>1,604,147</u>	<u>786,111</u>	<u>266,971</u>	<u>3,289,971</u>	<u>2,165,406</u>	<u>1,246,130</u>	<u>19,444,935</u>	<u>7,202,420</u>	<u>45,922,476</u>
<u>\$1,604,147</u>	<u>\$792,825</u>	<u>\$266,971</u>	<u>\$3,293,847</u>	<u>\$2,165,406</u>	<u>\$1,246,130</u>	<u>\$20,452,524</u>	<u>\$7,263,973</u>	<u>\$48,122,539</u>

CITY OF MILPITAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	Gas Tax	Housing & Community Development	Law Enforcement Services	Solid Waste Reduction and Services	Lighting and Landscape Maintenance District	Community Facilities District
REVENUES:						
Other taxes				\$66,122	\$400,187	\$3,116,797
Use of money and property	\$38,849	\$9,508	\$20,060	37,019	1,345	34,180
Intergovernmental	3,060,004	397,259	272,354	139,629		
Charges for services						
Developer contributions						
Other		37				
Total Revenues	<u>3,098,853</u>	<u>406,804</u>	<u>292,414</u>	<u>242,770</u>	<u>401,532</u>	<u>3,150,977</u>
EXPENDITURES:						
Current:						
General Government		397,265				4,201
Building, Safety and Housing						
Public Works				143,746	286,033	955,920
Engineering					146,819	
Planning						
Police			272,138			
Capital outlay						
Total Expenditures	<u></u>	<u>397,265</u>	<u>272,138</u>	<u>143,746</u>	<u>432,852</u>	<u>960,121</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,098,853</u>	<u>9,539</u>	<u>20,276</u>	<u>99,024</u>	<u>(31,320)</u>	<u>2,190,856</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	521,418					
Transfers (out)	<u>(5,244,458)</u>	<u></u>	<u></u>	<u>(99,456)</u>	<u>(108,000)</u>	<u>(1,600,000)</u>
Total Other Financing Sources (Uses)	<u>(4,723,040)</u>	<u></u>	<u></u>	<u>(99,456)</u>	<u>(108,000)</u>	<u>(1,600,000)</u>
NET CHANGE IN FUND BALANCES	(1,624,187)	9,539	20,276	(432)	(139,320)	590,856
Fund balances at beginning of year	<u>3,736,789</u>	<u>3,798,342</u>	<u>137,578</u>	<u>1,870,975</u>	<u>171,448</u>	<u>1,344,521</u>
FUND BALANCES AT END OF YEAR	<u>\$2,112,602</u>	<u>\$3,807,881</u>	<u>\$157,854</u>	<u>\$1,870,543</u>	<u>\$32,128</u>	<u>\$1,935,377</u>

SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS			Total Nonmajor Governmental Funds
Hetch-Hetchy Ground Lease	Community Planning	Community Benefits	Affordable Housing	Affordable Housing Unrestricted	Public Art	Park Improvement	Storm Drain Development	
								\$3,583,106
\$32,063	\$16,292	\$5,209	\$63,989	\$50,516	\$32,012	\$469,391	\$215,480	1,025,913
	336,920							3,869,246
			1,801,632			607,401	105,739	336,920
				114,890	475,411			2,514,772
								590,338
32,063	353,212	5,209	1,865,621	165,406	507,423	1,076,792	321,219	11,920,295
35,258			26,420		9,587			472,731
			150,000					150,000
								1,385,699
	164,988							146,819
								164,988
								272,138
						7,731,573	872,108	8,603,681
35,258	164,988		176,420		9,587	7,731,573	872,108	11,196,056
(3,195)	188,224	5,209	1,689,201	165,406	497,836	(6,654,781)	(550,889)	724,239
				2,000,000		1,550,000	750,000	4,821,418
	(500,000)					(75,000)	(1,000,000)	(8,626,914)
	(500,000)			2,000,000		1,475,000	(250,000)	(3,805,496)
(3,195)	(311,776)	5,209	1,689,201	2,165,406	497,836	(5,179,781)	(800,889)	(3,081,257)
1,607,342	1,097,887	261,762	1,600,770		748,294	24,624,716	8,003,309	49,003,733
\$1,604,147	\$786,111	\$266,971	\$3,289,971	\$2,165,406	\$1,246,130	\$19,444,935	\$7,202,420	\$45,922,476

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, 2020

	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	\$42,000	\$38,849	(\$3,151)	\$1,000	\$9,508	\$8,508
Intergovernmental	3,202,629	3,060,004	(142,625)	450,000	397,259	(52,741)
Charges for services						
Developer contributions						
Other					37	37
Total Revenues	<u>3,244,629</u>	<u>3,098,853</u>	<u>(145,776)</u>	<u>451,000</u>	<u>406,804</u>	<u>(44,196)</u>
EXPENDITURES						
Current:						
General Government:						
City Manager						
City Attorney						
Finance				15,000	15,000	
Non-departmental				700,734	382,265	318,469
Building, Safety and Housing						
Public Works						
Engineering						
Planning						
Police						
Total Expenditures				<u>715,734</u>	<u>397,265</u>	<u>318,469</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,244,629</u>	<u>3,098,853</u>	<u>(145,776)</u>	<u>(264,734)</u>	<u>9,539</u>	<u>274,273</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	521,418	521,418				
Transfers (out)	<u>(5,244,458)</u>	<u>(5,244,458)</u>				
Total Other Financing Sources (Uses)	<u>(4,723,040)</u>	<u>(4,723,040)</u>				
NET CHANGE IN FUND BALANCES	<u>(\$1,478,411)</u>	<u>(1,624,187)</u>	<u>(\$145,776)</u>	<u>(\$264,734)</u>	<u>9,539</u>	<u>\$274,273</u>
ADJUSTMENT TO BUDGETARY BASIS:						
Expenditures capitalized for GAAP purposes						
Capital Outlay						
Encumbrance adjustments						
Fund balances at beginning of year		<u>3,736,789</u>			<u>3,798,342</u>	
Fund balances at end of year		<u>\$2,112,602</u>			<u>\$3,807,881</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	\$20,060	\$18,060	\$29,000	\$66,122	\$66,122	\$404,000	\$400,187	(\$3,813)
276,116	272,354	(3,762)	200,327	37,019	8,019	1,000	1,345	345
				139,629	(60,698)			
278,116	292,414	14,298	229,327	242,770	13,443	405,000	401,532	(3,468)
			811,115	290,726	520,389	306,410	286,033	20,377
						168,066	150,888	17,178
389,074	329,777	59,297						
389,074	329,777	59,297	811,115	290,726	520,389	474,476	436,921	37,555
(110,958)	(37,363)	73,595	(581,788)	(47,956)	533,832	(69,476)	(35,389)	34,087
			(99,456)	(99,456)		(108,000)	(108,000)	
			(99,456)	(99,456)		(108,000)	(108,000)	
<u>(\$110,958)</u>	<u>(37,363)</u>	<u>\$73,595</u>	<u>(\$681,244)</u>	<u>(147,412)</u>	<u>\$533,832</u>	<u>(\$177,476)</u>	<u>(143,389)</u>	<u>\$34,087</u>
	57,639			146,980			4,069	
	<u>137,578</u>			<u>1,870,975</u>			<u>171,448</u>	
	<u>\$157,854</u>			<u>\$1,870,543</u>			<u>\$32,128</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, 2020

	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	\$2,900,000	\$3,116,797	\$216,797			
Use of money and property	12,000	34,180	22,180	\$1,000	\$32,063	\$31,063
Intergovernmental						
Charges for services						
Developer contributions						
Other						
Total Revenues	<u>2,912,000</u>	<u>3,150,977</u>	<u>238,977</u>	<u>1,000</u>	<u>32,063</u>	<u>31,063</u>
EXPENDITURES						
Current:						
General Government:						
City Manager						
City Attorney						
Finance						
Non-departmental	6,500	4,201	2,299	\$35,258	35,258	
Building, Safety and Housing						
Public Works	1,212,608	955,920	256,688			
Engineering						
Planning						
Police						
Total Expenditures	<u>1,219,108</u>	<u>960,121</u>	<u>258,987</u>	<u>35,258</u>	<u>35,258</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,692,892</u>	<u>2,190,856</u>	<u>497,964</u>	<u>(34,258)</u>	<u>(3,195)</u>	<u>31,063</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	<u>(1,600,000)</u>	<u>(1,600,000)</u>				
Total Other Financing Sources (Uses)	<u>(1,600,000)</u>	<u>(1,600,000)</u>				
NET CHANGE IN FUND BALANCES	<u>\$92,892</u>	<u>590,856</u>	<u>\$497,964</u>	<u>(\$34,258)</u>	<u>(3,195)</u>	<u>\$31,063</u>
ADJUSTMENT TO BUDGETARY BASIS:						
Expenditures capitalized for GAAP purposes						
Capital Outlay						
Encumbrance adjustments						
Fund balances at beginning of year		<u>1,344,521</u>			<u>1,607,342</u>	
Fund balances at end of year		<u>\$1,935,377</u>			<u>\$1,604,147</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)
\$15,000	\$16,292	\$1,292		\$5,209	\$5,209		\$63,989	\$63,989
298,000	336,920	38,920				\$2,000,000	1,801,632	(198,368)
313,000	353,212	40,212		5,209	5,209	2,000,000	1,865,621	(134,379)
						26,420	26,420	
			\$200,000		200,000	255,000	150,000	105,000
258,250	164,988	93,262						
258,250	164,988	93,262	200,000		200,000	281,420	176,420	105,000
54,750	188,224	133,474	(200,000)	5,209	205,209	1,718,580	1,689,201	(29,379)
(500,000)	(500,000)							
(500,000)	(500,000)							
(\$445,250)	(311,776)	\$133,474	(\$200,000)	5,209	\$205,209	\$1,718,580	1,689,201	(\$29,379)
	1,097,887			261,762			1,600,770	
	\$786,111			\$266,971			\$3,289,971	

(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, 2020

	AFFORDABLE HOUSING UNRESTRICTED			PUBLIC ART		
	Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)	Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
REVENUES						
Other taxes						
Use of money and property		\$50,516	\$50,516	\$5,000	\$32,012	\$27,012
Intergovernmental						
Charges for services						
Developer contributions					475,411	475,411
Other		114,890	114,890			
Total Revenues		165,406	165,406	5,000	507,423	502,423
EXPENDITURES						
Current:						
General Government:						
City Manager						
City Attorney						
Finance						
Non-departmental				132,500	30,587	101,913
Building, Safety and Housing						
Public Works						
Engineering						
Planning						
Police						
Total Expenditures				132,500	30,587	101,913
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		165,406	165,406	(127,500)	476,836	604,336
OTHER FINANCING SOURCES (USES)						
Transfers in	\$2,000,000	2,000,000				
Transfers (out)						
Total Other Financing Sources (Uses)	2,000,000	2,000,000				
NET CHANGE IN FUND BALANCES	<u>\$2,000,000</u>	2,165,406	<u>\$165,406</u>	<u>(\$127,500)</u>	476,836	<u>\$604,336</u>
ADJUSTMENT TO BUDGETARY BASIS:						
Expenditures capitalized for GAAP purposes						
Capital Outlay						
Encumbrance adjustments					21,000	
Fund balances at beginning of year					748,294	
Fund balances at end of year		<u>\$2,165,406</u>			<u>\$1,246,130</u>	

TOTALS		
Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
\$3,304,000	\$3,583,106	\$279,106
108,000	341,042	233,042
4,129,072	3,869,246	(259,826)
298,000	336,920	38,920
2,000,000	2,277,043	277,043
	114,927	114,927
9,839,072	10,522,284	683,212

26,420	26,420	
15,000	15,000	
1,074,992	452,311	622,681
255,000	150,000	105,000
2,330,133	1,532,679	797,454
168,066	150,888	17,178
258,250	164,988	93,262
389,074	329,777	59,297
4,516,935	2,822,063	1,694,872

5,322,137	7,700,221	2,378,084
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2,521,418	2,521,418	
(7,551,914)	(7,551,914)	
(5,030,496)	(5,030,496)	
\$291,641	2,669,725	\$2,378,084

229,688
16,375,708
\$19,275,121



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, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>Employee Benefit</u>				
<u>Assets</u>				
Cash and investments available for operations	\$1,344,806	\$19,031	\$599,981	\$763,856
Total Assets	<u>\$1,344,806</u>	<u>\$19,031</u>	<u>\$599,981</u>	<u>\$763,856</u>
<u>Liabilities</u>				
Accounts Payable		\$492		\$492
Refundable deposits	\$1,344,806	18,539	\$599,981	763,364
Total Liabilities	<u>\$1,344,806</u>	<u>\$19,031</u>	<u>\$599,981</u>	<u>\$763,856</u>
<u>Senior Advisory Commission</u>				
<u>Assets</u>				
Cash and investments available for operations	\$8,089	\$975	\$1,163	\$7,901
Total Assets	<u>\$8,089</u>	<u>\$975</u>	<u>\$1,163</u>	<u>\$7,901</u>
<u>Liabilities</u>				
Refundable deposits	\$8,089	\$975	\$1,163	\$7,901
Total Liabilities	<u>\$8,089</u>	<u>\$975</u>	<u>\$1,163</u>	<u>\$7,901</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments available for operations	\$1,352,895	\$20,006	\$601,144	\$771,757
Total Assets	<u>\$1,352,895</u>	<u>\$20,006</u>	<u>\$601,144</u>	<u>\$771,757</u>
<u>Liabilities</u>				
Accounts payable		\$492		\$492
Refundable deposits	\$1,352,895	19,514	\$601,144	771,265
Total Liabilities	<u>\$1,352,895</u>	<u>\$20,006</u>	<u>\$601,144</u>	<u>\$771,757</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
- Installment Payment Coverage, Water Revenue Bonds – Schedule 17

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 18
- Bimonthly Water Rates by Customer Class – Schedule 19
- Demographic and Economic Statistics – Schedule 20
- Principal Employers – Schedule 21

Operating Information

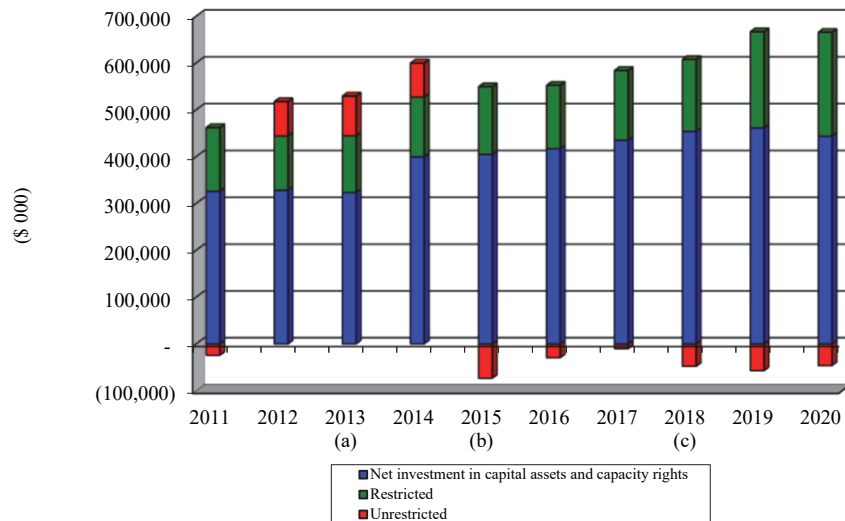
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

- Authorized Full-Time Equivalent Employees by Function/Program – Schedule 22
- Operating Indicators by Function/Program – Schedule 23
- Capital Asset Statistics by Function/Program – Schedule 24

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)



	Fiscal Year Ended June 30				
	2011	2012	2013 (a)	2014	2015 (b)
Governmental activities					
Net investment in capital assets and capacity rights	\$218,116	\$219,034	\$217,002	\$291,704	\$291,500
Restricted	115,474	90,878	88,147	90,758	103,829
Unrestricted	(44,592)	53,417	64,876	51,315	(84,598)
Total governmental activities net position	<u>\$288,998</u>	<u>\$363,329</u>	<u>\$370,025</u>	<u>\$433,777</u>	<u>\$310,731</u>
Business-type activities					
Net investment in capital assets and capacity rights	\$107,707	\$109,146	\$106,489	\$107,816	\$113,232
Restricted	20,743	25,239	32,889	37,254	40,867
Unrestricted	20,577	19,838	19,799	20,880	11,586
Total business-type activities net position	<u>\$149,027</u>	<u>\$154,223</u>	<u>\$159,177</u>	<u>\$165,950</u>	<u>\$165,685</u>
Primary government					
Net investment in capital assets and capacity rights	\$325,823	\$328,180	\$323,491	\$399,520	\$404,732
Restricted	136,217	116,117	121,036	128,012	144,696
Unrestricted	(24,015)	73,255	84,675	72,195	(73,012)
Total primary government net position	<u>\$438,025</u>	<u>\$517,552</u>	<u>\$529,202</u>	<u>\$599,727</u>	<u>\$476,416</u>
	Fiscal Year Ended June 30				
	2016	2017	2018 (c)	2019	2020
Governmental activities					
Net investment in capital assets and capacity rights	\$298,321	\$312,138	\$323,239	\$326,564	\$344,471
Restricted	100,327	108,630	109,726	145,983	158,716
Unrestricted	(44,368)	(30,091)	(63,405)	(65,799)	(93,911)
Total governmental activities net position	<u>\$354,280</u>	<u>\$390,677</u>	<u>\$369,560</u>	<u>\$406,748</u>	<u>\$409,276</u>
Business-type activities					
Net investment in capital assets and capacity rights	\$118,588	\$122,937	\$130,736	\$135,048	\$99,331
Restricted	35,130	40,311	43,834	59,191	63,084
Unrestricted	15,261	20,254	15,784	8,930	47,967
Total business-type activities net position	<u>\$168,979</u>	<u>\$183,502</u>	<u>\$190,354</u>	<u>\$203,169</u>	<u>\$210,382</u>
Primary government					
Net investment in capital assets and capacity rights	\$416,909	\$435,075	\$453,975	\$461,612	\$443,802
Restricted	135,457	148,941	153,560	205,174	221,800
Unrestricted	(29,107)	(9,837)	(47,621)	(56,869)	(45,944)
Total primary government net position	<u>\$523,259</u>	<u>\$574,179</u>	<u>\$559,914</u>	<u>\$609,917</u>	<u>\$619,658</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,			
	2011	2012	2013 (c)	2014
Expenses				
Governmental activities				
General Government	\$21,474 (a)	\$17,418 (b)	\$15,329	\$21,074
Building and Safety	1,984	2,029	2,293	2,684
Building, Housing and Safety				
Recreation and Community Services				
Public Works	16,777	21,787	17,700 (d)	18,664
Engineering				
Planning and Neighborhood Services	2,155	2,144	2,553	2,119
Planning				
Parks and Recreation	6,529	5,823	3,107 (d)	3,012
Police	22,661	22,620	21,702	23,373
Fire	15,085	14,904	15,810	15,159
Interest on Long Term Debt	9,536	2,050	227	240
Total governmental activities expenses	96,201	88,775	78,721	86,325
Business-type activities				
Water Utility	12,766	15,229	17,195	17,369
Recycled Water Utility	470	599	(e)	(e)
Sewer Utility	9,240	8,399	9,418	11,008
Total business-type activities expenses	22,476	24,227	26,613	28,377
Total primary government expenses	\$118,677	\$113,002	\$105,334	\$114,702
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	\$1,071	\$1,349	\$1,700	\$1,819
Building and Safety	2,823	3,436	4,554	6,445
Building, Housing and Safety				
Recreation and Community Services				
Public Works	1,826	2,440	2,668	2,472
Engineering				
Planning and Neighborhood Services	139	237	301	432
Planning				
Parks and Recreation	1,662	1,833	1,987	1,958
Police	1,263	1,134	1,051	1,091
Fire	1,210	1,292	1,508	2,120
Operating grants and contributions	4,869	6,146	7,487	6,195
Capital grants and contributions	5,704	8,294	8,286	15,483
Total government activities program revenues	20,567	26,161	29,542	38,015
Business-type activities				
Charges for services:				
Water Utility	15,201	16,773	19,801	21,354
Recycled Water Utility	1,300	1,447	(e)	(e)
Sewer Utility	11,406	12,445	12,632	12,753
Operating grants and contributions	70	43	111	57
Capital grants and contributions	163	1,629	1,975	1,402
Total business-type activities program revenue	28,140	32,337	34,519	35,566
Total primary government program revenues	\$48,707	\$58,498	\$64,061	\$73,581
Net (Expense)/Revenue				
Governmental activities	(\$75,634)	(\$62,614)	(\$49,179)	(\$48,310)
Business-type activities	5,664	8,110	7,906	7,189
Total primary government net expense	(\$69,970)	(\$54,504)	(\$41,273)	(\$41,121)

- (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.

2015	2016	2017	2018	2019	2020
\$18,118	\$18,614	\$21,174	\$19,111	\$25,281	\$24,050
2,617	2,513	3,389	4,148	(h) 5,449	(h) 7,418
			(h) 5,890	7,020	7,095
17,509	12,761	16,266	15,903	20,053	20,342
	5,790 (g)	6,249 (g)	5,712 (g)	6,459 (g)	7,314 (g)
2,372	2,649 (g)	3,103 (g)	3,586 (g)	(h) 1,851	(h) 2,741
3,098	4,090	4,949			
24,699	24,556	30,270	33,840	35,868	43,505
16,301	16,400	20,499	24,194	26,535	31,472
67	56	48		17	37
84,781	87,429	105,947	112,384	128,533	143,974
18,344	19,743	20,666	23,742	25,232	28,750
(e) 10,426	(e) 10,872	(e) 9,969	(e) 12,715	(e) 12,231	(e) 15,240
28,770	30,615	30,635	36,457	37,463	43,990
\$113,551	\$118,044	\$136,582	\$148,841	\$165,996	\$187,964
\$1,063	\$2,065	\$1,970	\$2,088	\$2,347	\$1,809
5,128	5,963	7,814	10,093	(h) 9,718	(h) 6,621
			2,559	2,655	1,145
2,644	(g) 2,863 (g)	(g) 2,720 (g)	(g) 2,465 (g)	(g) 2,379 (g)	(g) 2,132 (g)
700	747	292	418	(h) 226	(h) 452
2,060	1,981	2,301			
1,151	1,138	1,184	1,089	1,130	1,087
1,885	2,440	3,224	3,326	2,172	2,402
6,201	7,320	7,880	6,521	8,277	10,643
14,711	35,195	32,256	34,003	47,194	33,423
35,543	59,712	59,641	62,562	76,098	59,714
21,136	18,709	26,318	29,667	29,355	32,792
(e) 14,453	(e) 15,964	(e) 16,803	(e) 17,139	(e) 17,830	(e) 19,566
127	63	89	124	114	171
710	1,103	4,937	2,507	2,755	601
36,426	35,839	48,147	49,437	50,054	53,130
\$71,969	\$95,551	\$107,788	\$111,999	\$126,152	\$112,844
(\$49,238)	(\$27,717)	(\$46,306)	(\$49,822)	(\$52,435)	(\$84,260)
7,656	5,224	17,512	12,980	12,591	9,140
(\$41,582)	(\$22,493)	(\$28,794)	(\$36,842)	(\$39,844)	(\$75,120)

(Continued)

CITY OF MILPITAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Dollars in Thousands)

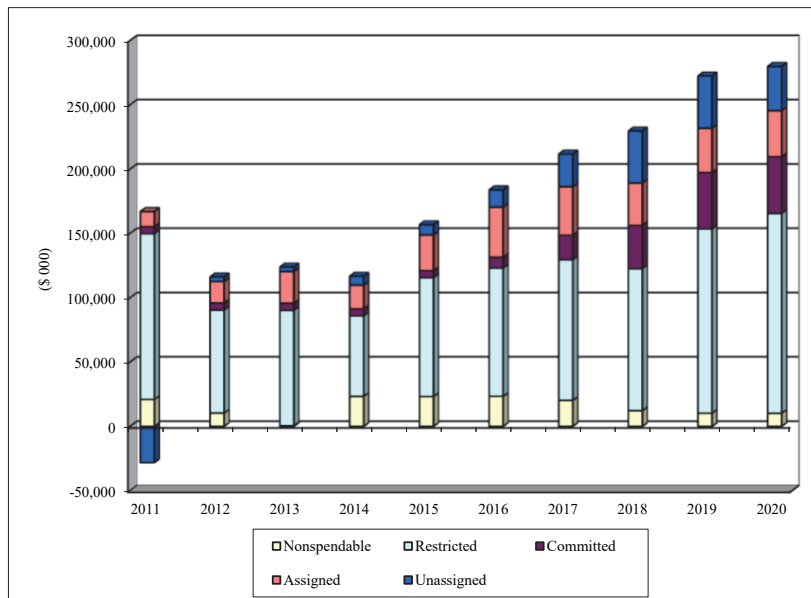
	Fiscal Year Ended June 30,			
	2011	2012	2013	(c) 2014
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property taxes	\$55,655 (a)	\$34,029	\$20,469	\$27,607
Sales and use taxes	16,429	18,758	20,196	19,014
Hotel/Motel taxes	6,124	7,068	7,933	9,336
Other taxes	380	491	516	672
Franchise fees	3,083	3,218	3,270	3,453
Motor vehicle in lieu	323	35	37	31
Investment earnings	399	1,093	260	844
Gain on sale of capital assets/property			46	
Miscellaneous	62	67	103	200
Redevelopment expense				
Transfers	3,374	3,304	3,045	3,402
Extraordinary item		68,882 (b)		
Special Item				49,799
Total governmental activities	85,829	136,945	55,875	114,358
Business-type activities				
Investment earnings	455	390	94	690
Transfers	(3,374)	(3,304)	(3,045)	(3,402)
Total business-type activities	(2,919)	(2,914)	(2,951)	(2,712)
Total primary government	\$82,910	\$134,031	\$52,924	\$111,646
Change in net position				
Governmental activities	\$10,195	\$74,331	\$6,696	\$66,048
Business-type activities	2,745	5,196	4,955	4,477
Total primary government	\$12,940	\$79,527	\$11,651	\$70,525

- (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.

2015	2016	2017	2018	2019	2020
\$24,927	\$27,068	\$30,262	\$31,893	\$33,811	\$37,684
18,779	23,924	25,392	26,991	27,983	24,173
10,917	11,757	11,858	12,122	14,503	11,377
664	822	803	814	808	836
3,659	3,841	3,871	4,678	5,127	5,173
29	29	34	39	36	60
379	913	118	301	4,474	2,808
		7,324		4	43
333	287	118	186	390	446
1,627	2,625	2,923	2,511	2,489	4,187
			(12,432) (f)		
61,314	71,266	82,703	67,103	89,625	86,787
383	695	(65)	171	2,712	2,261
(1,627)	(2,625)	(2,923)	(2,511)	(2,489)	(4,187)
(1,244)	(1,930)	(2,988)	(2,340)	223	(1,926)
\$60,070	\$69,336	\$79,715	\$64,763	\$89,848	\$84,861
\$12,076	\$43,549	\$36,397	\$17,281	\$37,190	\$2,527
6,412	3,294	14,524	10,640	12,814	7,214
\$18,488	\$46,843	\$50,921	\$27,921	\$50,004	\$9,741



CITY OF MILPITAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Dollars in Thousands)



	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$20,970	\$577	\$468	\$23,279	\$23,265	\$23,387	\$20,209	\$10,043	\$10,234	\$10,189
Restricted	24,555									
Committed	5,433	5,433	5,433	5,433	5,433	8,440	19,026	33,643	43,852	44,082
Assigned	9,698	13,904	10,434	6,658	7,013	9,052	8,067	8,629	5,916	6,118
Unassigned	15,448	15,800	16,444	13,521	13,864	13,410	25,440	40,496	40,655	34,387
Total General Fund	\$76,104	\$35,714	\$32,779	\$48,891	\$49,575	\$54,289	\$72,742	\$92,811	\$100,657	\$94,776 (a)
All Other Governmental Funds										
Nonspendable	\$23	\$9,788	\$11	\$32	\$11	\$13	\$15	\$2,229	\$85	\$20
Restricted	104,290	80,112	89,821	62,661	92,347	99,701	109,416	110,418	143,232	155,359
Assigned	2,127	2,892	14,244	11,808	20,806	29,956	29,635	24,284	28,532	29,768
Unassigned	(43,624)	(12,234)	(12,955)	(6,610)	(5,932)					
Total all other governmental funds	\$62,816	\$80,558	\$91,121	\$67,891	\$107,232	\$129,670	\$139,066	\$136,931	\$171,849	\$185,147 (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,				
	2011	2012	2013	2014	2015
Revenues					
Property taxes	\$55,655 (a)	\$34,029 (b)	\$20,466	\$27,608	\$24,927
Sales taxes	16,994	19,403	20,908	19,766	19,572
Hotel/Motel taxes					
Franchise fees					
Other taxes	10,917	12,230	13,343	14,992	17,505
Licenses and fines	4,309	4,956	5,875	8,193	6,971
Use of money and property	3,948	5,303	1,538	2,964	2,032
Intergovernmental	5,082	4,834	5,842	5,216	5,482
Charges for services	4,020	4,725	5,550	5,735	6,449
Developer contributions	3,360	7,549	7,987	13,975	11,614
Other	1,039	578	715	1,144	205
Total Revenues	105,324	93,607	82,224	99,593	94,757
Expenditures					
Current:					
General Government	19,003 (a)	12,753 (b)	11,871	13,204	12,814
Building and Safety	1,975	2,060	2,278	2,658	2,706
Building, Housing and Safety					
Recreation and Community Services			3,087	3,124	3,329
Human Resources and Recreation			(c)	(c)	(c)
Parks and Recreation	5,688	5,261			
Public Works	7,960	8,772	9,124	8,535	9,199
Engineering					
Planning and Neighborhood Services	2,267	2,196	2,030	2,202	2,570
Planning					
Police	21,682	21,733	20,978	22,165	24,193
Fire	14,994	14,562	15,420	14,587	15,605
Supplemental educational revenue augmentation fund payment	2,424				
Capital outlay	12,940	28,876	7,510	10,035	14,376
Debt service:					
Principal	8,225	13,153	4,209	3,828	6,000
Interest and fees	12,386	6,823	668	223	61
Total Expenditures	109,544	116,189	77,175	80,561	90,853
Excess (deficiency) of revenues over (under) expenditures	(4,220)	(22,582)	5,049	19,032	3,904
Other Financing Sources (Uses)					
Proceeds from debt issuance		21,780			
Payments to refunded debt escrow agent			46		
Proceeds/gain from sale of properties	5	8		6	4
Loss from sale/conveyance of property			(512)		
Transfers in	119,213	34,994	13,780	7,499	25,558
Transfers (out)	(115,839)	(31,690)	(10,735)	(4,098)	(19,305)
Total other financing sources (uses)	3,379	25,092	2,579	3,407	6,257
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	(\$841)	(\$22,647)	\$7,628	\$22,439	\$10,161
Debt service as a percentage of noncapital expenditures	22.2%	18.5%	10.1%	5.5%	7.4%

(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.

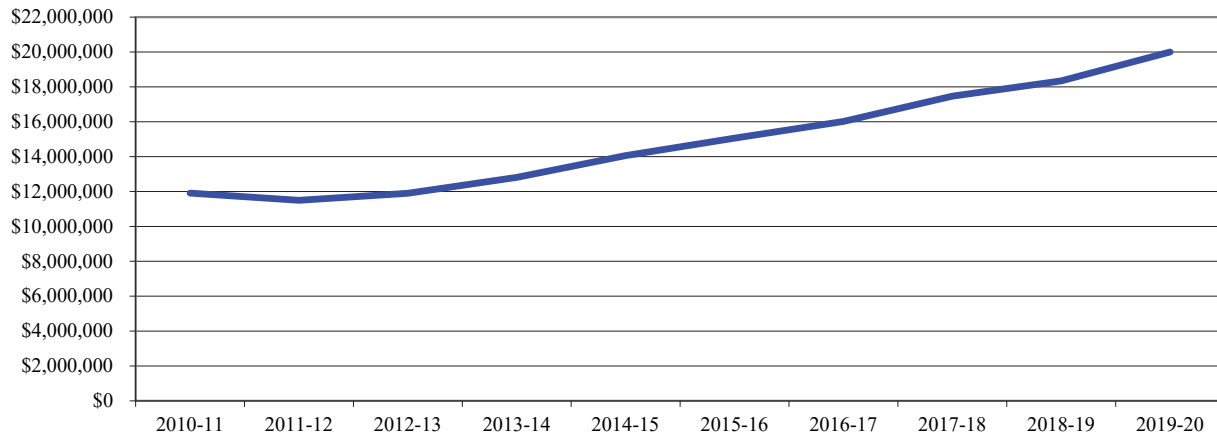
(e) Human Resources is a component of General Government and Recreation is a separate department beginning in fiscal year 2016.

(f) Neighborhood Services is a component of Building, Housing and Safety, and Planning is a separate department beginning in fiscal year 2019.

(g) Transient occupancy taxes and Franchise fees were reported separately from Other taxes beginning in fiscal year 2020.

Fiscal Year Ended June 30				
2016	2017	2018	2019	2020
\$27,068	\$30,261	\$31,893	\$33,811	\$37,799
24,719	26,214	27,854	28,890	25,058
				11,377 (g)
				5,173 (g)
18,737	19,349	20,429	23,386	4,632 (g)
8,051	10,497	12,758	11,757	9,039
3,037	2,180	2,719	8,452	8,092
6,104	4,696	6,228	6,019	9,089
7,196	7,238	6,981	6,969	5,228
29,410	25,637	29,065	41,153	24,684
113	310	568	926	983
124,435	126,382	138,495	161,363	141,154
13,771	17,089	15,397	21,352	19,146
2,885	3,148	3,633	(f)	(f)
			5,038	5,784
3,383	3,876	4,497	5,144	5,227
(e)	(e)	(e)	(e)	(e)
(c)	(c)	(c)	(c)	(c)
6,020	6,839	6,983	8,151	9,588
3,257	3,527	3,103	3,201	3,559
2,805	2,978	3,153	(f)	(f)
			1,648	2,116
26,124	27,247	27,880	30,389	34,301
17,470	18,456	21,034	23,225	26,416
24,811	26,151	27,243	23,435	32,106
			199	728
54	48	69	104	155
100,580	109,359	112,992	121,886	139,126
23,855	17,023	25,503	39,477	2,028
			952	
160	7,324		1	
		(12,437)	(152)	
23,001	18,405	19,505	37,936	27,164
(19,864)	(14,903)	(14,637)	(35,449)	(21,777)
3,297	10,826	(7,569)	3,288	5,387
\$27,152	\$27,849	\$17,934	\$42,765	\$7,415
0.1%	0.1%	0.1%	0.3%	0.7%

CITY OF MILPITAS
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (Dollars in Thousands)



Fiscal Year	Real Property				Unsecured	Less: Tax-Exempt Property (c)	Total Taxable Assessed Value (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other (c)				
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	540,230	1,764,760	(296,041)	12,813,358	1%
2014-15	7,728,283	1,427,474	2,628,858	654,879	1,887,428	(266,136)	14,060,786	1%
2015-16	8,629,667	1,445,665	2,788,984	649,712	1,844,591	(299,860)	15,058,759	1%
2016-17	9,386,926	1,493,922	3,248,012	675,017	1,529,223	(314,291)	16,018,809	1%
2017-18	10,143,815	1,581,140	3,563,327	782,718	1,710,357	(315,999)	17,465,358	1%
2018-19	10,997,080	1,619,668	3,504,633	790,143	1,761,094	(328,719)	18,343,899	1%
2019-20	12,311,913	1,684,889	3,752,681	665,325	1,917,745	(333,527)	19,999,026	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.
- (c) Corrections were made for Fiscal Years 2013-14 through 2018-19 to correct the amounts for Other and Tax-Exempt Property. Total assessed value was unchanged.

CITY OF MILPITAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of assessed value)

Fiscal Year	City Direct Rates		Overlapping Rates (a)		
	Basic Rate (b)	Total Direct	County of Santa Clara (c)	School Districts	Special Districts
2010-11	\$1.00	\$1.00	\$0.0507	\$0.1389	\$0.0072
2011-12	1.00	1.00	0.0459	0.1490	0.0064
2012-13	1.00	1.00	0.0463	0.1140	0.0069
2013-14	1.00	1.00	0.0437	0.0961	0.0070
2014-15	1.00	1.00	0.0503	0.0750	0.0065
2015-16	1.00	1.00	0.0503	0.0817	0.0057
2016-17	1.00	1.00	0.0498	0.0734	0.0086
2017-18	1.00	1.00	0.0621	0.0880	0.0062
2018-19	1.00	1.00	0.0589	0.0850	0.0042
2019-20	1.00	1.00	0.0581	0.1245	0.0041

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.
- (c) The overlapping rates for the County of Santa Clara were corrected in prior years to include amounts that were previously omitted by mistake.

CITY OF MILPITAS
PRINCIPAL PROPERTY TAX PAYERS
FISCAL YEARS 2019-20 and 2010-11

Taxpayer	2019-2020			2010-2011		
	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.	\$886,371,787	1	4.43%	\$584,277,379		4.90%
KLA Tencor Corporation	422,312,113	2	2.11%	203,516,223		1.71%
Milpitas Mills LP	337,889,378	3	1.69%	318,591,678		2.67%
Sandbox Expansion LLC	237,179,988	4	1.19%			
Western Digital Technologies	223,729,541	5	1.12%			
Milpitas-District Owner LLC	203,447,281	6	1.02%			
McCarthy Center Holdings LLC	189,588,451	7	0.95%			
Amalfi Milpitas LLC	167,847,713	8	0.84%			
Essex Portfolio Lp	161,316,189	9	0.81%			
Diversifield Real Estate Investors				185,839,684		1.56%
Silicon Valley California, Inc.				175,255,293		1.47%
Headway Technologies	158,592,564	10	0.79%	123,824,481		1.04%
Bre Milpitas LLC				115,567,449		0.97%
Linear Technology Corporation				107,655,795		0.90%
Solyndra Inc				82,207,448		0.69%
Lifesan Inc				80,419,329		0.68%
Subtotal	<u>\$2,988,275,005</u>		<u>14.94%</u>	<u>\$1,977,154,759</u>		<u>16.60%</u>
Fiscal Year 2018-2019 Total Net Assessed Valuation			\$19,999,026,000			
Fiscal Year 2009-2010 Total Net Assessed Valuation			\$11,912,096,000			

Source: Hdl, Coren & Cone, Santa Clara County Assessor 2018/19 Combined Tax Rolls

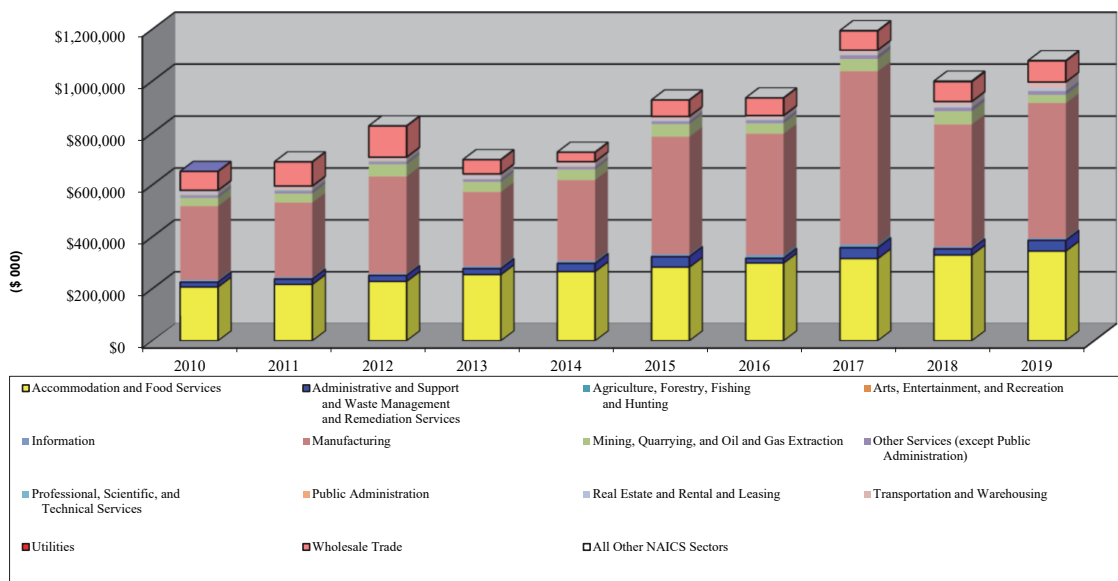
CITY OF MILPITAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Dollars in thousands)

Fiscal Year		Taxes Levied (a)	Current Collections (a)	Percent of Levy Collected	Delinquent Tax Collections	Total Taxes Collected (a)	Percent of Levy
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%
2019-20		37,684	37,684	100.00%	0	37,684	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)



	CALENDAR YEARS									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Accommodation and Food Services	\$207,388	\$217,028	\$228,669	\$254,966	\$266,893	\$283,823	\$299,502	\$316,639	\$330,496	\$345,741
Administrative and Support and Waste Management and Remediation Services	18,785	21,090	22,923	22,930	31,270	40,434	18,183	41,625	23,808	41,319
Agriculture, Forestry, Fishing and Hunting	2,129	231	654	2,325	3,419	1,615	5,095	5,557	1,859	1,750
Arts, Entertainment, and Recreation	237	253	826	294	391	369	339	242	131	-
Information	6,622	6,783	6,361	6,680	6,953	7,444	8,034	7,896	6,649	7,055
Manufacturing	283,892	287,022	373,444	286,085	310,523	452,332	466,744	666,252	470,605	519,709
Mining, Quarrying, and Oil and Gas Extraction	31,304	34,733	46,844	38,479	40,494	48,890	39,887	47,834	50,470	31,657
Other Services (except Public Administration)	9,552	10,081	8,904	9,702	9,817	10,072	11,630	13,032	13,596	13,796
Professional, Scientific, and Technical Services	2,455	3,123	3,895	1,784	1,815	1,752	1,733	1,694	1,746	1,861
Public Administration	3,647	3,448	3,469	3,203	2,838	1,389	1,311	1,310	1,242	1,770
Real Estate and Rental and Leasing	7,088	3,883	2,899	6,901	4,023	3,592	3,504	4,507	6,288	8,355
Retail Trade	804,932	856,774	917,706	933,933	978,420	1,032,863	1,121,708	1,121,983	1,180,563	1,182,532
Transportation and Warehousing	6,551	8,532	8,479	9,607	11,752	12,736	11,818	13,411	15,032	23,952
Utilities	-	-	-	8	-	-	-	-	-	-
Wholesale Trade	73,175	93,560	120,653	55,034	36,458	63,621	68,188	74,425	76,539	81,577
All Other NAICS Sectors	9	29	61	159	97	56	169	752	2,167	976
Total	\$1,457,766	\$1,546,570	\$1,745,787	\$1,632,090	\$1,705,163	\$1,960,988	\$2,057,845	\$2,317,159	\$2,181,191	\$2,262,050
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

Fiscal Year	City Direct Rate	Santa Clara County (e)	State of California
2010-11	1.00	1.25	7.00
2011-12	1.00	1.25	6.00 (a)
2012-13	1.00	1.50 (b)	6.25 (c)
2013-14	1.00	1.50	6.25
2014-15	1.00	1.50	6.25
2015-16	1.00	1.50	6.25
2016-17	1.00	2.00	6.00 (d)
2017-18	1.00	2.00	6.00
2018-19	1.00	2.00	6.00
2019-20	1.00	2.00	6.00

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%.

(e) Corrections were made to the County and State rates in all years. 0.25% that is part of the County Transportation Fund was being counted as State rate by mistake.

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 2019 and 2009
 IN ALPHABETICAL ORDER

2019	2009
7-Eleven Food Stores	Best Buy Stores
Acme Construction Supply	Burlington Coat Factory
Best Buy Stores	Chevron Service Stations
Burlington Coat Factory	Cisco Systems Inc.
Chevron Service Stations	Coach Stores
Cisco Systems Inc.	Dave & Busters
Coach Stores	H & M
Consolidated Electrical Distributors	Headway Technologies
Eplus Technology	Home Depot
Flextronics	KLA Tencor Corporation
Home Depot	Kohl's Department Stores
Hoya Corporation USA	LSI Logic
Independent Electric Supply	Marshall's Store
KLA Tencor	Milpitas Materials Company
Marshall's Stores	Nanometrics
McDonald's Restaurants	Neiman Marcus Department Store
Michael Kors Stores	One Workplace L Ferrari
Milpitas Materials Company	Piercey Toyota & Scion
Nike Factory Store	Ross Stores
Piercey Honda	Saks Fifth Avenue
Piercey Toyota & Scion	Shell Service Stations
Shell Service Stations	South Bay Honda
Teledyne Lecroy	Sportmart
Veeco Process Equipment	The GAP
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)

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)			
2010-11	\$168,940	\$33,978	\$0	\$0	\$8,090	\$0	\$211,008	10.21%	\$2,949
2011-12	0 (b)	0 (b)	14,037	0	7,710	0	21,747	1.06%	325
2012-13	0	0	9,828	360	7,315	0	17,503	0.82%	258
2013-14	0	0	6,000	274	6,910	0	13,184	0.59%	188
2014-15	0	0	0	186	6,490	0	6,676	0.29%	96
2015-16	0	0	0	94	6,055	0	6,149	0.26%	81
2016-17	0	0	0	0	5,605	0	5,605	0.22%	74
2017-18	0	0	0	0	0	5,363	5,363	0.20%	71
2018-19	0	0	0	728	0	4,812	5,540	0.19% (c)	73
2019-20	0	0	0	0	0	59,448	59,448	1.76%	763

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

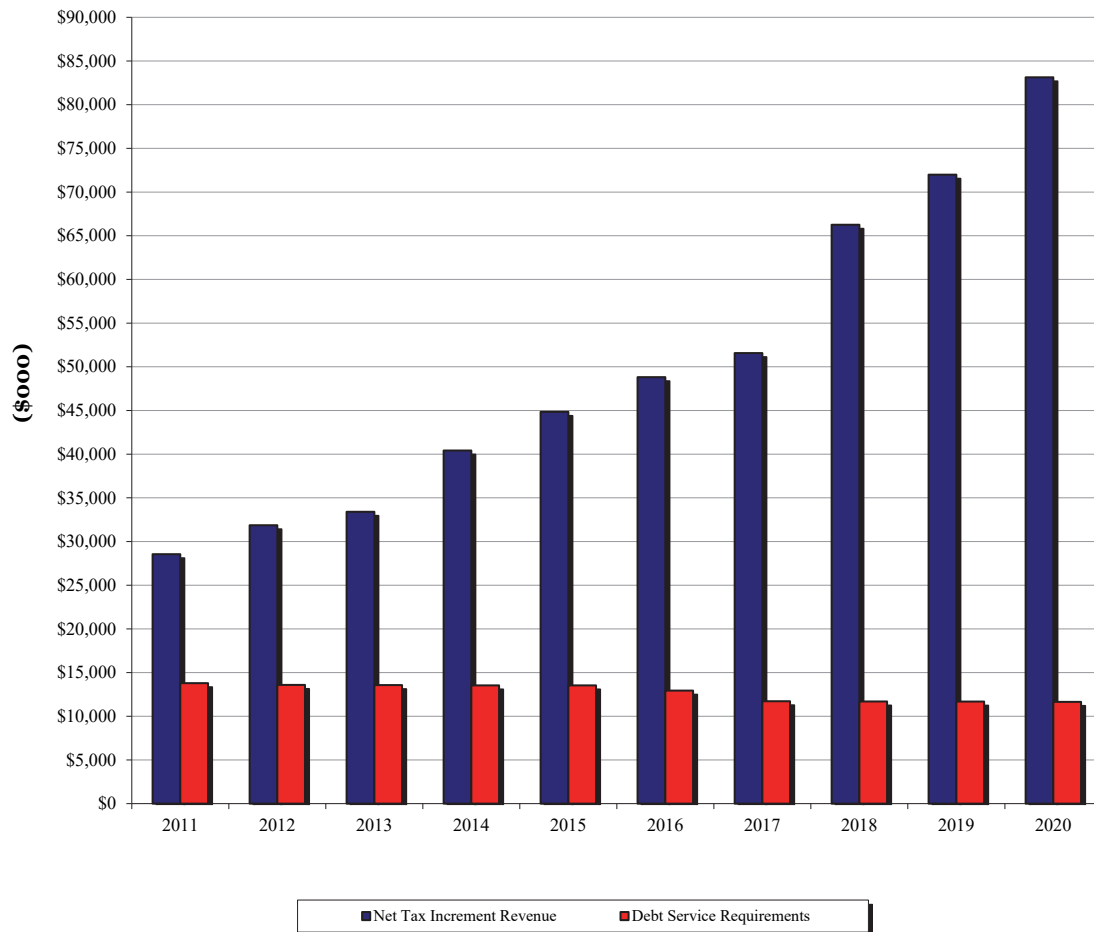
(a) See Schedule 18 for personal income and population data.

(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



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	
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
2020	83,139,471	0 (b)	83,139,471	6,735,000 (d)	4,915,125 (d)	11,650,125	7.14

- (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, 2020

JURISDICTION	PERCENTAGE APPLICABLE TO CITY OF MILPITAS (1)	AMOUNT APPLICABLE TO CITY OF MILPITAS
2019-20 Assessed Valuation, Direct and Overlapping Debt		\$19,999,026,235
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Santa Clara County	3.799%	\$34,191,639
San Jose- Evergreen Community College District	12.154%	105,568,606
Milpitas Unified School District	99.108%	164,952,212
East Side Union High School District	0.456%	5,440,712
Berryessa Union School District	2.989%	3,238,617
Santa Clara Valley Water District Benefits Assessment District	3.799%	2,540,551
City of Milpitas 1915 Act Bonds	100%	
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		315,932,337
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>		
Santa Clara County General Fund Obligations	3.799%	37,499,267
Santa Clara County Pension Obligations	3.799%	13,460,000
Santa Clara County Board of Education Certificates of Participation	3.799%	134,989
San Jose- Evergreen Community College District OPEB Bonds	12.154%	5,843,468
Milpitas Unified School District Certificates of Participation	99.108%	11,903,497
East Side Union High School District OPEB Bonds	0.456%	171,169
Berryessa Union School District Certificates of Participation	2.989%	157,319
City of Milpitas	100%	0
Santa Clara County Vector District Certifications of Participations	3.799%	77,968
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		69,247,677
Less: Santa Clara County supported obligations		(2,845,481)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$66,402,196
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u>	100%	\$94,935,000
TOTAL DIRECT DEBT		\$0
TOTAL GROSS OVERLAPPING DEBT		\$480,115,014
TOTAL NET OVERLAPPING DEBT		\$477,269,533
GROSS COMBINED TOTAL DEBT		\$480,115,014 (2)
NET COMBINED TOTAL DEBT		\$477,269,533

- (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.

Ratios to 2018-19 Assessed Valuation:
Total Overlapping Tax and Assessment Debt 1.58%

Ratios to Assessed Valuation:
Direct Debt % 0.00%
Total Gross Debt % 2.40%

Source: California Municipal Statistics, Inc.

CITY OF MILPITAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)

Legal Debt Margin Calculation for Fiscal Year 2019-20

Assessed value (net) - June 30, 2020	<u><u>\$19,999,026</u></u>	
Debt limit: 3.75% of assessed value (a)		\$749,963
Debt applicable to limit		
Total Bonded Debt		
Less: Tax Allocation Bonds		
not subject to limit		
Amount of Debt subject to limit		<u>0</u>
Legal debt margin		<u><u>\$749,963</u></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
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%
2019-20	749,963	0	749,963	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

Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Installment Payments			Coverage
				Principal	Interest	Total	
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
2019-20	20,664,951	10,235,463	10,429,488	460,000	808,477	1,268,477	8.22

NOTE: The Certificates of Participation were issued on November 28, 2006 and called on January 5, 2018.
 The 2017 Wastewater Revenue Refunding Bonds were issued on December 4, 2017.
 The 2019 Wastewater Revenue Bonds were issued on October 22, 2019.

- (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
 INSTALLMENT PAYMENT COVERAGE
 WATER REVENUE FUNDS
 LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Installment Payments			Coverage
				Principal	Interest	Total	
2010-11							
2011-12							
2012-13							
2013-14							
2014-15							
2015-16							
2016-17							
2017-18							
2018-19							
2019-20	\$33,954,254	\$26,919,455	\$7,034,799	\$155,000	\$419,018	\$574,018	12.26

NOTE: The Water Revenue Bonds were issued on October 24, 2019.

- (1) Gross Revenues include water service charges, other operating revenues, and interest income.
Gross Revenues exclude connection fees and capital contributions.
- (2) Operating Expenses include wholesale water purchases, 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

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)
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
2019-20	111.07	85.30	70.08	25.78	4.54 - 10.65

Source: City of Milpitas, Ordinance 208.53

(a) For each one hundred cubic feet of water used. Charge varies depending on the business or type of business.

CITY OF MILPITAS
BIMONTHLY WATER RATES BY CUSTOMER CLASS
LAST TEN FISCAL YEARS

Fiscal Year	Single Family Residential			Commercial	
	Potable Residential	Capital Surcharge	5/8 inch Meter Charge	Potable Commercial Industrial Institutional Construction	5/8 to 10 inch Meter Charge
2010-11	\$1.77 - \$3.72*		\$22.41	\$4.04	\$23.65 - \$577.47
2011-12	1.77 - 4.17*		25.77	4.32	25.77 - 628.82
2012-13	2.02 - 4.50*		26.29	4.62	26.29 - 641.40
2013-14	2.30 - 4.86*		26.82	4.94	26.82 - 654.23
2014-15	2.62 - 5.29*		27.36	5.29	27.36 - 667.31
2015-16	4.75		18.00	4.75	18.00 - 900.00
2016-17	5.13	1.30	19.44	5.13	19.44 - 972.00
2017-18	5.13	1.30	19.44	5.13	19.44 - 972.00
2018-19**	5.13 - 5.31	1.30 - 1.08	19.44 - 27.01	5.13 - 5.31	19.44 - 1,350.33
2019-20	5.63	1.08	28.63	5.63	26.83 - 1,431.35

Source: City of Milpitas, Ordinance 120.48

*Residential rates were a range based on consumption amounts for the period. There were 4 levels with the lowest rate being for use under 10 hc, and the highest rate for use over 30 hcf in the period..

**Rate effective Service Period April 1, 2019 to June 30, 2019 implemented on bill dated June 17, 2019. July 2018 rate listed first, and April rate listed second.

(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)

<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>
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
2019	77,961	5,707	3,373,340	43,269	10,308	2.70%	13.66

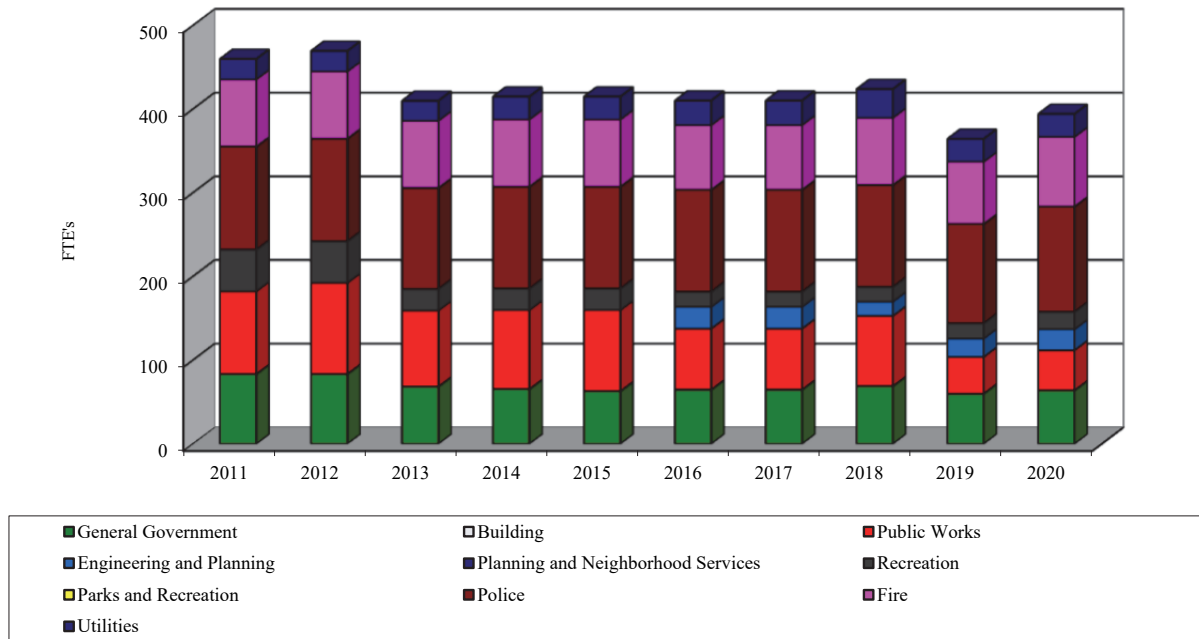
Sources: HdL, Coren & Cone
 City of Milpitas Annual Budget

CITY OF MILPITAS
PRINCIPAL EMPLOYERS
FISCAL YEAR 2019-20 and 2010-2011

Employer	2019-20			2010-11		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Cisco Systems, Inc.	3,347	1	7.95%	2,947	1	3.61%
KLA-Tencor Corporation	2,223	2	5.28%	2,298	2	2.81%
Flextronics International	2,732	3	6.49%	915	5	1.12%
San Disk Corporation	1,913	4	4.54%	1,797	3	2.20%
Analog Devices (Linear Technology Corporation)	1,283	5	3.05%	1,348	4	1.65%
Milpitas Unified School District	811	6	1.93%	793	6	
Headway Technologies	735	7	1.75%	362	10	0.44%
Fire-Eye, Inc.	528	8	1.25%			
Wal-Mart	439	9	1.04%			
Kaiser Permanente Medical Offices	361	10	0.86%			
LSI Logic Corporation				726	7	0.89%
Lifescan, Inc.				640	8	0.78%
JDS Uniphase Corporation				619	9	0.76%
Subtotal	<u>14,372</u>		<u>34.14%</u>	<u>12,445</u>		<u>15.24%</u>
Total Labor Force			42,100			81,646

Source: California Municipal Statistics, Inc.

CITY OF MILPITAS
AUTHORIZED FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS



	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019 (e)	2020
Function										
General Government	83.5	83.5	68.5	65.5	63.0	64.8	64.8	69.0	60.0	64.0
Building, Housing and Safe	28.0	28.0	28.0	23.0	23.0	24.0	24.0	25.0	33.0 (c)	33.0
Public Works	99.0	109.0	91.0	94.5	97.0	73.0 (b)	73.0	84.0	44.0	48.0
Engineering						26.0 (b)	26.0	17.0	22.0	25.0
Planning	18.0	18.0	16.5	18.5	18.5	17.0	17.0	17.0	9.0 (c)	10.0
Recreation	49.5	49.5	25.5 (a)	25.5	25.5	18.0	18.0	17.5	18.0	20.75
Parks and Recreation										
Police:										
Sworn Police	94.5	94.0	91.5	92.0	92.0	92.0	93.0	93.0	90.0	93.0
Civilians	29.0	29.0	29.5	30.0	30.0	30.0	29.0	29.0	29.0	33.0
Fire:										
Firefighters and Safety										
Officers	70.0	70.0	70.0	70.0	68.0	66.0	66.0	68.0	71.0	79.0
Civilians	10.0	10.0	10.0	10.0	12.0	11.0	11.0	12.0	3.0	4.0
Utilities (d)	24.5	24.5	24.0	27.5	27.5	29.5	29.5	34.5	27.5	27.5
Total	<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>406.5</u>	<u>437.3</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.

(d) Utilities is comprised of employees from Public Works and Finance.

(e) In Fiscal Year 2019, the City removed unfunded authorized positions.

Source: City of Milpitas, final budget

CITY OF MILPITAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year Ended June 30				
	2011	2012	2013	2014	2015
Building Safety & Housing					
Building permits issued	2,800	2,800	3,400	4,300	4,300
Plan review performed	800	800	1,100	1,500	1,400
Code Customer Service Requests / Violations abated	800	725	725	725	755
Public Works					
Street miles maintained	139	139	139	139	139
Customer Service Requests	3,000	3,350	3,500	2,880	2,800
Development projects reviewed	225	200	200	205	190
Planning					
Applications to Planning Commission	45	96	106	159	236
Recreation					
Sports Center members	1,200	1,400	1,600	1,450	1,504
Senior nutrition meals served	23,076	23,304	22,090	20,656	21,231
Police					
Avg response time to emergency calls (minutes)	2:49	2:42	2:32	2:33	2:32
Number of anti-terrorist patrol checks	1,469	1,693	1,996	2,550	2,300
Crime prevention presentations	281	235	201	200	200
Number of vehicle citations issued	8,544	6,901	4,120	3,516	3,600
DARE presentations: schools/students	11/845	12/770	0	0	0
Fire					
Emergency calls for service	4,400	4,075	4,356	4,356	4,950
Public education events	80	120	45	45	80
Permits Inspections	4,000	4,334	4,510	4,510	4,666
Plan Review	900	671	807	807	983
Utility					
Clean sewer lines (feet)	550,000	500,000	329,313	640,255	500,000
Repair, replace or set water meters	380	491	149	298	279
Average daily consumption (thousands of gallons)	8,100	8,200	9,340	9,300	9,300

Source: City of Milpitas, final budget

Fiscal Year Ended June 30				
2016	2017	2018	2019	2020
4,200	4,090	4,200	4,300	4,000
1,500	1,610	1,700	1,600	4,800
755	800	714	784	600
139	139	298	298	298
2,794	2,800	3,000	2,384	4,468
178	158	160	225	134
92	92	100	419	37
1,600	1,325	1,450	1,575	1,877
20,158	18,678	17,206	18,322	20,145
2:40	2:44	2:57	2:41	2:36
2,400	2,200	2,200	1,949	1,479
125	70	56	104	110
5,900	5,720	5,900	5,895	6,000
0	0	0	0	
5,000	5,000	5,200	5,640	5,600
100	112	200	223	134
7,600	7,322	7,577	7,824	7,772
1,200	1,550	1,700	1,600	1,575
500,000	500,000	491,244	528,051	432,022
189	152	115	147	219
7,800	5,800	6,590	8,394	8,410

CITY OF MILPITAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year Ended June 30			
	2011	2012	2013	2014
Public Works				
Miles of streets	139	287	287	287
Street lights	4,496	4,500	4,500	4,500
Square feet of buildings maintained (in thousands)	427	376	376	376
City vehicles	622	247	242	252
Signs	8,363	8,534	8,534	5,500
Signal lights	71	72	72	72
City Parks	31	31	33	34
Acres of Parkland	178	179	179	180
Playgrounds	33	33	24	25
Parks and recreation				
Community centers	1	1	1	1
Senior centers	1	1	1	1
Sports centers	1	1	1	1
Satellite centers	0	0	0	0
Swimming pools	4	3	3	3
Tennis courts	17	20	20	20
Football field	1	1	1	1
Baseball/softball fields	15	12	8	8
Soccer fields	2	3	9	9
Basketball courts	5	4	8	8
Volleyball courts / Horse Shoe Pits / Bocce Ball / Cricket Field / Par Course	4	5	4	9
Handball courts	4	4	5	5
Joint use:				
Russell Bobbysocks Fields	0	0	0	0
Soccer fields	0	0	0	0
Police				
Police stations	2	2	2	2
Police patrol vehicles	28	27	27	29
Fire				
Fire stations	4	4	4	4
Fire Apparatus	15	13	22	19
Fire hydrants	1,840	1,840	1,840	1,847
Utility				
Miles of water mains	213	213	213	214
Water Tank Storage capacity (million of gallons)	16	16	16	16
Miles of sanitary sewers	178	179	179	179
Miles of storm drain	110	110	110	110
Miles of recycled water main	3	4	4	4

Source: City of Milpitas, final budget

Fiscal Year Ended June 30					
2015	2016	2017	2018	2019	2020
298	298	298	298	298	298
4,577	4,577	4,581	5,119	5,141	4,418
376	376	376	322	473	473
260	264	264	269	271	258
5,700	5,700	6,000	10,000	10,000	6,000
70	71	72	72	74	78
34	33	32	32	32	36
180	180	195	195	195	154
34	34	33	30	33	33
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
0	0	2	2	1	2
3	3	3	3	3	3
21	21	21	21	21	21
1	1	1	1	1	1
9	9	7	7	9	9
12	13	13	13	8	8
7	9	10	10	10	10
7	10	13	12	10	10
5	5	6	6	6	6
0	0	3	3	3	3
0	0	2	2	8	2
2	2	2	2	2	2
28	34	29	29	29	29
4	4	4	4	4	4
19	13	11	11	12	13
2,033	2,033	2,039	2,039	2,039	2,308
213	203	203	206	206	206
16	16	16	16	16	16
179	173	173	175	173	173
110	99	99	105	99	99
23	23	21	23	26	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, 2020, and have issued our report thereon dated November 4, 2020. 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. However, material weakness may exist that have not been identified.

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*.

We have also issued a separate Memorandum on Internal Control dated November 4, 2020 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 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.

Maze & Associates

Pleasant Hill, California
November 4, 2020



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Accept Staff Report on Unhoused Response and Prevention in Milpitas and Provide Direction on Next Steps
Category:	Community Development
Meeting Date:	12/1/2020
Staff Contact:	Sharon Goei, 408-586-3260 Adam Marcus, 408-586-3244
Recommendation:	Accept staff report on Unhoused Response and Prevention in Milpitas and provide direction on next steps, if any.

Background:

On October 6, 2020, staff from the City, Destination: Home, and Santa Clara County presented to Milpitas City Council the 2020-2025 regional Community Plan to End Homelessness, which is an update to the original 2015-2020 plan. The Community Plan was developed with extensive countywide input from persons with lived experience, homeless service providers, local public agencies, nonprofit and private sectors, philanthropy, and more. The Community Plan organizes countywide input into three main strategies:

- Strategy 1: Address the root causes of homelessness through system and policy change;
- Strategy 2: Expand homelessness prevention and housing programs to meet the need; and
- Strategy 3: Improve quality of life for unsheltered individuals and create healthy neighborhoods for all.

The Milpitas City Council received presentations about the Community Plan and directed City staff to conduct outreach to develop a local unhoused response plan.

On October 15, 2020 at a special meeting, the Milpitas City Council amended their direction and asked staff to return on October 20, 2020 with a proposal for a comprehensive Milpitas strategy that prevents and responds to homelessness in Milpitas. Council direction stated that the strategy should explore street outreach and assessment, deployment of a shower and laundry trailer, toilets, handwashing stations, safe parking, and other items that may improve quality of life for Milpitas unhoused residents. On October 20, 2020, the City Council deferred this item until November 10, 2020.

On November 10, 2020, the City Council approved and authorized staff to enter into an agreement for homeless outreach, assessment, and street-based case management services with Santa Clara County. The Council also provided feedback on basic needs services and directed staff to return on December 1, 2020 with further research on those services.

Analysis:

Below is a further analysis of shower and laundry services for the unhoused along with high-level insights on other basic needs services. Shower and laundry services are a high priority for unhoused residents according to advocates. Based on discussions with nonprofit organizations, local government agencies, volunteers from grassroots team and faith-based organizations, as well as staff from various departments, the below analysis estimates the scope of services, costs, and potential funding sources for a shower and/or laundry program. Additional time would be needed to engage more stakeholders, to refine a shower and/or laundry program, and to determine specific locations. Staff believes that feedback from the County's outreach team in early 2021 will help determine demand for additional basic needs services. As with any new initiatives, additional City staff resources will be needed since staff is fully allocated to current services and programs.

Shower and Laundry Services

Based on feedback from stakeholders, shower and laundry services are a high priority for unhoused residents. Staff researched four alternatives:

- A. **Dignity on Wheels Mobile Shower and Laundry Services:** Dignity on Wheels is a program managed by Project WeHOPE. Project WeHOPE is a nonprofit agency based in Santa Clara County that offers various services to meet the needs of the unhoused.

The Dignity on Wheels service provides a mobile trailer with shower, laundry, restrooms, and on-site case management. The case manager helps connect clients to resources and services such as health, identification document needs, and shelter. As the City implements outreach and assessment services with Santa Clara County, the County's Homeless Engagement and Access Team could be on site concurrently with Dignity on Wheels once a month to conduct assessments and further connect clients with a countywide network of services. Supplies provided by Dignity on Wheels include towels, laundry pods, hair and body wash, toilet paper, paper towels, gloves, and disinfectant cleaners. Often there are clothing donations available as well.

In a four-hour session, the shower service can accommodate up to 42 individuals. The laundry service can accommodate up to 16 single loads of laundry.

To select a site to host a mobile shower and laundry trailer, infrastructure requirements include a parking lot for a truck and trailer up to 52 feet to park, operate, and maneuver; and sufficient space for an accessible ADA drop-down ramp. The trailer can be self-sufficient meaning Dignity on Wheels can bring 600 gallons of water to the site, store dirty water, and run generators for power. However, to decrease wear and tear on the truck and equipment caused by traveling with the weight of the water, Dignity on Wheels prefers to have a water hook-up within 30 feet of the trailer; easy access to a sewer cleanout; and an electrical hookup within 30 feet of the trailer. The site should be a public space known to clients that is easily accessible. City staff is not required to be on-site if utilities are accessible and a City staff member is on call should an issue arise such as access to water or power. Cost for on-call staffing is estimated in the table below in the monthly City staff cost. The monthly figure also includes an estimate for staff to monitor the contract, analyze client data, and conduct periodic outreach so unhoused residents are aware of the service.

After staff and Dignity on Wheels evaluate and select a site, detailed logistics would be worked on before launching the service. This planning stage typically includes staff working with Dignity on Wheels to determine launch timeframe, supplies and services, client intake process (first-come or pre-signup), provider staffing, and City staff roles and training. This "One-time City staff cost" is estimated in the table below and includes staff time for notification of nearby property owners, residents and/or businesses of the proposed location and staff time to prepare a contract.

The overall implementation timeframe from request to launch is estimated to take two months. The process would include site evaluation, stakeholder input, creating and executing an agreement, confirming staffing for the trailer and site, and conducting basic training.

Dignity on Wheels provides services across the Bay Area. Local governments that maintain contracts with Dignity on Wheels include San Mateo, Santa Clara, and Alameda Counties as well as the cities of East Palo Alto, Menlo Park, Mountain View, Redwood City, San Jose, San Francisco, Alameda, Oakland, Berkeley, and Half Moon Bay. Nonprofit organizations in Gilroy and Sunnyvale also contract with Dignity on Wheels. This service is provided on a month-to-month basis. It generally takes several weeks to establish regular clientele.

If a pilot program is considered, it would likely be a once-a-week mobile shower and laundry service. Staff would explore a City site either in the Sports Center parking lot or near the Milpitas Library as a centralized and accessible location. The approximate cost for providing this service would be as follows:

Dignity on Wheels Mobile Shower and Laundry	
Outreach, Planning, Set-up Time	2 Months
Frequency/Size (Shower)	One 4-hour session per week
Frequency/Size (Laundry)	Up to 16 loads per week
Estimated Persons Served per Month (Shower)	Up to 182 per month (42 per week)
Estimated Persons Served per Month (Laundry)	Up to 70 per month
Service Provider(s)	Dignity on Wheels
Set-up cost	\$0
One-time City staff cost	\$3,000
6-Month contractor cost @ \$3,562 per month	\$21,372
6-Month City staff cost @ \$1,520 per month	\$9,120
Total 6-Month Cost (including one-time set-up)	\$33,492

- B. Milpitas Sports Center Shower Service: The Recreation and Community Services Department and Public Works Department estimate that with two part-time staff and contract custodial staff, the City could host shower services by appointment 1-2 days per week. During the pandemic, this could be done at times when the facility is closed and all locker rooms could be used simultaneously. After the pandemic when regular hours resume, showering sessions could be offered on day(s)/time(s) when the facility is not open for regular membership business or potentially on non-peak times using fewer locker rooms at a time. It should be noted that the Milpitas Sports Center complex is a dynamic site with the adjacent fields in use seven days a week, primarily for youth sports programs, during non-pandemic times. Challenges to operating out of this site's parking lot include limited parking, mix of vehicular and pedestrian traffic, and compatibility of the dual use.

This option does not include laundry service. For shower service, the facility has two youth locker rooms that could be used by one family at a time, and men's and women's locker rooms that could be used by single adults following social distancing measures. Upfront costs include the purchase of two sanitation spray tanks, new locker room signage, and hygiene care kits. The showers would be sanitized after each use per public health guidelines. The approximate cost for providing this service once a week is as follows:

Milpitas Sports Center Shower	
Outreach, Planning, Set-up Time	2-3 Months
Frequency/Size	One 4-hour session per week
Estimated Persons Served per Month	Up to 96 per month
Service Provider(s)	City
Set-up cost	\$6,250
One-time City staff cost	\$1,567
6-Month contractor cost @ \$1,985 per month	\$11,910
6-Month City staff cost @ \$932 per month	\$5,592
Total 6-Month Cost (including one-time set-up)	\$25,319

- C. Winter Faith Collaborative Mobile Shower Service: The Winter Faith Collaborative is not a nonprofit but a network of faith-based communities that provide assistance for the unhoused. The group is associated with Grace Solutions, which is a nonprofit organization that offers shelter and has operated a shower van and trailer in San Jose for four years. The trailer includes two rooms and can provide 24 showers per four-hour session. The equipment was purchased with private donations and the operation depends entirely on volunteers. It takes three people to staff a session. The Winter Faith Collaborative has been in touch with volunteers in Milpitas and are looking at

different churches that might be willing to host it. The cost to run the shower is \$150 per four-hour session with volunteer staffing. The trailer requires a 20-foot by 50-foot parking spot and can operate with a tank or with a water hookup which is preferred. If water and sewer hook-ups are requested, additional monthly costs would be required for City staff to verify proper connections similar to the Dignity on Wheels service.

This option does not include laundry or restroom services. There could be a cost for portable restrooms that would be needed for volunteers and clients waiting for services. While this alternative could be affordable, the potential for reliable volunteer staffing is unknown. Without sufficient volunteer labor, this model may not be successful because many unhoused residents do not have cell phones or internet access to check on changing dates and times for mobile shower service. Staff does not recommend funding this option at this time but will remain in touch with the Winter Faith Collaborative to further explore this alternative

- D. **Fixed Laundromat Services:** City staff contacted several laundromat/dry cleaner owners. Most were receptive to the idea of partnering with the City to provide laundry services for the homeless. However, additional research will be needed to calculate the cost of such a public/private partnership as pricing and logistics will vary by location.

To illustrate, staff would have to conduct outreach to find nonprofit agencies who might be interested in administering the program, to understand at what scale it would be worth taking on, and to create a process for choosing the sites that can participate. An appropriate administrative fee would need to be negotiated. Additionally, staff would need to survey small businesses and nonprofit organizations for interest and capacity, determine which locations are most accessible for unhoused residents, develop a process that meets the activity's objectives, develop program policies and procedures, and develop protocols that promote the health and safety of laundromat employees and the homeless community. Laundromats have a large capacity for washer/dryer loads at any given time. Without knowledge of the demand for laundromat services, staff is unable to provide a fixed cost for these services and instead has presented a range to potentially account for increased usage by the homeless community.

Furthermore, staff from the Building Safety and Housing Department would coordinate with Economic Development, Police, City Attorney, and other stakeholders to discuss the potential ramifications to nearby businesses. Drawing from staff's experience creating the Pilot Rent Relief Program and the Microenterprise Grant Program, staff estimates the minimum time to create a laundromat program would be approximately three months with initial startup costs ranging between \$15,000 and \$30,000. The staff cost is difficult to estimate due to the extent of the research required, the amount of staff required to conduct, vet, and present the research, and account for any unknowns when developing a new pilot program.

The approximate cost for providing this service is as follows:

Laundromat Service	
Outreach, Planning, Set-up Time	3 Months
Frequency/Size	16 to 32 loads per week
Estimated Persons Served per Month	70 to 140 per month
Service Provider(s)	Nonprofit and laundromats
Set-up cost	\$0
One-time City staff cost	\$15,000 to \$30,000
6-Month contractor cost @ \$875 to \$1,750 per month	\$5,250 to \$10,500
6-Month City staff cost @ \$1,000 per month	\$6,000
Total 6-Month Cost (including one-time set-up)	\$26,250 to \$46,500

The following table compares the capacity and costs for shower and laundry service options:

Summary of Shower and Laundry Service Capacity and Costs

Service Options	Estimated Persons Served per Month	Total Cost for 6-Month Pilot
A. Dignity on Wheels Mobile Shower and Laundry Services	Shower: Up to 182 per month Laundry: Up to 70 per month	\$33,492
B. Milpitas Sports Center Shower Service + D. Laundromat Service	Shower: Up to 96 per month Laundry: 70 to 140 per month	\$25,319 + (\$26,250 to \$46,500)

Staff recommendation: If the City Council decides to provide shower and laundry services, staff recommends implementing a six-month pilot program with Dignity on Wheels by Project WeHOPE at an estimated contract cost of \$21,372. This option is the most efficient to implement and the most comprehensive option for unhoused residents because it is an established program that sets up quickly, has flexibility with location and utility requirements, and combines shower, laundry, restroom, and case management services in one place. The service would cost less than other options studied primarily because it would require less City staff time (as reflected in the City staff cost estimate above) compared with creating new pilot programs at the Milpitas Sports Center and laundromats.

For this amount, Dignity on Wheels mobile shower and laundry service would be offered once a week. After three months, data would allow staff to evaluate the demand for the service, outreach needs to boost awareness of the service, and any other service adjustments that may be necessary. Such a service could also provide convenient opportunities for the County's Homeless Engagement and Access Team to assess and qualify clients for placement into supportive housing programs. Project WeHOPE has developed expertise in offering this service over the last eleven years and currently serves many other Bay Area jurisdictions.

The service is anticipated to assist unhoused Milpitas residents to overcome barriers that prevent them from attending their medical, housing, job, or case management appointments. After six months, City staff will have a much better idea of the demand for this service and the City Council could extend this service with modifications as desired.

Staff does not recommend the Sports Center shower and laundromat service model as it would have a larger fiscal impact, requiring considerably more City staff time to plan and implement. It does not include on-site case management. The capacity for shower for this model is lower than Dignity on Wheels also. The convenience to unhoused residents of being able to shower, wash their clothes, and receive case management at the same time and location would be lost as well.

Staff does not recommend proceeding with the Winter Faith Collaborative at this time due to the uncertainty of volunteer staffing and lack of restrooms. Together with the laundromat service, this option would require more City staff time to research and implement.

Other Basic Needs and Temporary Services

Sufficient time for outreach and assessment will be needed in order to understand the needs of the Milpitas unhoused residents including but not limited to garbage service near encampments, ADA/accessible toilets and handwashing stations, meal delivery, drop-in resource center, and safe parking. In early 2021, staff will begin working with the Santa Clara County Homeless Engagement and Access Team and recommends using that outreach to better understand the type and level of services that would be most beneficial in Milpitas. Staff would bring information back to Council after several months.

Intensive Project-Based Case Management Service and Supportive Housing Placement Program

This is a longer-term program that addresses Council support for providing supportive housing units for unhoused Milpitas residents. This option could be considered in fall 2021 to potentially place Milpitas residents in supportive housing units that will be ready for occupancy in fall 2022 at 355 Sango Court.

Staff recommends returning to Council in 2021 on this option after outreach and assessment provides an updated understanding of the needs of Milpitas unhoused residents.

Homelessness Prevention for at-risk Milpitas Residents

In the short-term during the pandemic, staff could work with LifeMoves, Milpitas Unified School District, and other agencies to enhance awareness of the homelessness prevention system through various outreach methods. After the pandemic, the City could potentially host meeting space with basic equipment such as a scanner and printer so a LifeMoves case manager can visit Milpitas on a regular interval to screen clients for eligibility and complete documentation for emergency financial assistance and referrals to legal services, domestic violence prevention services, and other resources. The City could work with Milpitas Unified School District and other organizations to promote this “pop-up” access point.

In August 2020, Destination: Home released a Request for Qualifications (RFQ) to address current gaps in the Homelessness Prevention System (HPS) network and to increase HPS access to underserved populations and geographies including Milpitas, East San Jose, Morgan Hill, and Gilroy. The RFQ seeks to identify qualified agencies to provide HPS services to households. If an organization is funded, this could leverage outside dollars to expand assessment and case management for at-risk Milpitas residents, including but not limited to McKinney-Vento families. Announcements for agencies qualified to provide HPS services to expand the HPS network are anticipated beginning 2021.

Staff recommends formalizing coordination with key stakeholders with regular meetings to increase communication to the community and to enhance awareness of the homeless prevention resources through a variety of outreach methods such as flyers, virtual workshops, and connections with landlord and tenant communities. Staff will stay informed of any agencies qualified by Destination: Home in 2021 to increase HPS access to underserved populations in Milpitas. Staff will work in coordination with those agencies to expand prevention services to residents at risk of becoming homeless in Milpitas.

Potential Funding and Resources

The above initiatives would require a mix of staff resources from the City and service providers. City staff resources are limited and presently 100 percent allocated to current services. In addition, ongoing funding sources will need to be identified for any new initiatives. Temporary solutions for unhoused residents could improve quality of life and connect them to other services, especially during the pandemic. These short-term solutions, combined with the regional production of interim and permanent supportive housing, would provide a more comprehensive strategy for the unhoused community.

To implement Dignity on Wheels mobile shower and laundry services as a six-month pilot program at an estimated contract cost of \$21,372, the California Board of State and Community Corrections (BSCC) grant funding that Milpitas Police Department received in 2017 could be used for this purpose. The balance of the grant funding as of October 31 is \$89,762 and there are several pending charges totaling under \$700. Thus, the approximate balance is \$89,000.

If the six-month pilot is of interest, the City could assess the impact of the program at its completion. If the City decided to continue the program, the remaining balance of the BSCC grant could fund mobile shower and laundry services for another nineteen months approximately. Together with the initial six months, this would be a total duration of twenty-five months. Should the City decide to continue the program after twenty-five months, funding sources other than the General Fund, such as the Housing Authority Fund, Affordable Housing Community Benefit Fund, or Affordable Housing Unrestricted Fund, could be considered as part of the annual budget process. Community Development Block Grant funding could be considered, although it would be limited by a 15% cap for public services, where the allocation has been distributed among seven to ten nonprofit service providers in prior years in Milpitas. Other grants and philanthropic donations could be explored, too. Given the City’s structural budget deficit, it is imperative that sustainable funding sources other than the General Fund be identified for program operation and continuance.

Fiscal Impact:

If the City Council decides to implement Dignity on Wheels mobile shower and laundry services as a six-month pilot program and utilize the BSCC grant, the fiscal impact would be an approximately \$21,372 reduction to the grant balance of \$89,000.

California Environmental Quality Act:

The recommendations have no potential for causing a significant effect on the environment and are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3). Further, the recommendations are also exempt under CEQA Guideline 15301 if the City Council decides to implement Dignity on Wheels mobile shower and laundry service as the proposed Dignity on Wheels by Project WeHOPE would likely be placed in an existing City facility, and/or CEQA Guideline 15311 as an accessory structure to an existing City facility. Each Guideline referenced above shall serve as an independent basis to determine the activity is exempt from CEQA.

Recommendation:

Accept staff report on Unhoused Response and Prevention in Milpitas and provide direction on next steps.

Attachment:

None



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution to Endorse the 2020-2025 Santa Clara County Community Plan to End Homelessness
Category:	Community Development
Meeting Date:	12/1/2020
Staff Contacts:	Sharon Goei, Director of Building Safety and Housing, 408-586-3260
Recommendation:	Adopt a resolution to endorse the 2020-2025 Santa Clara County Community Plan to End Homelessness

Background:

On October 6, 2020, the Milpitas City Council received presentations of the 2020-2025 Community Plan to End Homelessness from City staff, Destination: Home, and Santa Clara County. The City Council directed City staff to conduct outreach to develop a local unhoused response plan. On October 15, 2020 at a special meeting, the City Council amended their direction and asked staff to return on October 20, 2020 with a proposal for a Milpitas strategy that prevents and responds to homelessness in Milpitas. On October 20, 2020, the City Council deferred this item to November 10. On November 10, 2020, the City Council approved and authorized staff to begin an agreement for homeless outreach, assessment, and street-based case management services with Santa Clara County, and directed staff to return on December 1, 2020 with any further research on other services. On November 17, 2020, the City Council requested that the endorsement of the 2020-2015 Community Plan to End Homelessness return to the Council on December 1, 2020.

Previously, in 2014, the Santa Clara County Continuum of Care (CoC), in partnership with Destination: Home, developed the 2015-2020 Community Plan to End Homelessness, creating a five-year countywide roadmap that identified innovative strategies and set goals to create new housing opportunities. To address homelessness in a comprehensive way and to access state and federal funding, the CoC is a collaborative created by a broad group of stakeholders led by the County Office of Supportive Housing to coordinate housing and services funding for homeless individuals. The Community Plan to End Homelessness, which is driven and adopted by the Santa Clara County Continuum of Care, is a prerequisite for receiving CoC funding from the U.S. Department of Housing and Urban Development (HUD).

In June 2019, and consistent with the timeframe for the 2015-2020 Community Plan, efforts began to develop the next five-year plan – the 2020-2025 Community Plan to End Homelessness (“Community Plan”). Santa Clara County and Destination: Home implemented a community engagement process that involved various stakeholders, including people who have experienced homelessness, subject matter experts, community members and organizations, nonprofit service providers, and public agencies. City staff provided input into the process and disseminated Milpitas’ contributions to addressing homelessness. Community feedback was sought to identify challenges in the homeless system of care and to collect innovative ideas on how to reduce and end homelessness countywide.

As the plan was being updated, the coronavirus pandemic in 2020 further exacerbated homelessness. This highlighted the urgency to create a comprehensive response plan for unhoused individuals and families, as well as our residents who are at risk of homelessness.

The 2020-2025 Community Plan builds upon the previous plan and organizes strategies from the community engagement process into three main strategic areas:

- Strategy 1: Address the root causes of homelessness through system and policy change;
- Strategy 2: Expand homelessness prevention and housing programs to meet the need; and
- Strategy 3: Improve quality of life for unsheltered individuals and create healthy neighborhoods for all.

These strategies form the basic framework of the Community Plan. In August 2020, the Santa Clara County Board of Supervisors endorsed the Community Plan and supported working in partnership with stakeholders to implement the plan. The Community Plan is included here as **Attachment B**. Achieving the goals and advancing the strategies in the plan will require broad collaboration across sectors and communities.

Analysis:

Over the years, the City of Milpitas has taken various actions to address homeless response efforts and affordable housing initiatives. The Community Plan strategies are items that the Milpitas City Council and Housing Subcommittee have advanced, which have been included in the Building Safety and Housing Department's work plan. The City has advanced the three strategies in the Community Plan through policies, programs, and services. For example, to prevent homelessness, Milpitas strengthened tenant protections with the Rent Review and Just Cause Eviction Protection Urgency Ordinances. The City also ensures development of more affordable housing by implementing the Inclusionary Housing Ordinance and advocating for more affordable housing with developers. In addition, the Milpitas Rent Relief Program assists the most vulnerable residents with a wide range of housing needs, most notably rental assistance. Staff and the service provider also connect residents with other supportive services depending on the residents' needs. The Rent Relief Program works to prevent tenant displacement and curb short-term homelessness. Furthermore, through Community Development Block Grant funding to support low-income residents with supportive services such as fair housing, or capital projects to preserve affordable housing, a broad range of services and resources is being provided to prevent homelessness. In addition, homeless outreach, assessment, and street-based case management services are part of the strategy to improve quality of life for unsheltered individuals and create healthy neighborhoods for all.

To implement the Community Plan to End Homelessness, in September, Santa Clara County convened a 30-member Unhoused Task Force. Vice Mayor Bob Nuñez and Councilmember Karina Dominguez were appointed to serve on this Task Force. The Task Force focused on Community Plan Strategy 3 to identify immediate strategies and emergency solutions for the unhoused that can be implemented quickly. On October 22, 2020, the Task Force concluded and made its recommendations, one of which is for jurisdiction partners in Santa Clara County to endorse the 2020-2025 Community Plan.

The 2020-2025 Santa Clara County Community Plan to End Homelessness provides a regional-level roadmap to tackle homelessness and its root causes. As described above, the City's progress and approach, as well as activities being planned or implemented, are in alignment with the three strategies to advance the goals of the Community Plan. Preventing and ending homelessness requires collaboration and coordination of resources at all levels of government, together with community institutions, nonprofit agencies, and community-based organizations.

The recommended action to endorse the 2020-2025 Community Plan to End Homelessness is consistent with the City Council's goal to address homelessness and affordable housing. With homelessness being a regional issue, a countywide plan serves to unify organizations and communities on long-term strategies and collective solutions to end homelessness.

Fiscal Impact:

There is no fiscal impact associated with the recommendation.

California Environmental Quality Act:

The action being considered has no potential for causing a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

Recommendation:

Adopt a resolution to endorse the 2020-2025 Santa Clara County Community Plan to End Homelessness.

Attachments:

- A. Resolution to endorse the 2020-2025 Santa Clara County Community Plan to End Homelessness
- B. 2020-2025 Santa Clara County Community Plan to End Homelessness

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ENDORSING THE
2020-2025 SANTA CLARA COUNTY COMMUNITY PLAN TO END HOMELESSNESS**

WHEREAS, in 2015, the Santa Clara County Continuum of Care (CoC) and Destination: Home developed the 2015-2020 Community Plan to End Homelessness, where the community came together to create a roadmap that identified innovative strategies for reducing homelessness and set goals to create new housing opportunities; and

WHEREAS, to address homelessness in a comprehensive way and to access state and federal funding, the CoC is a collaborative created by a broad group of stakeholders led by the County Office of Supportive Housing to coordinate housing and services funding for unhoused individuals; and

WHEREAS, the Community Plan to End Homelessness, which is driven and adopted by the Santa Clara County Continuum of Care, is a planning requirement placed by the U.S. Department of Housing and Urban Development (HUD) on CoC funding; and

WHEREAS, despite the progress made in creating a coordinated supportive housing system, the housing crisis continues to grow statewide and locally; in 2019, over 9,700 residents found themselves homeless in Santa Clara County; and

WHEREAS, in June 2019, the Santa Clara County Continuum of Care and Destination: Home began embarking on a community engagement process to develop a new five-year plan, the 2020-2025 Community Plan to End Homelessness (“Community Plan”); and

WHEREAS, during the development of the new Community Plan, feedback was sought from a variety of stakeholders in the community to identify challenges in the homeless system of care and to collect innovative ideas on how to reduce and end homelessness countywide; and

WHEREAS, this work resulted in the development of strategies that fall into three main strategic areas: (1) Address the root causes of homelessness through system and policy change; (2) Expand homelessness prevention and housing programs to meet the need; and (3) Improve quality of life for unsheltered individuals and create healthy neighborhoods for all; and

WHEREAS, many of the Community Plan strategies are items that the Milpitas City Council has advanced, including policies and programs implemented by the Building Safety and Housing Department, and activities being planned or implemented are in alignment with the Community Plan to help advance its goals; and

WHEREAS, with homelessness being a regional issue, preventing and ending homelessness requires collaboration and coordination of resources at all levels of government, together with community institutions, nonprofit agencies, and community-based organizations; and

WHEREAS, the Community Plan provides a regional-level roadmap and a common agenda for community stakeholders that, if followed, will result in a collective impact on ending homelessness; and

WHEREAS, the City Council considered this resolution at a regular meeting of the City Council on December 1, 2020.

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

The City Council hereby endorses the 2020-2025 Santa Clara County Community Plan to End Homelessness.

PASSED AND ADOPTED this _____ day of _____, 2020, 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

SANTA CLARA COUNTY

COMMUNITY PLAN TO END HOMELESSNESS

2020–2025

Acknowledgements

The Community Plan Steering Committee would like to thank the many community stakeholders, people with lived experience of homelessness, and organizations for their participation in the process to update the plan and their valuable input.

For a full list of organizations that participated in the process, see page 14.

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14	Thank you!



Introduction

In 2015, the community came together to create a roadmap for ending homelessness in Santa Clara County. This plan—which was centered around a collective impact response and the proven Housing First model—set an ambitious goal to create 6,000 new housing opportunities and identified innovative strategies and programs for reducing homelessness.

Supportive Housing System Progress 2015-2019

Thanks to the collective efforts of partners throughout the community, over the past five years, we have done the following:

Helped **8,884 households** resolve their homelessness,



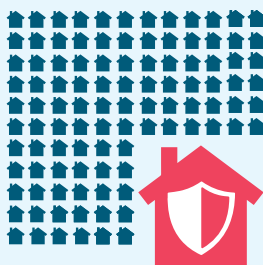
representing **14,132 people**



Doubled the number of supportive housing units in Santa Clara County



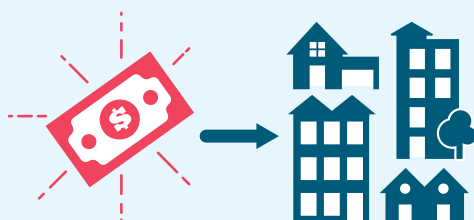
Doubled our temporary housing and emergency shelter capacity



Launched a new homelessness prevention system that now serves about **1,000 households annually**



Led a community-wide campaign that has successfully housed more than **1,600 veterans** and engaged nearly **800 private landlords** in the effort



Voters approved **\$950 million** to develop affordable housing through the 2016 Measure A Affordable Housing Bond and raised another **\$100 million** in private contributions to support the implementation of the community plan

Despite our progress creating a supportive housing system that assists thousands of homeless individuals and families each year, the crisis continues to grow. The systemic factors driving homelessness in our community—from the failed policies at the local, state, and national level to the extreme lack of housing options that are affordable for low-income residents—remain stronger than ever and are pushing more of our neighbors onto the streets every day.

These challenges have been compounded by the novel coronavirus (COVID-19) pandemic that arrived in our community as this plan was in development, making implementation of many of these strategies even more urgent. This public health crisis has ground our local economy to a halt, leaving many more households on the brink of homelessness due to job loss, lack of childcare, and economic uncertainty. The pandemic has also required a massive and immediate response by our crisis response system to quickly ramp up shelter capacity, increase access to hygiene services for people living outside, and protect those people experiencing homelessness who are particularly vulnerable. As a result, as this plan goes into effect, we anticipate there will be many more people experiencing or at risk of homelessness who will need immediate support, which will require our community to continue to be flexible and innovative in our responses to homelessness.

To truly end homelessness in Santa Clara County, we must summon the collective will and resources to not only respond to the current crisis and scale our successful housing strategies, but also address and eliminate the root causes of homelessness in our community.

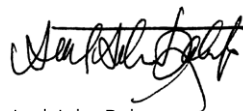
Community Plan Steering Committee Members



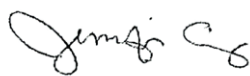
Ky Le, Co-Chair



Erin Connor



Joel John Roberts



Jennifer Loving, Co-Chair



Katherine Harasz



Claudine Sipili



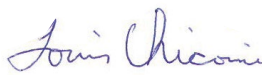
Jan Bernstein Chargin



Miguel Marquez



Leland Wilcox



Louis Chicoine

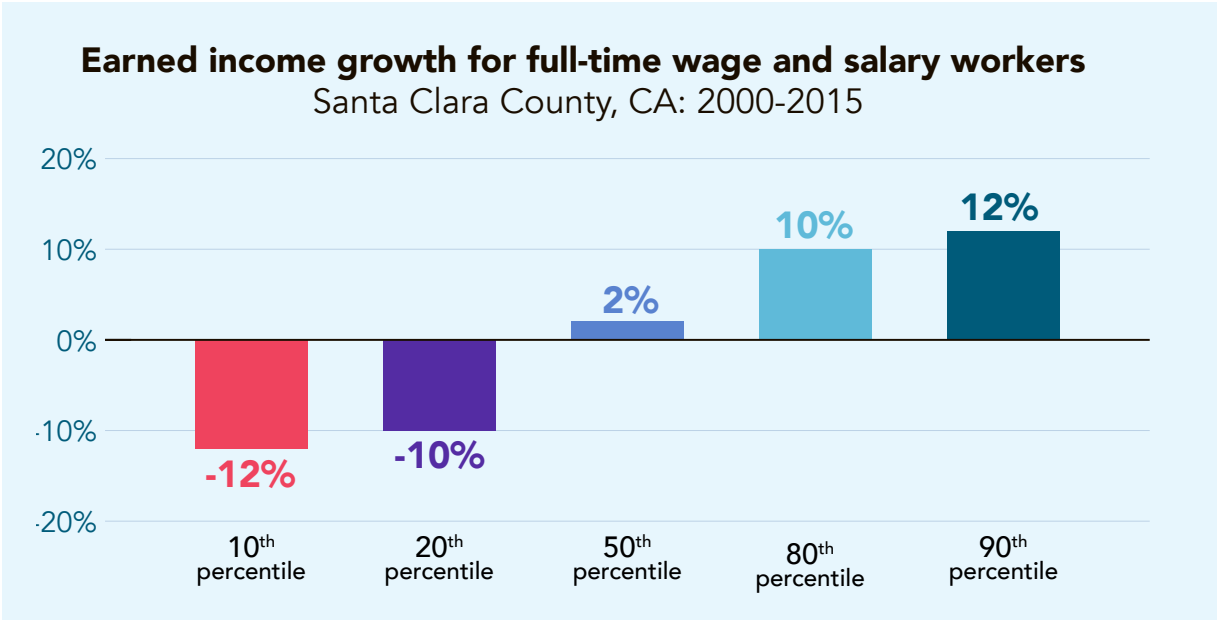


Jacky Morales-Ferrand

Our Homelessness Crisis

According to the 2019 Point-in-Time count, there are 9,706 individuals experiencing homelessness on any given night in Santa Clara County.¹ Families with children, seniors, individuals with disabilities, veterans, youth and young adults are all represented in the county's diverse homeless population. More than 80% of these individuals are unsheltered—sleeping outside, in cars, or other places not meant for human habitation. We expect that these numbers will increase over the coming months as the full impact of the COVID-19 pandemic is felt.

The gap between the rich and the poor in our community, combined with the lack of housing development particularly at the lowest income levels, is fueling the homelessness crisis. According to the Public Policy Institute of California, families at the highest income levels in the Bay Area (the 90th percentile) have more than 12 times the income of families at the bottom (the 10th percentile).² Those at the bottom rung of the economic ladder have also not shared in the region's significant economic growth. Between 2000 and 2015 in Santa Clara County, workers with earnings in the 10th percentile saw their income decline by 12%.³



This income inequality has been further exacerbated by the economic slowdown caused by the COVID-19 pandemic as many low-income households living paycheck-to-paycheck struggle to make rent and pay for other basic needs.

¹ Applied Survey Research, "Santa Clara County Homeless Census & Survey Comprehensive Report 2019." 2019. <https://www.sccgov.org/sites/osh/ContinuumofCare/ReportsandPublications/Pages/HomelessnessCensusandSurvey.aspx>

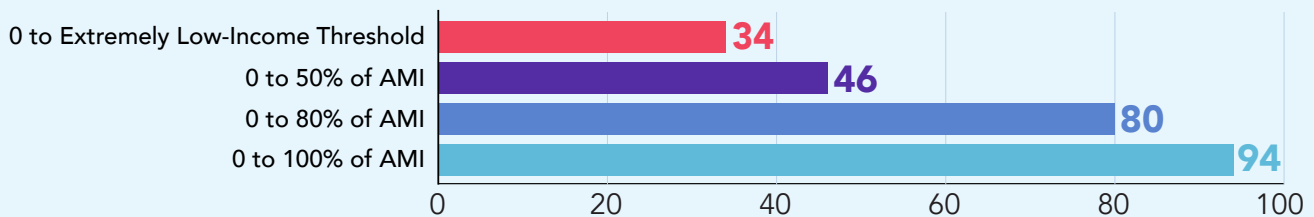
² Public Policy Institute of California, "Income Inequality in California." 2020. <https://www.ppic.org/publication/income-inequality-in-california/>

³ Bay Area Equity Atlas, "Earned income growth for full-time wage and salary workers: Santa Clara County, CA, 2000–2015." <https://bayareaequityatlas.org/indicators/income-growth#/?geo=040000000000006085>

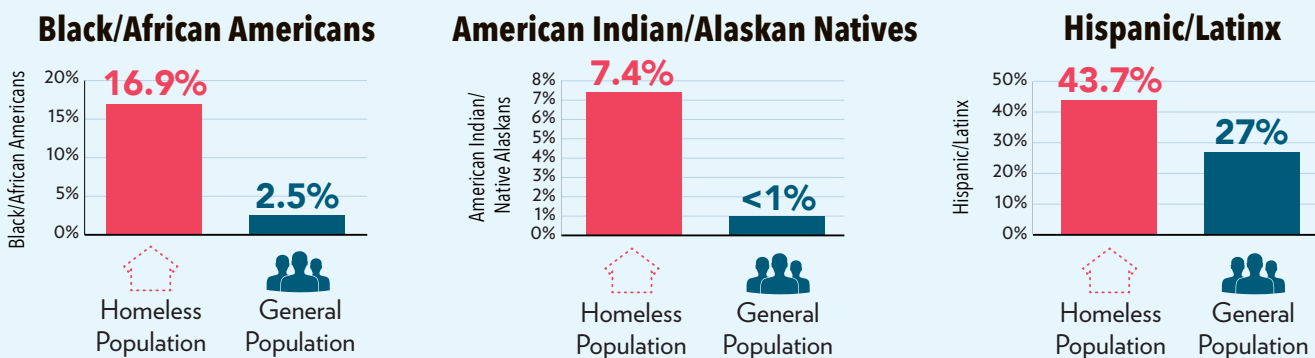
Compounding the impacts of this inequality is the fact that housing costs are higher than ever and housing that is affordable to the lowest-income families is not being produced. In fact, the National Low-Income Housing Coalition's most recent report, *The Gap: A Shortage of Affordable Homes*, found that in 2018 there were only 34 affordable and available units for every 100 extremely low-income renter households in the San Jose metro area.⁴

Affordable & Available Rental Homes "Per 100 Renter Households"

San Jose Metropolitan Area: 2018



In addition, longstanding and structural racial inequities continue to affect who becomes homeless in our community. A recent report commissioned by Destination: Home found that people of color are dramatically more likely than their white counterparts to become homeless in Santa Clara County, and that poverty alone cannot explain disparities in homelessness. For example:



While the brunt of this crisis is borne by our unhoused neighbors, we know its impacts are felt much more broadly. Our neighborhoods, first responders, businesses, and environment are also suffering the consequences of our region's severe homelessness crisis.

Even worse, the problem continues to grow as more people are slipping into homelessness than ever before—the result of growing income inequality, gentrification and displacement, rising housing costs, an extreme housing shortage, and a lack of sufficient safety net services to adequately care for the most vulnerable in our community. In fact, for every homeless family or individual we connect to housing, between two and three more are experiencing homelessness for the very first time.

If this trend continues, in addition to the nearly 10,000 individuals currently experiencing homelessness, another 20,000 are at-risk of falling into homelessness over the next five years—far more than our supportive housing system currently has the capacity to serve.

⁴ National Low-Income Housing Coalition, "The Gap: A Shortage of Affordable Homes." 2020. https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2020.pdf

Ending Homelessness in Santa Clara County

Solving this crisis is one of the great moral challenges facing us. It will require tremendous effort, new partnerships, and even bolder strategies—and it will require the entire community to be a part of the solution.

We must take immediate actions that can improve the quality of life for the huge number of unsheltered residents in our community. We must increase shelter capacity and increase interim housing options, and we must expand services to meet their basic health and safety needs.

We need to significantly scale our housing development and programs to meet the growing need in our community. This includes building many thousands more supportive housing units, expanding our homelessness prevention strategies, and enhancing the way our supportive housing system serves those in need.

Most importantly, we will never end homelessness in our community if we do not attack the systemic root causes that continually push more of our neighbors into homelessness. As a result, we must address inequitable land use and housing policy to allow every jurisdiction to achieve their Regional Housing Needs Allocation goals for very low and extremely low-income housing production. We must ensure every resident who is able to work can access living wage employment and we must reverse decades-long structural inequities that have driven people of color and other vulnerable residents onto the streets.

As we implement the strategies in this plan, we will raise the voices of people with lived experience and share power with our unhoused and recently-housed neighbors. We will focus on policies and programs that reduce racial inequity, in an effort to reverse the disproportionately high rates of people of color who are unhoused.

None of this will be easy or cheap. In fact, just meeting the affordable housing needs of our community would require several billion dollars. But we cannot accept a future in which thousands of our neighbors are forced to live outside. Every member of our community deserves a safe and stable home—and it is our collective responsibility to make this vision a reality.

Our Plan

The 2020–2025 Community Plan to End Homelessness will serve as our roadmap for ending homelessness in Santa Clara County and is organized around three main strategies:



Address the root causes of homelessness through system and policy change



Expand homelessness prevention and housing programs to meet the need



Improve quality of life for unsheltered individuals and create healthy neighborhoods for all

The strategies included in this plan are grounded in evidence-based practices, lessons learned over the past five years, and robust conversation and input from more than 8,000 members of our community; including people with lived experience of homelessness, subject matter experts, key stakeholders, and community members.

In addition, this plan sets aggressive targets designed to reverse the current growth in homelessness we are experiencing and bring us one step closer to our collective goal of eliminating homelessness in our community.

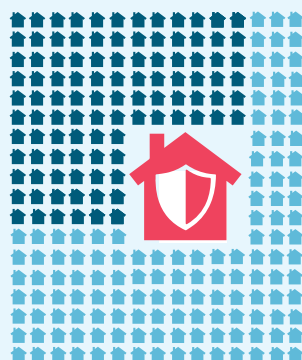
By 2025, we will:



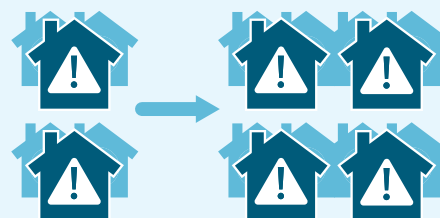
Achieve a **30% reduction** in annual inflow of people becoming homeless*



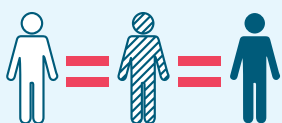
House **20,000 people** through the supportive housing system



Expand the Homelessness Prevention System and other early interventions to serve **2,500 people per year**



Double temporary housing and shelter capacity to reduce the number of people sleeping outside



Address the **racial inequities present** among unhoused people and families and track progress toward reducing disparities

*The reduction in annual inflow target was based on annual inflow prior to the COVID-19 pandemic. This target will be reevaluated once the longer term impacts of COVID-19 are known.



The Strategies

Reaching these ambitious goals will require a collaborative community response based on proven, evidence-based strategies to end homelessness as well as innovative approaches that maximize the resources available.

The strategies are organized under three areas of focus that make up the basic framework for the plan.

STRATEGY 1



Address the Root Causes of Homelessness Through System and Policy Change

To end homelessness in our community, we must address its root causes. This plan sets a five-year goal of reducing new unhoused individuals and families in a given year by 30%. The strategies below are targeted to address the entrenched economic and societal causes of homelessness through transformational systemic and policy change. The system we live in has created social, economic, and racial disparities and it will take monumental shifts in policies and priorities to make effective change. While eliminating these disparities across our community will take more than the five years covered by this plan, we can make substantial progress towards this important goal by implementing the strategies below.

1

Ensure that people accessing safety net services have the support they need to obtain and maintain housing.

- A** Adopt housing screening and referral processes for individuals and families accessing safety net services.
- B** Expand housing programs for families involved in the child welfare system.
- C** Expand and diversify housing programs for foster youth to meet their long-term housing needs, so no foster youth become homeless.
- D** Expand housing resources available to Medi-Cal recipients accessing services in the Specialty Mental Health System.
- E** Advocate for the state and the federal government to increase funding and access to safety net services.

2

Ensure that people involved in the criminal justice system do not become homeless.

- A** Support households with incarcerated family members to prevent homelessness.
- B** Expand existing and develop new housing and workforce development programs to successfully reintegrate people leaving probation, parole, jails, and prisons into the community.

STRATEGY 1



Address the Root Causes of Homelessness Through System and Policy Change (Continued)

3 Create the conditions to develop enough affordable housing to meet the need in our community.

- A** Work with cities to change local land use and housing policy to allow for development of more affordable housing and help reverse housing disparities that have negatively impacted people of color.
- B** Identify underutilized land across the county to be used for dense affordable housing development.
- C** Prioritize development of housing for extremely low-income individuals and families making 30% of Area Median Income or less and set joint targets.
- D** Advocate for flexible funding that can speed up and create more affordable housing.

4 Protect residents from evictions, displacement, and housing discrimination.

- A** Adopt and implement new fair housing plans for the region.
- B** Strengthen local rent control and tenant protections.
- C** Provide legal assistance to ensure that individuals and families most severely impacted by the lack of affordable housing, namely people of color, have equal access to housing.
- D** Create a fund to preserve both naturally affordable and income-restricted affordable housing.

5 Ensure all residents who are able to work have access to living wage employment.

- A** Support efforts to increase the minimum wage to a living wage in Santa Clara County.
- B** Partner with corporations to create living wage job opportunities for people who are unhoused or at risk of homelessness.
- C** Provide training, internships, and mentorships to help people who are unhoused or at risk of homelessness to obtain access to living wage jobs.
- D** Invest in social enterprises that train and employ people who are unhoused or at risk of homelessness.

6 Expand public and private sector support for ending and preventing homelessness.

- A** Increase community engagement and support for affordable and supportive housing development throughout the county.
- B** Provide leadership opportunities for people with lived experience of homelessness to shape how we address homelessness in our community.
- C** Create a county-wide education campaign that increases awareness of the causes and impacts of homelessness and ongoing efforts to end homelessness.



STRATEGY 2



Expand Homelessness Prevention and Housing Programs to Meet the Need

While Strategy 1 aims to close the gaps in our social safety net and address the other systemic causes of homelessness, we know that there will be some people over the next five years who will still become unhoused due to a severe shortage of affordable and accessible housing. To end homelessness, we will need to continue to build capacity to provide a broad array of housing and services over the next five years.

1 Increase the capacity of supportive housing programs for people experiencing homelessness.

- | | |
|--|--|
| <p>A Expand the supportive housing system to provide housing and services to help 20,000 unhoused people secure stable, permanent housing. Expansion would target the following:</p> <ul style="list-style-type: none"> • 7,000 people housed in Permanent Supportive Housing programs that provide long-term support. • 10,000 people housed through Rapid Rehousing programs that provide short- and medium-term support. • 3,000 people housed through Housing Problem Solving and other short-term or one-time assistance. | <p>B Develop programs tailored to the needs of specific populations of people experiencing homelessness, including:</p> <ul style="list-style-type: none"> • Youth and young adults • Older adults (55+) and seniors • Families with children • Adults (ages 25 to 54) without children |
|--|--|

2 Provide a broad range of supports to prevent homelessness.

- | | |
|--|---|
| <p>A Expand the Homelessness Prevention System to prevent homelessness for an additional 7,000 households who are at risk by providing targeted financial assistance and supportive services.</p> | <p>B Provide targeted financial resources to prevent homelessness and eviction for severely rent-burdened residents living in existing affordable units.</p> |
|--|---|

3 Create a state-of-the-art supportive housing system.

- | | | | |
|---|---|---|---|
| <p>A Center the voices of people who have lived experience of homelessness, especially people of color, in the policy and program design decisions of the supportive housing system.</p> | <p>B Invest in professional development and competitive pay to attract and retain a highly qualified workforce of homeless service provider staff.</p> | <p>C Incentivize hiring of people who have lived experience of homelessness to reflect the client population—especially people of color and LGBTQI+ persons.</p> | <p>D Increase access to supportive housing programs for people of color by addressing racial bias in our system.</p> |
|---|---|---|---|

STRATEGY 3



Improve Quality of Life for Unsheltered Individuals and Create Healthy Neighborhoods for All

The first two strategies of the plan seek to end and prevent homelessness for as many people as possible over the next five years. However, the reality is that many people will remain unhoused due to an extreme housing crisis and increasing income inequality. To address this immediate crisis in our community and ensure healthy neighborhoods for all, we must begin by doubling our temporary housing and shelter capacity to serve 2,000 additional households each night and increase investment in health, safety and other basic services to better meet the needs of people living in unsheltered conditions and build connections to housing programs and safety net services offered throughout the county.

1 Double the number of year-round temporary housing beds and offer a variety of welcoming temporary housing options throughout the county.

- A** Build new partnerships to host emergency shelter, safe places to park and access services, and sanctioned encampments that are not swept and include hygiene and supportive services.
- B** Reduce barriers to shelter such as allowing for pets, storage of personal items, greater privacy, longer stays, and provide higher levels of safety for residents.
- C** Expand hours at new and existing shelters to remain open during the day.
- D** Ensure that all families with children under 18 years old who are unhoused have access to emergency shelter or temporary housing.
- E** Provide more public services in neighborhoods hosting emergency shelter or temporary housing programs.

2 Increase street outreach, hygiene services, and transportation options to match the needs of unsheltered residents.

- A** Increase access to basic hygiene resources, including bathrooms, showers, and laundry
- B** Increase the number of free public transit passes and other transportation options for people who are unhoused to access services.
- C** Increase the number of street outreach staff and case managers working in encampments.
- D** Provide opportunities for people who have lived experience of homelessness to provide peer-to-peer support.

3 Increase mental health and substance use services.

- A** Increase the number of mobile crisis teams with clinical staff, and expand their hours, to support individuals experiencing severe mental health and substance use crises.
- B** Increase the number of beds available for substance use treatment and provide the follow-up supportive services needed to prevent relapses.
- C** Increase access to mental health treatment for people who are unhoused and struggling with mental illness.
- D** Develop a plan to eliminate service access and treatment gaps for unsheltered people struggling with chronic and severe mental illness.

**STRATEGY 3****Improve Quality of Life for Unsheltered Individuals and Create Healthy Neighborhoods for All** *(Continued)***4****Engage a cross-section of community partners to address the needs of unsheltered residents.**

- | | | | |
|---|---|--|--|
| A Increase outreach to city and County staff and business and neighborhood associations about available resources to assist people who are unhoused. | B Engage the private sector to contribute funding to support health and safety services and shelter for people who are unhoused. | C Increase coordination between agencies engaging people living in encampments to ensure consistent and humane approaches to encampment resolution. | D Create a referral system where unhoused residents can access information and services, such as available temporary housing and homeless services. |
|---|---|--|--|

5**Ensure that community spaces are safe and welcoming for housed and unhoused residents.**

- | | |
|--|--|
| A Partner with new private sector, community-based, and faith-based organizations to create safe and welcoming community spaces in every community for unhoused people to access services during the day. | B Work with community organizations, cities, County agencies, and neighborhood associations to ensure that public spaces such as parks, libraries, and community centers remain clean, well-maintained, and welcoming to all. |
|--|--|

Process Improvements Across Strategies 1, 2, and 3

Throughout our work, we must continue to expand coordination between systems, increase the use of data to improve programs, and increase training opportunities for all partners, including:

- Share data across safety net, criminal justice, and housing systems to better predict and target households who are experiencing homelessness or at risk of homelessness.
- Better utilize data collected in the homeless system of care and across County departments to know what is working well, what programs need improvement, and to identify inequities in the system.
- Provide demographic data, including race and ethnicity, in all reports on homelessness to highlight and address inequities.
- Create accessible dashboards that show our progress and hold our systems accountable.
- Provide trauma-informed care and racial equity/anti-racism training to all staff working with people experiencing homelessness.
- Increase access to services, including providing system navigation resources and training to all staff working with people experiencing homelessness.
- Align racial equity work in the homelessness sector with other racial equity initiatives in Santa Clara County.
- Expand partnerships with corporations, philanthropic institutions, and individual donors to secure private funding to reduce and prevent homelessness.
- Align and coordinate with other community efforts to address homelessness, such as the Homelessness Task Force.

Thank You!

The Community Plan Steering Committee would like to thank the following agencies and staff who participated in the Community Plan Work Group to gather community input and update the community plan:

- County of Santa Clara: Jackie MacLean, Hilary Barroga, Kathryn Kaminski, Hilary Armstrong
- City of San José: Sarah Zárate, Ragan Henninger
- Destination: Home: Ray Bramson, David Low
- City of Morgan Hill: Rebecca Garcia
- City of Mountain View: Wayne Chen
- LifeMoves: Bruce Ives
- Sacred Heart Community Service: Erin Stanton
- Community Solutions: Erin O'Brien

The Steering Committee and Work Group would like to thank the many people who are currently or formerly unhoused who shared their input and experiences to inform the community plan, including the following:

- Lived Experience Advisory Board
- Sacred Heart's Survivors of the Streets
- HomeFirst Sunnyvale Shelter's Client Collaborative
- Clients/residents from Hope's Corner, Bill Wilson Center, New Haven Inn, and Second Street Studios

The Steering Committee and Work Group would like to thank the following community stakeholders, agencies, and organizations for participating in the process:

- Abode Services
- Alta Vista High School
- Amigos de Guadalupe
- Anthem Blue Cross
- Bill Wilson Center
- Bitfocus
- Catholic Charities of Santa Clara County
- Charities Housing
- Cisco
- Cities Association of Santa Clara County
- City Team
- City of Cupertino
- City of Morgan Hill
- City of Mountain View
- City of Palo Alto
- City of San José
- City of Milpitas
- City of Santa Clara
- Community Services Agency
- Community Solutions
- County of Santa Clara:
 - Behavioral Health Services
 - Office of the District Attorney
 - Probation Department
 - Public Defender Office
 - Public Health Department
 - Reentry Services
 - Santa Clara Valley Medical Center
 - Social Services Agency
 - Office of Supportive Housing
 - Office of Equity and Social Justice
 - Offices of Supervisors Cindy Chavez, Dave Cortese, Susan Ellenberg, Joe Simitian, and Mike Wasserman
 - Valley Homeless Healthcare Program
- David and Lucile Packard Foundation
- Destination: Home
- Dependency Advocacy Center

- Downtown Business Association
- Downtown Streets Team
- EAH Housing
- East Side Union High School District
- Family Supportive Housing
- First Community Housing
- Gilroy Compassion Center
- HomeFirst
- Housing Trust Silicon Valley
- Humane Society of Silicon Valley
- Hunger at Home
- Kaiser Permanente
- Kids in Common
- Law Foundation of Silicon Valley
- LifeMoves
- LinkedIn
- Los Altos Community Foundation
- Mental Health Systems
- Next Door Solutions
- On Lok
- PATH
- Razing the Bar
- Resources for Community Development
- Santa Clara County City Managers Association
- Santa Clara County Housing Authority
- Santa Clara County Office of Education
- Santa Clara County Domestic Violence Advocacy Consortium
- Santa Clara Family Health Plan
- Sacred Heart Community Service
- Salvation Army
- Silicon Valley Community Foundation
- Silicon Valley Council of Nonprofits
- Silicon Valley at Home
- Silicon Valley Independent Living Center
- Silicon Valley Organization
- South Bay Coalition to End Human Trafficking
- Spectrum Equity
- St. Joseph Family Center
- Sunnyvale Community Services
- The Health Trust
- United Way Bay Area
- U.S. Department of Veterans Affairs
- West Valley Community Services
- YWCA of Silicon Valley



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive a Staff Report on Railroad Quiet Zone Process and Provide Direction to Staff
Category:	Community Services and Sustainable Infrastructure
Meeting Date:	11/17/2020
Staff Contact:	Steve Erickson, 408-586-3301
Recommendation:	Receive staff report on Railroad Quiet Zone process and provide direction to staff.

Background:

During the August 4, 2020 City Council meeting, the Vice Mayor mentioned the City of San Jose's effort to establish railroad quiet zones and asked for a status on this effort in Milpitas since it was on the Council's list of agenda items. Direction at the meeting was for the Vice Mayor and the City Manager to research and track the issue before returning to the City Council for discussion.

Railroads are regulated under the Federal Railroad Administration (FRA), and the requirement for use of horns is regulated under Train Horn Rule (49 CFR Part 222), where locomotive engineers must begin to sound train horns at least 15 seconds in advance of all public grade railroad crossings. Train horns must be sounded in a standardized pattern to warn the public of an approaching locomotive that can require up to a mile to come to a stop once brakes are applied. The maximum volume level for the train horn is 110 decibels and the minimum sound level is 96 decibels. In comparison, normal human conversation is approximately 60 decibels and a lawn mower are approximately 90 decibels.

Under the requirements of the FRA, there is an ability for communities to establish a Railroad Quiet Zone where the use of train horns is limited or not required. A railroad quiet zone is defined as a section of rail line at least one-half mile in length that contains one or more consecutive public grade crossings or a single public grade crossing at which locomotive horns are not routinely sounded. Federal guidelines require local governments interested in establishing a quiet zone to work with the railroad, state transportation authority, and the California Public Utility Commission (CPUC) to assess the risk of locomotive-motor vehicle collisions at each grade crossing where a quiet zone is sought. Communities seeking to establish quiet zones are required to finance all necessary street and rail crossing safety improvements.

There are two types of Quiet Zones that may be established, a Partial-Day (10 pm to 7 am) or an All-Day Quiet Zone. The requirements to establish either type of quiet zone are the same, however the railroad and CPUC maybe more amendable to permit a partial-day quiet zone due to lower nighttime traffic volumes. For establishment of a quiet zone, the following criteria and requirements are to be evaluated by the community:

- a. Supplemental Safety Measures (SSM) are to be installed at every public highway-rail grade crossing within the Railroad Quiet Zone. These could include one or more of the following:
 - 1 - Temporary or permanent closure of the highway-rail crossing
 - 2 - Grade Separation of the highway-rail crossing
 - 3 - Installation of four-quadrant crossing gates, street medians, traffic channelizer devices, vehicle presence detection
 - 4 - Conversion of the street to One-Way with Crossing Gates
- b. The Quiet Zone Risk Index (QZRI) has been calculated and is already at or below the Nationwide Significant Risk Threshold (NSRT) without implementation of SSMs.

- c. Sufficient installations of SSMS to reduce the Quiet Zone Risk Index (QZRI) to a level at or below the Nationwide Significant Risk Threshold (NSRT).
- d. Sufficient installations of SSMS to reduce the Quiet Zone Risk Index (QZRI) to a level at or below the Risk Index with Horns (RIWH)

City of San Jose Quiet Zone Study

In July 2020, the City of San Jose completed a railroad quiet zone feasibility study evaluating 14 rail crossings within San Jose to determine if they can satisfy the requirements to establish a Railroad Quiet Zone. The study determined the Quiet Zone Risk index (QZRI) for the corridor within San Jose to be just below the Nationwide Significant Risk Threshold (NSRT), which meets the criteria to establish a partial Railroad Quiet Zone during the nighttime between 10PM to 7AM. However, the study warns that establishment of Railroad Quiet Zones may not be permanent and can revert as traffic volumes increase within the corridor. The study also recommend San Jose install significant and costly rail crossing improvements at the various crossings.

San Jose began the process to establish partial Railroad Quiet Zones from 10PM to 7AM at all 14 rail crossings. Their process and timeline are as follows:

- July: Submitted "Notice of Intent" to the Federal Railroad Administration (FRA), California Public Utilities Commission (CPUC), Union Pacific Railroad (UPRR), and Caltrans
- July - September: Anticipate receiving comments from stakeholders during a 60-day comment period
- October: If comments from CPUC and UPRR are addressed without requiring additional actions, a "Notice of Establishment" stating the date on which the Partial Quiet Zone will start will be issued
- The Partial Quiet Zone can start a minimum of 21 days after issuance of the Notice of Establishment

San Jose also desires to curtail the use of train horns along the rail corridor as a result of trespassing and homeless activity where train operators must regularly sound the horn to warn people observed within the rail corridor illegally. The City of San Jose and UPRR are developing a Memorandum of Understanding (MOU) to allow San Jose PD to perform law enforcement activities within UPRR'S right of way.

Analysis:

The City of Milpitas has 11 at-grade railroad crossings where the City has roadway easements from UPRR which owns and operates the rail facilities at the following locations:

1. Dixon Landing Road (Segment 1)
2. Railroad Avenue (Segment 1)
3. Curtis Avenue (Segment 1)
4. Great Mall Drive (Segment 1) (Private Drive)
5. Great Mall Parkway (Segment 1)
6. Montague Expressway (Segment 1) (County owned expressway)
7. Piper Drive (Segment 2)
8. South Milpitas Boulevard (Segment 2)
9. Ames Avenue west of Penitencia Creek (Segment 2)
10. Ames Avenue east of Penitencia Creek (Segment 2)
11. Yosemite Avenue (Segment 2)

Staff reviewed the Federal Railroad Administration's public database for gated railroad crossings to estimate the Quiet Zone Risk Index (QZRI) for each crossing:

1.	Dixon Landing Road (Segment 1)	17,252.23
2.	Railroad Avenue (Segment 1)	28,120.84
3.	Curtis Avenue (Segment 1)	14,911.74
4.	Great Mall Drive (Segment 1)	20,250.53
5.	Great Mall Parkway (Segment 1)	31,593.35
6.	Montague Expressway (Segment 1)	48,107.38
7.	Piper Drive (Segment 2)	1,499.02

8.	South Milpitas Boulevard (Segment 2)	Score Not Available, <u>currently not gated*</u>
9.	Ames Avenue west of Penitencia Creek (Segment 2)	Score Not Available, <u>currently not gated*</u>
10.	Ames Avenue east of Penitencia Creek (Segment 2)	Score Not Available, <u>currently not gated*</u>
11.	Yosemite Avenue (Segment 2)	Score Not Available, <u>currently not gated*</u>

*Crossings without gates do not qualify for Railroad Quiet Zone and calculation cannot be performed.

These risk index numbers listed above for each crossing were compared with the National Significant Risk Threshold number (NSRT) of 13,811 to determine if each crossing location would meet the requirement to establish a Quiet Zone. The requirement is the risk number at each crossing must be at or below the NSRT number of 13,811. The risk index numbers for 10 of the 11 crossing are above the national threshold. Without crossing improvements, the crossings within Milpitas do not qualify for establishment of a quiet zone.

- Segment 1 from Dixon Landing Road to Montague Expressway has an average QZRI of 26,706.01, which is greater than the threshold of 13,811. Therefore, this segment does not qualify for a Quiet Zone without crossing improvement.
- Segment 2 from South Milpitas Boulevard to Yosemite Drive does not have crossing gates so this segment does not qualify for a Quiet Zone without crossing improvement.
- Piper Drive crossing has an index that is below QZRI. However, this crossing alone cannot establish a quiet zone because the minimum ½ mile quiet zone distance encompasses other crossing that does not meet the quiet zone requirement.

The estimated average cost to fund installation of rail crossing Supplemental Safety Measures is \$2.4 million to \$4.1 million per crossing as discussed in the San Jose feasibility study. Installation of safety measures at each of the 10 crossings in Milpitas to reduce the risk safety number would be required for the crossings to be considered for establishment of a quiet zone. The City would be required to fund the crossing improvements, and the estimated cost to improve all 10 rail crossings in Milpitas is between \$24 million and \$41 million.

Staff researched state and federal grant opportunities that could be used to help offset the high cost of crossing improvements which may help in the establishment of quiet zones. While there are no grants specifically available for the establishment of quiet zones, there are grants available for the construction of rail crossing safety improvements. The Federal Railway-Highway Crossing (Section 130) Program does provide funds for the elimination of hazards at railway-highway crossings. There are high demands for the funding and limited State and County funding opportunities. Grant funding is usually reserved for high speed, high risk crossings or for locations where a roadway closure may be a component of the overall improvement. Staff is also reaching out to the Valley Transportation Authority and the Metropolitan Transportation Authority to gauge their interest in partnering with the City to fund crossing improvements.

Staff briefed the Vice Mayor on the rail quiet zone subject on September 25, 2020, and it was requested this item be brought to the full City Council for discussion.

The funding of a new Capital Improvement Program project would be required if Council direction was for staff to move forward with a plan and feasibility study for implementation of quiet zones within Milpitas. Staff anticipates the study would focus on 6 main rail crossings between Dixon Landing Road and Montague Expressway, where train traffic is more frequent to determine the extent, cost, and feasibility of quiet zone establishment at these crossings. The following are the 6 rail crossings that could be studied:

1. Dixon Landing Road (Segment 1)
2. Railroad Avenue (Segment 1)
3. Curtis Avenue (Segment 1)
4. Great Mall Drive (Segment 1)
5. Great Mall Parkway (Segment 1)
6. Montague Expressway (Segment 1)

Staff also contacted the engineering firm that prepared the San Jose Quiet Zone Feasibility Study, JMA Civil, Inc., to estimate the cost of such a feasibility study for Milpitas. The cost is estimated to be within the \$300,000 range due to the required data collection, engineering services, and field meetings with Union Pacific Railroad where their time would be charged. The following is a breakdown of feasibility study cost:

Administration	\$50K
Consultant engineering services	\$100K
UPRR consultation services	\$100K
Traffic data collection	\$50K
Total	\$300K

Fiscal Impact:

None at this time. However, if Council direction is for staff to proceed with a new project to study the establishment of quiet zones, initial project funding would require a \$300,000 budget appropriation from the General Government CIP Fund into a new Capital Improvement Project.

It is important to note that in response to the fiscal downturn caused by the Pandemic, the Council approved the deferral of various capital projects to increase the fund balance in the General Government CIP Fund by \$4.1 million. The intent of this fiscal strategy was to have sufficient funds available for unknown future urgent capital project improvements to address health and safety issues or to return a portion of the fund balance to the General Fund to address General Fund shortfalls.

California Environmental Quality Act:

None

Recommendation:

Receive a staff report on Railroad Quiet Zone Process and provide direction to staff.

Attachments:

- 1) San Jose Quiet Zone Study
- 2) Milpitas Rail Crossing Map



PREPARED FOR:



CITY OF SAN JOSE WARM SPRINGS SUB QUIET ZONE FEASIBILITY STUDY

PREPARED BY:

FINAL REPORT



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JULY 15, 2020

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1. Introduction

Home to over 1 million people, the City of San Jose is a major technology hub in the Bay Area and is the tenth most populous city in the United States. The City has several major transit and freight rail lines which form a transportation hub at the downtown Diridon Station. VTA, Caltrain, ACE and Amtrak all provide transit service to this station, with plans for future BART and High-Speed Rail. This hub creates an exciting opportunity for future City growth. The Union Pacific Railroad Warm Springs subdivision freight line also extends east from Diridon Station through downtown, traversing dense residential neighborhoods.

In October of 2018, UPRR adopted a new operating plan called “Unified Plan 2020”, which modified its operations on the Warm Spring Subdivision, including an increase in train operations at night. Currently, UPRR operates an average of six trains per day (three trains during the day and three trains during the night). The night trains pass through starting around 8pm and ending in the early hours of the morning. UPRR trains blow their horn as they approach the at-grade crossings as required by federal law, also known as the Train Horn Rule. Downtown residents impacted by night train horns have raised complaints to the City, and thus, prompted the City to evaluate a Quiet Zone on the Warm Springs Subdivision.

The purpose of the San Jose Warm Springs Quiet Zone Study is to determine the feasibility of a Quiet Zone on a portion of the Union Pacific Railroad (UPRR) Warm Springs Subdivision corridor in the City of San Jose (City). This study summarizes the quiet zone establishment process, existing conditions, stakeholder engagement, potential costs of improvements, quiet zone risk index calculations, and next steps for implementing a quiet zone.

A map of the quiet zone study area and existing at-grade crossings is shown in **Figure 1**.

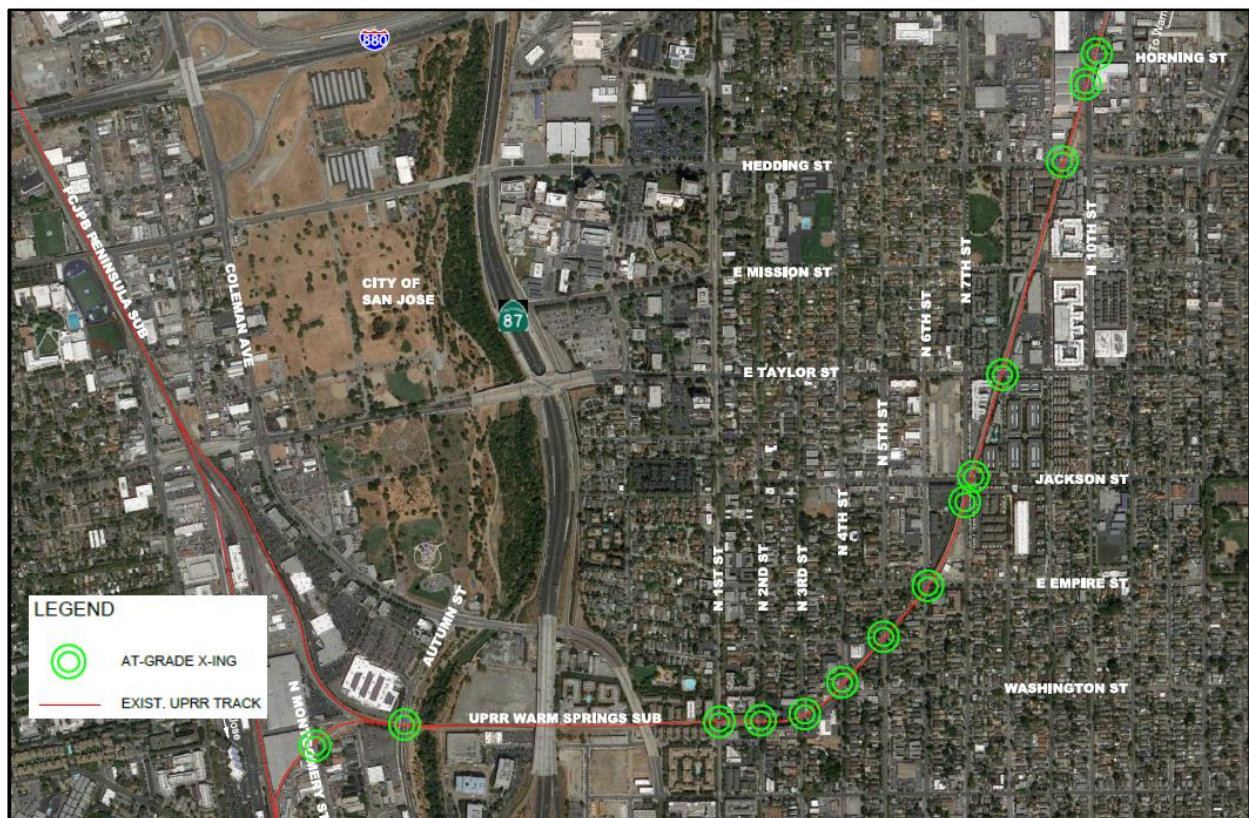


Figure 1 - At-Grade Crossing Location Map

2. Definitions

- Federal Railroad Administration (FRA): The FRA issues, implements, and enforces railroad safety regulations, including the Train Horn Rule.
- Train Horn Rule: regulations laid out in the Code of Federal Regulations (CFR) Title 49 Section 222. These regulations require locomotive horn use at public highway-rail grade crossings except in quiet zones.
- Public Authority: the public agency responsible for traffic control or law enforcement at the public highway-rail grade or pedestrian crossing (in this case the City of San Jose). Only the Public Authority may establish a quiet zone.
- Public highway-rail grade crossing: a location where a public highway, road, or street, including associated sidewalks or pathways, crosses one or more railroad tracks at grade.
- Quiet Zone: A segment of a rail line, within which is situated one or a number of consecutive public highway-rail crossings at which locomotive horns are not routinely sounded.
- Partial Quiet Zone: a section of the rail line where locomotive horns are routinely sounded in the day time hours and the horns sounding is restricted from 10:00 PM to 7:00 AM. The requirements and procedures to establish a Partial Quiet Zone are the same as for a 24-hour Quiet Zone.
- Risk Index With Horns (RIWH): a measure of risk to the motoring public at public highway-rail grade crossings where locomotive horns are routinely sounded.
- Quiet Zone Risk Index (QZRI): a measure of risk to the motoring public at public highway-rail grade crossings in a quiet zone, after adjustment to account for increased risk due to lack of locomotive horn use at the crossings (if horns are presently sounded at the crossings) and reduced risk due to implementation, if any, of SSMs and ASMs with the quiet zone.
- Nationwide Significant Risk Threshold (NSRT): a measure of risk, calculated on a nationwide basis, which reflects the average level of risk to the motoring public at public highway-rail grade crossings equipped with flashing lights and gates and at which locomotive horns are sounded.
- Supplementary Safety Measure (SSM): a safety measure approved by the FRA as an effective substitute for the locomotive horn in the prevention of highway-rail casualties. SSMs can be used to lower the QZRI in a proposed quiet zone. The Train Horn Rule lists the following SSMs:
 - i. Temporary Closure of a Public Highway-Rail Grade Crossing [i.e. closure during quiet zone periods]
 - ii. Four-Quadrant Gate System
 - iii. Gates with Medians or Channelization Devices
 - iv. One-Way Street with Gate(s)
 - v. Permanent Closure of a Public Highway-Rail Grade Crossing
- Alternative Safety Measure (ASM): a safety system or procedure, other than an SSM, which is provided by the appropriate traffic control authority or law enforcement authority and which, after individual review and analysis by the FRA, is determined to be an effective substitute for the locomotive horn in the prevention of highway-rail casualties at specific highway-rail grade crossings. The Train Horn Rule discusses types of ASMs.
- UPRR: Union Pacific Railroad Company. This is the railroad operating in the proposed quiet zone.

- Stakeholders: the Train Horn Rule requires that the Public Authority send required notices in the quiet zone process to stakeholders, which include the FRA, California Public Utilities Commission (CPUC), California Department of Transportation (Caltrans), railroads operating in the proposed quiet zone, and the traffic law enforcement unit.
- MUTCD: Manual on Uniform Traffic Control Devices.

3. Quiet Zone Establishment Process

The FRA is the federal government agency with jurisdiction over Quiet Zones. Under the Train Horn Rule, locomotive engineers are required to sound train horns for a minimum of 15 seconds, and a maximum of 20 seconds, in advance of all public highway-rail grade crossings.

The rule also provides opportunities for the Public Authority to mitigate the effects of the train horn noise by establishing Quiet Zones.

The Train Horn Rule specifies minimum requirements that must be met before a Quiet Zone can be established, including:

1. The Quiet Zone must be at least one-half mile long.
2. All grade crossings in the Quiet Zone must have crossing gates and flashing lights.
3. All approaches to grade crossings in the Quiet Zone must have MUTCD advance warning signs.
4. Bells at grade crossings with pedestrian traffic in the Quiet Zone must be in working condition.
5. All public grade crossings must be MUTCD compliant.

In addition to the minimum criteria requirements, the Train Horn Rule specifies two primary methods to establish a Quiet Zone:

- 1. Public Authority Designation.** The Public Authority may designate a quiet zone without the need for formal application to, and approval by, FRA, if the proposed quiet zone complies with conditions a., b., c., or d. below. The Public Authority would have to issue required notices to the stakeholders before the quiet zone could begin.
 - a. Implement SSMs at every public highway-rail grade crossing within the quiet zone.
 - b. The Quiet Zone Risk Index (QZRI) is already at, or below, the Nationwide Significant Risk Threshold (NSRT) without being reduced by implementation of SSMs.
 - c. Implement enough SSMs to reduce the Quiet Zone Risk Index (QZRI) to a level at, or below, the Nationwide Significant Risk Threshold (NSRT).
 - d. Implement enough SSMs to reduce the Quiet Zone Risk Index (QZRI) to a level at, or below, the Risk Index With Horns (RIWH).
- 2. Public Authority Application to FRA.** The Public Authority may apply to FRA for approval of a Quiet Zone on the basis of condition a. or b. below. The Public Authority would have to issue required notices and the application to the stakeholders. The FRA would review the application and any comments received from the stakeholders before issuing a decision.
 - a. Implement ASMs or a combination of ASMs and SSMs sufficient to reduce the Quiet Zone Risk Index (QZRI) to at or below the Risk Index With Horns (RIWH).
 - b. Implement ASMs or a combination of ASMs and SSMs sufficient to reduce the Quiet Zone Risk Index (QZRI) to at or below the Nationwide Significant Risk Threshold (NSRT).

4. Existing Conditions

The proposed Quiet Zone is 1.8 miles long and contains 14 public highway-rail grade crossings. There are no private or pedestrian grade crossings in the proposed corridor. A site visit to the crossings was performed on June 25, 2019 to assess existing conditions. Photos of the crossings from the site visit are included in Appendix A. A summary of the crossings is included in Table 1.

Table 1 - Existing At-Grade Crossing Characteristics

Street Name	FRA Crossing No.	Warm Springs Milepost	Surrounding Land Use	Previous AADT*	Revised AADT**	Roadway Functional Class	Roadway Posted Speed	Traveled Way (Lanes)
Horning St	750117C	15.46	Residential/ Commercial	3,824	n/a	Local	25	2
N. 10th St	750118J	15.50	Industrial/ Commercial	15,317	n/a	Minor Arterial	35	4, w/ Class 2 bike lanes
E. Hedding St	750121S	15.64	Residential/ Commercial	14,958	15,539	Principal Arterial	30	2, w/ Class 2 bike lanes
E. Taylor St	750127H	16.00	Residential/ Commercial	12,312	12,842	Minor Arterial	25	2
Jackson St	750128P	16.17	Residential	2,900	n/a	Major Collector	25	2
N. 7th St	750129W	16.19	Residential/ Commercial	2,130	3,620	Major Collector	25	2, w/ Class 3 sharrows
N. 6th St/ E. Empire St	750131X	16.345	Residential/ Commercial	2,035	3,100	Major Collector	25	2, w/ Class 2 bike lanes
N. 5th St	750132E	16.448	Residential	2,136	2,227	local	25	2
N. 4th St	750133L	16.546	Residential/ Commercial	5,709	n/a	Minor Arterial	25	2, w/ Class 2 bike lanes
N. 3rd St	750134T	16.63	Residential/ Commercial	4,077	3,992	Major Collector	25	2, w/ Class 2 bike lanes
N. 2nd St	750135A	16.702	Residential	2,951	5,974	Major Collector	25	2, w/ Class 2 bike lanes
N. 1st St	750136G	16.777	Residential	7,337	7,836	Principal Arterial	25	2
Autumn Pkwy	924191R	17.315	Open Space/ Commercial/ Recreational	5,000	11,430	Local	30	4, w/ Class 2 bike lanes
N. Montgomery St	750151J	17.464	Industrial/ Commercial	1,792	n/a	Local	25	2
*AADT count based on 2016 data.								
**AADT count based on either 2016, 2017, or 2018 data.								

Comprehensive information about each crossing is recorded in FRA Crossing Inventory Reports, publicly available online. The data in these reports include traffic volumes, train volumes, and other variables that are used by FRA to generate the risk index at each crossing. It is important to have accurate data in the reports to generate accurate risk indices. **Table 1** indicates that AADT for several crossings was recently updated in the Crossing Inventory Reports in January 2020. The updated Crossing Inventory Reports are included in **Appendix B**.

A description of the warning devices at each of the grade crossings is provided in the sections below.

4.1 Horning Street and N. 10th Street

Horning and N. 10th are two separate crossings adjacent to each other. There are two UPRR tracks that cross each road at a skew, a main line and spur track. The spur track discontinues west of the 10th St crossing. Railroad advanced warning signage and pavement delineation are included on all approaches. The crossings are protected by four CPUC No. 9 gates with flashing lights (8") and bells. A commercial driveway is approximately 45 feet north of N. 10th Street crossing as measured from the crossing arm. There are sidewalks on both sides of Horning Street east of the crossing. There is sidewalk only along the east side of N. 10th Street to the south of the crossing. Bike lanes are present along both sides of N. 10th Street.

4.2 East Hedding Street

The UPRR main line crosses E. Hedding Street at a small skew. Railroad advanced warning signage and pavement delineation are included on both approaches. The crossing is protected by two CPUC No. 9A cantilevers with crossing gates, warning bells, and flashing lights (8"). There are driveways near the crossing in all four quadrants. The driveway in the southwest quadrant is for emergency access only. Sidewalks and bike lanes are present on both sides of the road.

4.3 East Taylor Street

The UPRR main line crosses E. Taylor Street at a small skew. Railroad advanced warning signage and pavement delineation are included on both approaches. The crossing is protected by two CPUC No. 9A cantilevers with crossing gates, warning bells, and flashing lights (8"). There are existing driveways within 60 feet of the crossing gates in all four quadrants. The driveways in the northwest and southwest quadrants are for emergency access only. There is a bus stop over 150 feet west of the crossing in the eastbound direction. Sidewalks are present on both sides of the road.

4.4 N 7 Street and Jackson Street

Jackson Street and N. 7th Street are two separate crossings adjacent to each other. The UPRR main line crosses both roads at a skew. Railroad advanced warning signage and pavement delineation are included on all approaches. The crossings are protected by four CPUC No. 9 crossing gates with flashing lights (8") and one CPUC No. 9A with cantilever and flashing lights. There are two residential driveways within 10' of the crossing arms on Jackson Street. There are sidewalks present along both sides of N. 7th Street and Jackson Street, except for a 60-foot sidewalk gap at the northeast corner of the intersection on N. 7th Street. Bike shared-lane markings (sharrows) are present in both directions of N. 7th Street.

4.5 N. 6th Street and E Empire Street

The UPRR main line crosses the intersection of N. 6th Street and E. Empire Street at a skew. Railroad advanced warning signage and pavement delineation are included on all approaches. The crossing is protected by two CPUC No. 9 crossing gates with flashing lights and two CPUC No. 9A with cantilever,

crossing gate, and flashing lights (12"). There are sidewalks present along both sides of N. 6th Street and E. Empire Street. Bike lanes are present on E. Empire Street.

4.6 N. 5th Street

The UPRR main line crosses N. 5th Street at a skew. Railroad advanced warning signage and pavement delineation are included on both approaches. The crossing is protected by two CPUC No. 9A cantilever with crossing gates, warning bells, and flashing lights (12"). There is one residential driveway on the west side of the street and one residential driveway on the east side of the street, each of which are located in between the respective crossing gate and the track. Sidewalks are present on both sides of the road.

4.7 N. 4th Street

The UPRR main line crosses N. 4th Street at a skew. Railroad advanced warning signage and pavement delineation are included on both approaches. The crossing is protected by two CPUC No. 9 crossing gates with warning bells and flashing lights (12") and two CPUC No 8 flashers in the medians. There is one driveway within 10 feet of the crossing gate along southbound N. 4th Street. Sidewalks and bike lanes are present on both sides of the road.

4.8 N. 3rd Street

The UPRR main line crosses N. 3rd Street at a small skew. Railroad advanced warning signage and pavement delineation are included on both approaches. The crossing is protected by two CPUC No. 9 crossing gates with warning bells and flashing lights (12") and two CPUC No 8 flashers in the medians. There are two driveways within 60 feet of the crossing. Sidewalks and bike lanes are present on both sides of the road.

4.9 N. 2nd Street

The UPRR main line crosses N. 2nd Street at 90 degrees. Railroad advanced warning signage and pavement delineation are included on both approaches. The crossing is protected by one CPUC No. 9 crossing gates with warning bells and flashing lights (12") in the northbound direction and one CPUC No. 9A Cantilever with crossing gate, warning bells, and flashing lights in the southbound direction. There are two driveways within 60 feet of the crossing. Sidewalks and bike lanes are present on both sides of the road.

4.10 N. 1st Street

The UPRR main line crosses N 1st Street at 90 degrees. Railroad advanced warning signage and pavement delineation are included on both approaches. The crossing is protected by two CPUC No. 9 crossing gates with warning bells and flashing lights (12"). Concrete barriers exist along the centerline for over 100 feet on each approach. Sidewalks are present on both sides of the road.

4.11 Autumn Parkway

The UPRR main line crosses Autumn Parkway at 90 degrees. Railroad advanced warning signage and pavement delineation are included on both approaches. The crossing is protected by four CPUC No. 9 crossing gates with warning bells and flashing lights (12") and two CPUC pedestrian No. 9 crossing gates with warning bells and flashing lights. There is one driveway within 60 feet of the crossing gate. Bike lanes are present on both sides of the road. There is a sidewalk on the west side of the road and a multi-use path on the east side of the road.

4.12 N Montgomery Street

The UPRR main line crosses N. Montgomery Street at a small skew. Railroad advanced warning signage and pavement delineation are included on both approaches. The crossing is protected by one CPUC No. 9 crossing gate with warning bells and flashing lights (12") for southbound traffic and one CPUC No. 9A cantilever with crossing gate and flashing lights (12") for northbound traffic. There are three driveways within 60 feet of the crossing. Sidewalks are present on both sides of the road.

5. Stakeholder Engagement

The Train Horn Rule requires that the Public Authority engage particular stakeholders in the quiet zone establishment process. The City of San José engaged these stakeholders (CPUC, UPRR, and FRA) in order to understand concerns with a potential quiet zone on the corridor, and to anticipate potential safety improvements that may be conditioned on a quiet zone through the Public Authority Application process.

On October 22, 2019, a web meeting was conducted with the stakeholders. In the meeting, conceptual improvement plans for all 14 crossings were reviewed with the stakeholders and their preliminary input was solicited.

On February 25-27, 2020, a site diagnostic meeting was performed with the stakeholders. Conceptual improvement plans incorporating revisions based on comments from the October 2019 meeting were presented to the stakeholders during the site diagnostic meeting and input was solicited from the stakeholders. The conceptual improvement plans are shown in **Appendix C**.

General comments from the meetings that are common to all of the crossings are as follows:

1. Evaluate all CA MUTCD required warning signage and pavement delineation. Refresh faded markings. Replace non-compliant signs. Consider relocating signs and markings for optimal placement while maintaining CA MUTCD compliance.
2. Remove or maintain trees on the approaches to the crossings to ensure visibility of the crossing flashing lights and signs are not obstructed.
3. Channelize pedestrians along the back of sidewalk so that they cross the tracks safely and as close to 90 degrees as possible.
4. Provide R15-8 "Look" signs and tactile warning strips on sidewalk approaches to the crossings.
5. Evaluate closing driveways within 100 feet of the crossing.
6. Evaluate the illumination of each crossing to ensure that the approaches are sufficiently illuminated for visibility.
7. Provide R8-8 "Do Not Stop on Tracks" signs in all locations with observed queuing on the tracks.
8. Perform traffic studies in accordance with MUTCD 4C.01 to determine queueing probability and evaluate preventive measures to eliminate queueing on the tracks.
9. For any projects that modify the electrical components of a crossing, CPUC will require existing 8" incandescent / flashing lights be upgraded to 12" LED lights. UPRR noted that head upgrades cannot be accommodated on existing equipment and will trigger a replacement of the entire equipment.

In addition, the stakeholders recommended major improvements at several crossings. These are summarized in **Table 2** in the next section. All input solicited by the stakeholders for the crossings are noted in the meeting minutes, included in **Appendix D**.

6. Cost Estimate

An order of magnitude construction cost estimate was developed for each crossing based on improvements recommended by the stakeholders. The recommended improvements and cost estimates are summarized in **Table 2** below. Some locations reflect a higher improvement than was discussed in the field diagnostic; this was done where existing gates need full replacement due to undersized flashing lights and the cost of upgrading to a 4-quadrant vehicle gate system becomes economical.

Table 2 - Order-of-Magnitude Construction Cost Estimate Summary

Location	Stakeholder Recommended Improvements	Order of Magnitude Construction Cost Estimate	
		Low	High
Horning St and N. 10th St	- Cul-de-sac Horning St at 10th St - Cul-de-sac Santa Ana Ave at 10th St - Install sidewalk along east side of 10th St n/o crossing (550') - Install channelizers on north and south legs of 10th St - Remove vehicle gate system on Horning St - Install pedestrian crossing system across tracks on east side of 10th St - Replace vehicle gate system on 10th St (to upgrade flashers and optimize locations) - Upgrade railroad signal house - Install queue cutter signals on 10th to control NB/SB traffic over tracks	\$ 2.7M	\$4.3M
E. Hedding St	- Replace vehicle gate system with 4-quad vehicle gates - Install full pedestrian treatments on all (4) quadrants - Upgrade railroad signal house - Install advanced preemption for 10th/Hedding traffic signal or install queue cutter signal(s)	\$ 1.5M	\$2.9M
E. Taylor St	- Bulb out curb lines at the crossing - Replace vehicle gate system with 4-quad vehicle gates - Install full pedestrian treatments on all (4) quadrants - Install advanced preemption for Taylor/7th traffic signal or install queue cutter signal(s) - Upgrade railroad signal house	\$1.9M	\$3.5M
N. 7th St And Jackson St	- Bulb out curb lines at the intersection - Replace vehicle gate system (to accommodate new curb line, optimize locations, upgrade flashers) - Install traffic signal with pre-signal(s) - Install full pedestrian treatments on all (6) quadrants - Install channelizers on 7th north and south legs - Install channelizers on Jackson east leg - Upgrade railroad signal house	\$3.9M	\$6.4M

Table 2 - Order-of-Magnitude Construction Cost Estimate Summary

Location	Stakeholder Recommended Improvements	Order of Magnitude Construction Cost Estimate	
		Low	High
N. 6th St/ E. Empire St	- Bulb out curb lines at the intersection - Replace vehicle gate system (to accommodate new curb line, optimize locations) - Install traffic signal - Install full pedestrian treatments on all (4) quadrants - Install channelizers on all (4) legs - Upgrade railroad signal house	\$3.2M	\$5.1M
N. 5th St	- Extend median on south leg closer to track - Fill median gap on north leg - Cut new median gaps on north and south legs at least 60' away - Install No. 8 flashers in off-quads (2) - Install channelizers on top of median islands on north and south legs	\$0.1M	\$0.2M
N. 4th St	- Cul-de-sac Washington St at 4th - Extend medians closer to tracks - Install No. 8 flashers in off-quads (2) - Install channelizers on all (2) legs	\$0.5M	\$0.8M
N. 3rd St	- Install No. 8 flashers in off-quads (2) - Install channelizers on south leg	\$0.1M	\$0.2M
N. 2nd St	- Bulb out curb lines at the crossing - Replace vehicle gate system with 4-quad vehicle gates (to optimize locations and make space for ped treatments) - Install full pedestrian treatments on all (4) quadrants - Install channelizers on all (2) legs - Upgrade railroad signal house	\$1.8M	\$3.0M
N. 1st St	- Install full pedestrian treatments on all (4) quadrants - Relocate one streetlight pole at NW quad	\$0.4M	\$0.6M
Autumn Pkwy	- Replace vehicle gate system with 4-quad vehicle gates (to optimize locations and make space for ped treatments) - Replace and install full pedestrian treatments on all (4) quadrants - Upgrade railroad signal house - Install channelizers on all (2) legs	\$1.4M	\$2.4M
N. Montgomery St	- Bulb out curb lines at the crossing - Replace vehicle gate system with 4-quad vehicle gates (to optimize locations and make space for ped treatments) - Install full pedestrian treatments on all (4) quadrants - Install channelizers on all (2) legs - Upgrade railroad signal house	\$1.8M	\$3.0M
Total		\$ 19.3M	\$32.4M

7. Quiet Zone Risk Index Calculation

The QZRI is the average risk index for all grade crossings in a proposed Quiet Zone. This index takes into account the increased risk of collision caused by the absence of train horns and the decreased risk with the use of safety measures (SSMs and ASMs). Safety measures are used to decrease the QZRI so that it may qualify for a quiet zone; the QZRI must be equal to or less than the Risk Index With Horns (RIWH) or the Nationwide Significant Risk Threshold (NSRT).

Table 3 summarizes risk indices based on the FRA risk index calculator. The column “Risk Index without Horns” identifies the risk index at each crossing if no locomotive horns were sounded, assuming no safety measures are implemented on the corridor. The bottom of the column is the corridor-average risk if no locomotive horns are sounded, 12,721.41; this would be the QZRI if no additional safety measures are proposed. The last column “Risk Index without Horns, factoring in SSMs & ASMs” indicates the risk index at each crossing if safety measures are implemented and horns are not sounded. The second to last column indicates the amount of risk reduction credit that was used to calculate the last column; the risk reduction credit is based on the recommended improvements (**Table 2**).

Table 3 indicates that the “Risk Index without Horns”, i.e. the QZRI if no additional safety measures are proposed, is 12,721.41 which is less than the NSRT of 13,811.

Table 3 - QZRI Result Comparison

At Grade Crossing	Risk Index without Horns	Safety Measures*		Proposed Risk Reduction	Risk Index without Horns, factoring in SSMs & ASMs
		*SSM	supplementary safety measure		
		*ASM	alternative safety measure		
Horning St ¹	11,231.20	2	SSM: Permanent closure	1.00	0
10th ¹	19,589.95		Candidate ASM location.	TBD	TBD
Hedding St	17,646.57	6	SSM: 4-quadrant gates, with presence detection	0.77	4,058.71
Taylor St	15,097.25	6	SSM: 4-quadrant gates, with presence detection	0.77	3,472.37
Jackson St	10,472.88		Candidate ASM location.	TBD	TBD
7th St	11,077.36	12	SSM: Gates with channelizers	0.75	2,769.34
6th St	10,651.69		Candidate ASM location.	TBD	TBD
5th St	9,789.62		Candidate ASM location.	TBD	TBD
4th St	12,410.06		Candidate ASM location.	TBD	TBD
3rd St	11,353.09		Candidate ASM location.	TBD	TBD
2nd St	12,549.65	6	SSM: 4-quadrant gates, with presence detection	0.77	2,886.42
1st St	13,410.80	13	SSM: Gates with median	0.80	2,682.16
Autumn Pkwy	18,358.90	6	SSM: 4-quadrant gates, with presence detection	0.77	4,222.55
N. Montgomery St	4,460.67	6	SSM: 4-quadrant gates, with presence detection	0.77	1,025.95
QZRI with No Improvements	12,721.41				

1. Assumes spur track is removed by UPRR as part of surface crossing maintenance project.

8. Recommendations and Next Steps

The Quiet Zone Risk Index without Horns for the existing corridor was calculated to be less than the NSRT. Based on this information and the FRA Train Horn Rule quiet zone criteria outlined in Section 3, the City can currently establish a quiet zone through the Public Authority Designation process.

The process would include:

1. Immediate Maintenance – The City should review and update signage and pavement markings to ensure CA MUTCD compliance.
2. FRA Crossing Inventory Reports – The City should update traffic counts and other roadway data in the inventory forms and re-run the Quiet Zone risk index calculations to ensure that the Risk Index without Horns still falls below the NSRT.
3. Notice of Intent (NOI) – The City should issue an NOI to the stakeholders informing them of the City's intent to establish a quiet zone; the City should receive and consider comments in the subsequent 60-day comment period.
4. Notice of Establishment (NOE) – Following the 60-day comment period of the NOI, the City should issue a NOE to the stakeholders informing them of the date that the Quiet Zone will begin; the date must be a minimum of 21 days after the mailing of the NOE.

A quiet zone established on this basis might not last very long because the Risk Index Without Horns (12,721.41) is relatively close to the NSRT (13,811), and the difference is likely to narrow in future updates to either of these indices. The FRA recalculates and publishes the new NSRT annually. In the last few updates, the NSRT decreased from 14,723 in 2017 to 13,811 in 2019. The Risk Index Without Horns could increase in the future if traffic volumes increase, or if collisions occur between vehicles and trains at crossings. If the Risk Index Without Horns becomes greater than the NSRT, the FRA would issue a notice terminating the quiet zone within six months of its notice.

The City should plan to reduce its risk index through the implementation of improvements (SSMs and/or ASMs). The City should decide if it will reduce its risk index based on SSMs only, or if it will use ASMs. If the City has an existing quiet zone, and in the future uses only SSMs to decrease its risk index, the process would be relatively simple: The City would file a new Notice of Intent to the stakeholders to change the filing basis. This Notice would document the new SSMs that were implemented and show the calculation of the new Quiet Zone Risk Index.

SSMs are listed in Section 2. The most applicable type of SSM for crossings on the Warm Springs corridor is a 4-quadrant Vehicle Gate system; these are usually the costliest. The SSM: Gates with Medians or Channelization Devices is possible at one location (1st St), but not others since this SSM does not allow driveways and intersections within 60 feet of the crossing gates. The diagnostic team identified one location (Horning St) as a good candidate for the SSM: Permanent Closure of a Public Highway-rail Crossing, although street closure is typically unpopular in urban areas and faces additional municipal regulatory hurdles. The SSM: One-Way Street with Gates may also be unpopular at any location as it would require a two-way street to be converted to one-way.

ASMs can be less costly than SSMs, but they may not yield as much risk reduction credit, and they need approval from FRA. If the City decides to use ASMs to reduce its risk index, it will need to go through the Public Authority Application process in order to establish or re-establish a quiet zone. Crossings that are candidate for ASM risk reduction credit are noted in **Table 3**.

The Public Authority Application process would include:

1. 60% Design Drawings – The City should determine where it will invest in improvements and prepare approximately 60% design plans.
2. Site Diagnostic Meeting – The City should coordinate another site diagnostic at the grade crossings in the proposed quiet zone. The diagnostic team will evaluate the proposed improvements based on the 60% design plans and provide feedback.
3. Notice of Intent (NOI) – The City should issue an NOI to the stakeholders informing them of the City's intent to submit a Public Authority Application; the City should receive and consider comments in the subsequent 60-day comment period.
4. Public Authority Application – The City should submit its application to the stakeholders; the application should show the proposed improvements and address comments received in the site diagnostic and in the NOI comment period. A 60-day comment period on the application would follow.
5. FRA decision – The FRA would review the application and comments received, and then issue a decision. It may condition additional requirements/improvements in its approval.
6. Complete Improvements – If the City's application is approved, the City should complete design and construction of the improvements.
7. Notice of Establishment (NOE) – After the improvements are completed, the City should issue a NOE to the stakeholders informing them of the date that the Quiet Zone will begin; the date must be a minimum of 21 days after the mailing of the NOE.

Recommendation for the Near-Term: For near-term relief from nighttime train horns, it is recommended that the City designate a Partial Quiet Zone. This would silence routine train horns at crossings from 10 PM to 7 AM. Daytime train horns would still provide warning to the majority of crossing traffic. In addition to ensuring crossings comply with CA MUTCD requirements for signage and pavement markings, the City should perform key activities in advance of starting a quiet zone:

- Notification: The City should notify adjacent communities and users that routine train horns will cease and crossing users will need to pay special attention to other warning devices.
- Homeless Outreach: Homeless people camp and travel along the railroad corridor, and do not have the benefit of receiving mail notification about the quiet zone. Special outreach is needed to notify them. This outreach could include rail safety education (e.g. Operation Lifesaver), be paired with outreach on housing and other resources, etc.
- Trespasser Enforcement: The benefits of a quiet zone are negated if train operators have to regularly sound the horn to warn trespassers. Enforcement can help keep trespassers off the corridor. Currently the City and UPRR are developing a Memorandum of Understanding (MOU) that will allow City forces to enter UPRR property to perform enforcement activities. Ideally this MOU would be executed prior to the start of the quiet zone.

Recommendation for the Long-Term: The City should continue to work with FRA, CPUC, and UPRR to enhance safety and reduce the risk index through the implementation of improvements (SSMs and/or ASMs). SSMs may be more costly but are preferred over ASMs because they generally yield greater risk reduction credit. Also, if only SSMs are used to reduce the risk index, then FRA review and approval will not be required. Improvements will require funding, probably in the millions of dollars, and take time to design and construct, at least 1-3 years. Improvements to railroad crossings must go through a CPUC application process which requires UPRR concurrence and CPUC approval. If the City cannot fund

improvements at every crossing, a limited number of locations can be selected for improvement. The decision on which locations to improve should consider the following:

- **Risk Reduction Potential:** Installing SSMs/ASMs at the locations with the highest risk indices will yield the greatest reduction in the corridor risk index. For example, 10th St, Autumn Pkwy, Hedding St, and Taylor St are the top four locations in terms of risk index. The larger the risk reduction achieved, the longer the quiet zone will last without needing further improvements in the future to reduce the risk index below either the NSRT or the Risk Index With Horns.
- **Cost:** Improvement costs vary across locations; locations with lower cost improvements may be more attractive, especially if funding is limited.
- **Funding Sources:** Some locations may have funds available specifically for public improvements at that location (e.g. development fees).
- **Co-benefits:** Improvements at some locations might not yield the highest risk reduction credit but may have other desirable benefits. For example, improvements discussed at 7th/Jackson included significantly shrinking the intersection using bulbouts; while intersection reconfiguration is not an SSM, it would enhance safety among all users (pedestrians, bicyclists, vehicles, trains).
- **Stakeholder and Community Input:** The City should share ideas on prioritization of locations for improvement with FRA, CPUC, and UPRR and solicit their feedback, and in parallel work with the neighboring community.

List of Appendices

Appendix A: Photo Contact Sheets

Appendix B: FRA Crossing Inventory Report

Appendix C: Conceptual Improvement Plans

Appendix D: Meeting Minutes

Appendix E: FRA Risk Index Calculator for Existing Crossings



APPENDIX A

Photo Contact Sheets

City of San Jose Quiet Zone
Site Visit - June 25, 2019
Photo Contact Sheets

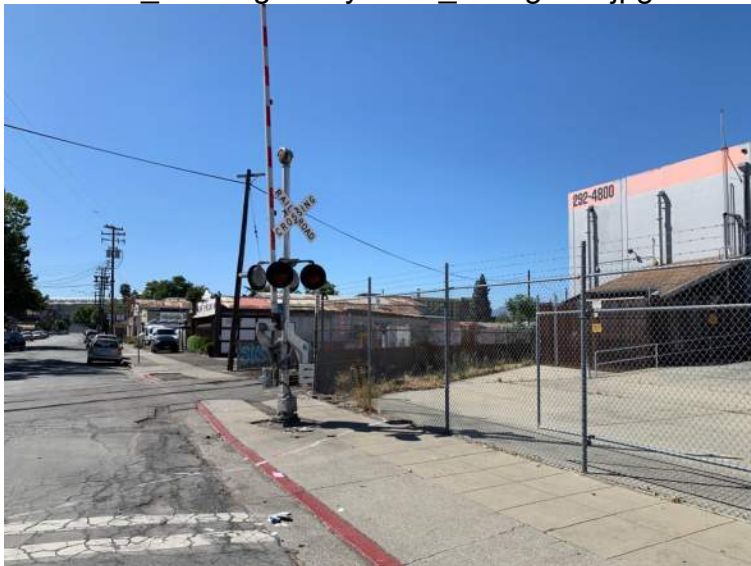
01_N Montgomery Gate_facing S.jpg



02_N Montgomery Sidewalk_facing SE.jpg



03_N Montgomery Gate_facing SW.jpg



04_N Montgomery UPRR Signal Department_facing NE.jpg



City of San Jose Quiet Zone
Site Visit - June 25, 2019
Photo Contact Sheets

05_Autumn Pkwy Gate_facing E.jpg



06_Autumn Pkwy Gate_facing W.jpg



07_Autumn Pkwy Ped Gate_facing N.jpg



08_Autumn Pkwy Commercial Driveway facing E.jpg



City of San Jose Quiet Zone
Site Visit - June 25, 2019
Photo Contact Sheets

09_N 1 St Northbound Gate_facing N.jpg



10_N 1 St Bridge_facing W.jpg



11_N 1 St Southbound Gate_facing S.jpg



12_N 1 St Railroad Sign_facing N.jpg



City of San Jose Quiet Zone
Site Visit - June 25, 2019
Photo Contact Sheets

13_N 2 St Gate _facing S.jpg



14_N 2 St Gate 2 _facing N.jpg



15_N 2 St Railroad Sign _facing S.jpg



16_N 2 St W10-2Sign _facing S.jpg



City of San Jose Quiet Zone
Site Visit - June 25, 2019
Photo Contact Sheets

17_N 3 St Gate_facing S.jpg



18_N 3 St Gate_facing N.jpg



19_N 4 St Gate_facing S.jpg



20_N 4 St Railroad sign&W10-2_facing S.jpg



City of San Jose Quiet Zone
Site Visit - June 25, 2019
Photo Contact Sheets

21_N 5 St Gate_facing NW.jpg



22_N 5 St Gate_facing W.jpg



23_N 5 St Uti-box_facing E.jpg



24_N 5 St Crossing_facing N.jpg



City of San Jose Quiet Zone
Site Visit - June 25, 2019
Photo Contact Sheets

25_N 6 St Gate_facing N.jpg



26_N 6 St Gate_facing S.jpg



27_Empire St Gate_facing W.jpg



28_N 6 St Signal Pole_facing S.jpg



City of San Jose Quiet Zone
Site Visit - June 25, 2019
Photo Contact Sheets

29_N 7 St Gate_facing N.jpg



30_N 7 St Gate_facing W.jpg



31_N 7 St Light Pole_facing N.jpg



32_N 7 St Sidewalk_facing N.jpg



City of San Jose Quiet Zone
Site Visit - June 25, 2019
Photo Contact Sheets

33_E Taylor St Gate_facing NE.jpg



34_E Taylor St Gate2_facing SW.jpg



35_E Taylor St XING_facing W.jpg



36_E Taylor St Pole&Track_facing NE.jpg



City of San Jose Quiet Zone
Site Visit - June 25, 2019
Photo Contact Sheets

37_Hedding St Gate_facing S.jpg



38_Hedding St Rsign&W10-2_facing NW.jpg



39_Hedding St XING_facing N.jpg



40_Hedding St_facing NE.jpg



City of San Jose Quiet Zone
Site Visit - June 25, 2019
Photo Contact Sheets

41_N 10 St Gate_facing N.jpg



42_N 10 St Gate_facing S.jpg



43_N 10 St 2nd Gate_facing W.jpg



44_Horning StGate_facing W.jpg





APPENDIX B

At-grade Crossing Inventory Report

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 02 / 25 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ Re-Open ☐ New Crossing ☐ Date Change Only ☐ Closed ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 750151J
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number North Montgomery Street (Street/Road Name) * (Block Number)		6. Highway Type & No. Is	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None Northern California		10. Railroad Subdivision or District ☐ None Warm Springs Sub		11. Branch or Line Name ☒ None	
12. RR Milepost 0017.464 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private	18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.	19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	20. Public Access (if Private Crossing) ☐ Yes ☐ No	21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other	22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0
23. Type of Land Use ☐ Open Space ☐ Farm ☐ Residential ☐ Commercial ☒ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A	27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.3368910		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.9050470		29. Lat/Long Source ☒ Actual ☐ Estimated
30.A. Railroad Use *			31.A. State Use * CPUC 001DA-17.40		
30.B. Railroad Use *			31.B. State Use *		
30.C. Railroad Use *			31.C. State Use *		
30.D. Railroad Use *			31.D. State Use *		
32.A. Narrative (Railroad Use) *			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week?
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 0				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 02/25/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 750151J	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 2 ☐ W10-3 _____ ☐ W10-11 _____ ☐ W10-2 _____ ☐ W10-4 _____ ☐ W10-12 _____	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☐ All Approaches ☐ Median ☐ One Approach ☒ None	
2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No		2.I. ENS Sign (I-13) Displayed ☒ Yes ☐ No			
2.J. Other MUTCD Signs Specify Type _____ Count _____ Specify Type _____ Count _____ Specify Type _____ Count _____		2.K. Private Crossing Signs (if private) ☐ Yes ☐ No		2.L. LED Enhanced Signs (List types) 0	
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 2 Pedestrian 0		3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) Resistance ☐ 3 Quad ☐ Median Gates ☐ 4 Quad		3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 1 ☐ Incandescent Not Over Traffic Lane 0 ☒ LED	
3.D. Mast Mounted Flashing Lights (count of masts) 2 ☐ Incandescent ☒ LED ☒ Back Lights Included ☐ Side Lights Included		3.E. Total Count of Flashing Light Pairs 6			
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) _____/_____/_____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/_____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	
3.I. Bells (count) 2		3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☒ None			
3.K. Other Flashing Lights or Warning Devices Count 0 Specify type _____					
4.A. Does nearby Hwy Intersection have Traffic Signals? ☐ Yes ☒ No		4.B. Hwy Traffic Signal Interconnection ☒ Not Interconnected ☐ For Traffic Signals ☐ For Warning Signs		4.C. Hwy Traffic Signal Preemption ☐ Simultaneous ☐ Advance	
5. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____		6. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☐ None			
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 2 ☐ One-way Traffic ☒ Two-way Traffic ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No		3. Does Track Run Down a Street? ☐ Yes ☒ No	
4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☐ Yes ☒ No					
5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/_____ ☐ 1 Timber ☒ 2 Asphalt ☐ 3 Asphalt and Timber ☐ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____					
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 95		7. Smallest Crossing Angle ☐ 0° - 29° ☒ 30° - 59° ☐ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☐ (03) Federal AID, Not NHS ☒ (08) Non-Federal AID		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☐ (5) Major Collector ☐ (2) Other Freeways and Expressways ☐ (3) Other Principal Arterial ☐ (6) Minor Collector ☐ (4) Minor Arterial ☒ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	
4. Highway Speed Limit 25 _____ MPH ☐ Posted ☒ Statutory		5. Linear Referencing System (LRS Route ID) *			
6. LRS Milepost *					
7. Annual Average Daily Traffic (AADT) Year 2016 AADT 1792		8. Estimated Percent Trucks 20 _____ %		9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____	
10. Emergency Services Route ☐ Yes ☐ No					
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____					
Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 02 / 25 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ New Crossing ☐ Closed ☐ Re-Open ☐ Date Change Only ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 924191R
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number Autumn Parkway (Street/Road Name) * (Block Number)		6. Highway Type & No. LS	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None Northern California		10. Railroad Subdivision or District ☐ None Warm Springs		11. Branch or Line Name ☒ None	
12. RR Milepost 0017.315 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private		18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.		19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	
20. Public Access (if Private Crossing) ☐ Yes ☒ No		21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other		22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0	
23. Type of Land Use ☐ Open Space ☐ Farm ☐ Residential ☒ Commercial ☐ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A		27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.3382410		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.9029980	
29. Lat/Long Source ☒ Actual ☐ Estimated					
30.A. Railroad Use *			31.A. State Use *		
30.B. Railroad Use *			31.B. State Use *		
30.C. Railroad Use *			31.C. State Use *		
30.D. Railroad Use *			31.D. State Use *		
32.A. Narrative (Railroad Use) *			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week?
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 0				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 02/25/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 924191R	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 2 ☐ W10-3 _____ ☐ W10-11 _____ ☐ W10-2 _____ ☐ W10-4 _____ ☐ W10-12 _____	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☒ All Approaches ☐ Median ☐ One Approach ☐ None	
2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No		2.I. ENS Sign (I-13) Displayed ☒ Yes ☐ No			
2.J. Other MUTCD Signs Specify Type R8-8 Count 2 Specify Type _____ Count _____ Specify Type _____ Count _____		2.K. Private Crossing Signs (if private) ☐ Yes ☐ No		2.L. LED Enhanced Signs (List types)	
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 4 Pedestrian 2		3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) ☐ 3 Quad Resistance ☐ 4 Quad ☒ Median Gates		3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 0 ☐ Incandescent Not Over Traffic Lane 0 ☐ LED	
3.D. Mast Mounted Flashing Lights (count of masts) 6 ☐ Incandescent ☒ LED ☒ Back Lights Included ☐ Side Lights Included		3.E. Total Count of Flashing Light Pairs 12			
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) _____/_____/_____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/_____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	
3.I. Bells (count) 4		3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☐ None			
3.K. Other Flashing Lights or Warning Devices Count 0 Specify type _____					
4.A. Does nearby Hwy Intersection have Traffic Signals? ☐ Yes ☐ No		4.B. Hwy Traffic Signal Interconnection ☒ Not Interconnected ☐ For Traffic Signals ☐ For Warning Signs		4.C. Hwy Traffic Signal Preemption ☐ Simultaneous ☐ Advance	
5. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____		6. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☒ None			
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 4 ☐ One-way Traffic ☒ Two-way Traffic ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No		3. Does Track Run Down a Street? ☐ Yes ☒ No	
4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☒ Yes ☐ No		5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/_____ ☐ 1 Timber ☐ 2 Asphalt ☐ 3 Asphalt and Timber ☒ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____			
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 40		7. Smallest Crossing Angle ☐ 0° - 29° ☐ 30° - 59° ☒ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☒ (03) Federal AID, Not NHS ☐ (08) Non-Federal AID		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☐ (5) Major Collector ☐ (2) Other Freeways and Expressways ☐ (3) Other Principal Arterial ☐ (6) Minor Collector ☐ (4) Minor Arterial ☒ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	
4. Highway Speed Limit 30 _____ MPH ☒ Posted ☐ Statutory		5. Linear Referencing System (LRS Route ID) *			
6. LRS Milepost *					
7. Annual Average Daily Traffic (AADT) Year 2017 AADT 11430		8. Estimated Percent Trucks 00 _____ %		9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____	
10. Emergency Services Route ☐ Yes ☐ No					
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____ Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 02 / 24 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ New Crossing ☐ Closed ☐ Re-Open ☐ Date Change Only ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 750136G
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number North 1st Street (Street/Road Name) * (Block Number)		6. Highway Type & No. Is	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None Northern California		10. Railroad Subdivision or District ☐ None Warm Springs Sub		11. Branch or Line Name ☒ None	
12. RR Milepost 0016.777 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private		18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.		19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	
20. Public Access (if Private Crossing) ☐ Yes ☒ No		21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other		22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0	
23. Type of Land Use ☐ Open Space ☐ Farm ☒ Residential ☐ Commercial ☐ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A		27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.3420610		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.8949510	
29. Lat/Long Source ☒ Actual ☐ Estimated		30.A. Railroad Use *			
30.B. Railroad Use *		31.A. State Use * CPUC 001DA-16.80			
30.C. Railroad Use *		31.B. State Use *			
30.D. Railroad Use *		31.C. State Use *			
30.E. Railroad Use *		31.D. State Use *			
32.A. Narrative (Railroad Use) *			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week?
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 0				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 02/24/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 750136G	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 2 ☐ W10-3 _____ ☐ W10-11 _____ ☐ W10-2 _____ ☐ W10-4 _____ ☐ W10-12 _____	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☒ All Approaches ☐ Median ☐ One Approach ☐ None	
2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No		2.I. ENS Sign (I-13) Displayed ☒ Yes ☐ No			
2.J. Other MUTCD Signs Specify Type _____ Count _____ Specify Type _____ Count _____ Specify Type _____ Count _____		2.K. Private Crossing Signs (if private) ☐ Yes ☐ No		2.L. LED Enhanced Signs (List types) 0	
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 2 Pedestrian 0		3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) Resistance ☐ 3 Quad ☐ Median Gates ☐ 4 Quad		3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 0 ☐ Incandescent Not Over Traffic Lane 0 ☐ LED	
3.D. Mast Mounted Flashing Lights (count of masts) 2 ☐ Incandescent ☒ LED ☒ Back Lights Included ☐ Side Lights Included		3.E. Total Count of Flashing Light Pairs 4			
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) _____/_____/_____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/_____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	
3.I. Bells (count) 2		3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☒ None			
3.K. Other Flashing Lights or Warning Devices Count 0 Specify type _____					
4.A. Does nearby Hwy Intersection have Traffic Signals? ☐ Yes ☒ No		4.B. Hwy Traffic Signal Interconnection ☐ Not Interconnected ☐ For Traffic Signals ☐ For Warning Signs		4.C. Hwy Traffic Signal Preemption ☐ Simultaneous ☐ Advance	
5. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____		6. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☐ None			
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 2 ☐ One-way Traffic ☒ Two-way Traffic ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No		3. Does Track Run Down a Street? ☐ Yes ☒ No	
4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☒ Yes ☐ No		5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/_____ ☐ 1 Timber ☒ 2 Asphalt ☐ 3 Asphalt and Timber ☐ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____			
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 125		7. Smallest Crossing Angle ☐ 0° - 29° ☐ 30° - 59° ☒ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☒ (03) Federal AID, Not NHS ☐ (08) Non-Federal Aid		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☐ (5) Major Collector ☐ (2) Other Freeways and Expressways ☒ (3) Other Principal Arterial ☐ (6) Minor Collector ☐ (4) Minor Arterial ☐ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	
4. Highway Speed Limit 25 _____ MPH ☒ Posted ☐ Statutory		5. Linear Referencing System (LRS Route ID) *			
6. LRS Milepost *					
7. Annual Average Daily Traffic (AADT) Year 2017 AADT 7836		8. Estimated Percent Trucks 15 _____ %		9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____	
10. Emergency Services Route ☐ Yes ☐ No					
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____					
Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 02 / 24 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ Re-Open ☐ New Crossing ☐ Date Change Only ☐ Closed ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 750135A
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number NORTH 2ND STREET (Street/Road Name) * (Block Number)		6. Highway Type & No. Is	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None NORTHERN CALIFORN		10. Railroad Subdivision or District ☐ None Warm Springs		11. Branch or Line Name ☒ None	
12. RR Milepost 0016.702 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private	18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.	19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	20. Public Access (if Private Crossing) ☐ Yes ☐ No	21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other	22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0
23. Type of Land Use ☐ Open Space ☐ Farm ☒ Residential ☐ Commercial ☐ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A	27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.3425670		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.8938970		29. Lat/Long Source ☒ Actual ☐ Estimated
30.A. Railroad Use *			31.A. State Use * CPUC 001DA-16.70		
30.B. Railroad Use *			31.B. State Use *		
30.C. Railroad Use *			31.C. State Use *		
30.D. Railroad Use *			31.D. State Use *		
32.A. Narrative (Railroad Use) *			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week? _____
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 0				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 02/24/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 750135A	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 2 ☐ W10-3 _____ ☐ W10-11 _____ ☐ W10-2 _____ ☐ W10-4 _____ ☐ W10-12 _____	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☐ All Approaches ☐ Median ☐ One Approach ☒ None	
2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No		2.I. ENS Sign (I-13) Displayed ☒ Yes ☐ No			
2.J. Other MUTCD Signs ☐ Yes ☒ No Specify Type _____ Count _____ Specify Type _____ Count _____ Specify Type _____ Count _____			2.K. Private Crossing Signs (if private) ☐ Yes ☐ No		2.L. LED Enhanced Signs (List types) 0
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 2 Pedestrian 0		3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) Resistance ☐ 3 Quad ☐ Median Gates ☐ 4 Quad		3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 1 ☒ Incandescent Not Over Traffic Lane 0 ☐ LED	
3.D. Mast Mounted Flashing Lights (count of masts) 2 ☐ Incandescent ☒ LED ☒ Back Lights Included ☐ Side Lights Included		3.E. Total Count of Flashing Light Pairs 6			
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) _____/_____/_____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/_____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	
3.I. Bells (count) 2		3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☒ None			
3.K. Other Flashing Lights or Warning Devices Count 0 Specify type _____					
4.A. Does nearby Hwy Intersection have Traffic Signals? ☐ Yes ☒ No		4.B. Hwy Traffic Signal Interconnection ☐ Not Interconnected ☐ For Traffic Signals ☐ For Warning Signs		4.C. Hwy Traffic Signal Preemption ☐ Simultaneous ☐ Advance	
5. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____		6. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☐ None			
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad ☐ One-way Traffic ☒ Two-way Traffic Number of Lanes 2 ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No		3. Does Track Run Down a Street? ☐ Yes ☒ No	
4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☒ Yes ☐ No					
5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/_____ ☐ 1 Timber ☐ 2 Asphalt ☐ 3 Asphalt and Timber ☒ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____					
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 147		7. Smallest Crossing Angle ☐ 0° - 29° ☐ 30° - 59° ☒ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☒ (03) Federal AID, Not NHS ☐ (08) Non-Federal AID		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☒ (5) Major Collector ☐ (2) Other Freeways and Expressways ☐ (3) Other Principal Arterial ☐ (6) Minor Collector ☐ (4) Minor Arterial ☐ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	
4. Highway Speed Limit 25 _____ MPH ☒ Posted ☐ Statutory		5. Linear Referencing System (LRS Route ID) *			
6. LRS Milepost *					
7. Annual Average Daily Traffic (AADT) Year 2017 AADT 5974		8. Estimated Percent Trucks 10 _____ %		9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____	
10. Emergency Services Route ☐ Yes ☐ No					
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____ Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 02 / 24 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ New Crossing ☐ Closed ☐ Re-Open ☐ Date Change Only ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 750134T
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number North 3rd Street (Street/Road Name) * (Block Number)		6. Highway Type & No. Is	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None Northern California		10. Railroad Subdivision or District ☐ None Warm Springs Sub		11. Branch or Line Name ☒ None	
12. RR Milepost 0016.630 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private		18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.		19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	
20. Public Access (if Private Crossing) ☐ Yes ☒ No		21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other		22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0	
23. Type of Land Use ☐ Open Space ☐ Farm ☒ Residential ☐ Commercial ☐ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A		27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.3431668		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.8929796	
29. Lat/Long Source ☒ Actual ☐ Estimated		30.A. Railroad Use *			
30.B. Railroad Use *		31.A. State Use * CPUC 001DA-16.60			
30.C. Railroad Use *		31.B. State Use *			
30.D. Railroad Use *		31.C. State Use *			
30.E. Railroad Use *		31.D. State Use *			
32.A. Narrative (Railroad Use) *			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week?
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 0				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 02/24/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 7501341	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 2 ☐ W10-3 ☐ W10-11 ☐ W10-2 ☐ W10-4 ☐ W10-12	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☒ All Approaches ☐ Median ☐ One Approach ☐ None	
				2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No	
2.J. Other MUTCD Signs Specify Type _____ Count _____ Specify Type _____ Count _____ Specify Type _____ Count _____		2.K. Private Crossing Signs (if private) ☐ Yes ☐ No		2.L. LED Enhanced Signs (List types) 0	
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 2 Pedestrian 0	3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) Resistance ☐ 3 Quad ☐ Median Gates ☐ 4 Quad	3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 0 ☐ Incandescent Not Over Traffic Lane 0 ☐ LED		3.D. Mast Mounted Flashing Lights (count of masts) 4 ☐ Incandescent ☒ LED ☒ Back Lights Included ☐ Side Lights Included	3.E. Total Count of Flashing Light Pairs 8
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) _____/_____/_____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/_____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	3.I. Bells (count) 2
3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☒ None				3.K. Other Flashing Lights or Warning Devices Count 0 Specify type _____	
4.A. Does nearby Hwy Intersection have Traffic Signals? ☐ Yes ☒ No	4.B. Hwy Traffic Signal Interconnection ☐ Not Interconnected ☐ For Traffic Signals ☐ For Warning Signs	4.C. Hwy Traffic Signal Preemption ☐ Simultaneous ☐ Advance	5. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____	6. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☐ None	
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 2 ☐ One-way Traffic ☒ Two-way Traffic ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No		3. Does Track Run Down a Street? ☐ Yes ☒ No	
4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☒ Yes ☐ No					
5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/_____ ☐ 1 Timber ☐ 2 Asphalt ☐ 3 Asphalt and Timber ☒ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____					
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 54		7. Smallest Crossing Angle ☐ 0° - 29° ☐ 30° - 59° ☒ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☒ (03) Federal AID, Not NHS ☐ (08) Non-Federal AID		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☒ (5) Major Collector ☐ (2) Other Freeways and Expressways ☐ (3) Other Principal Arterial ☐ (6) Minor Collector ☐ (4) Minor Arterial ☐ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	
				4. Highway Speed Limit 30 _____ MPH ☐ Posted ☒ Statutory	
				5. Linear Referencing System (LRS Route ID) *	
				6. LRS Milepost *	
7. Annual Average Daily Traffic (AADT) Year 2017 AADT 3992		8. Estimated Percent Trucks 10 _____ %		9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____	
				10. Emergency Services Route ☐ Yes ☐ No	
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____					
Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 03 / 05 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ Re-Open ☐ New Crossing ☐ Date Change Only ☐ Closed ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 750133L
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number North 4th Street (Street/Road Name) * (Block Number)		6. Highway Type & No. Is	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None Northern California		10. Railroad Subdivision or District ☐ None Warm Springs Sub		11. Branch or Line Name ☒ None	
12. RR Milepost 0016.546 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private	18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.	19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	20. Public Access (if Private Crossing) ☐ Yes ☐ No	21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other	22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0
23. Type of Land Use ☐ Open Space ☐ Farm ☒ Residential ☐ Commercial ☐ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A	27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.3443190		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.8923610		29. Lat/Long Source ☒ Actual ☐ Estimated
30.A. Railroad Use *			31.A. State Use * CPUC 001DA-16.40		
30.B. Railroad Use *			31.B. State Use *		
30.C. Railroad Use *			31.C. State Use *		
30.D. Railroad Use *			31.D. State Use *		
32.A. Narrative (Railroad Use) *			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week?
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 0				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 03/05/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 750133L	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 2 ☐ W10-3 ☐ W10-11 ☐ ☐ W10-2 ☐ W10-4 ☐ W10-12	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☒ All Approaches ☒ Median ☐ One Approach ☐ None	
				2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No	
				2.I. ENS Sign (I-13) Displayed ☒ Yes ☐ No	
2.J. Other MUTCD Signs Specify Type _____ Count _____ Specify Type _____ Count _____ Specify Type _____ Count _____		☒ Yes ☐ No		2.K. Private Crossing Signs (if private) ☐ Yes ☐ No	
				2.L. LED Enhanced Signs (List types) 0	
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 2 Pedestrian 0	3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) Resistance ☐ 3 Quad ☐ Median Gates	3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 0 ☐ Incandescent Not Over Traffic Lane 0 ☐ LED		3.D. Mast Mounted Flashing Lights (count of masts) 4 ☐ Incandescent ☒ LED ☒ Back Lights Included ☐ Side Lights Included	3.E. Total Count of Flashing Light Pairs 8
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) _____/_____/_____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/_____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	3.I. Bells (count) 2
3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☒ None				3.K. Other Flashing Lights or Warning Devices Count 0 Specify type _____	
4.A. Does nearby Hwy Intersection have Traffic Signals? ☐ Yes ☒ No	4.B. Hwy Traffic Signal Interconnection ☐ Not Interconnected ☐ For Traffic Signals ☐ For Warning Signs	4.C. Hwy Traffic Signal Preemption ☐ Simultaneous ☐ Advance	5. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____	6. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☒ None	
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 2 ☐ One-way Traffic ☒ Two-way Traffic ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No		3. Does Track Run Down a Street? ☐ Yes ☒ No	
				4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☒ Yes ☐ No	
5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/_____ ☐ 1 Timber ☐ 2 Asphalt ☐ 3 Asphalt and Timber ☒ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____					
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 10		7. Smallest Crossing Angle ☐ 0° - 29° ☒ 30° - 59° ☐ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☒ (03) Federal AID, Not NHS ☐ (08) Non-Federal AID		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☐ (5) Major Collector ☐ (2) Other Freeways and Expressways ☐ (3) Other Principal Arterial ☐ (6) Minor Collector ☒ (4) Minor Arterial ☐ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	
				4. Highway Speed Limit 30 MPH ☐ Posted ☒ Statutory	
				5. Linear Referencing System (LRS Route ID) *	
				6. LRS Milepost *	
7. Annual Average Daily Traffic (AADT) Year 2016 AADT 5709		8. Estimated Percent Trucks 05 %		9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____	
				10. Emergency Services Route ☐ Yes ☐ No	
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____					
Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 02 / 24 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ New Crossing ☐ Closed ☐ Re-Open ☐ Date Change Only ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 750132E
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number NORTH 5TH STREET (Street/Road Name) * (Block Number)		6. Highway Type & No. Is	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None NORTHERN CALIFORN		10. Railroad Subdivision or District ☐ None Warm Springs Sub		11. Branch or Line Name ☒ None	
12. RR Milepost 0016.448 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private		18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.		19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	
20. Public Access (if Private Crossing) ☐ Yes ☒ No		21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other		22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0	
23. Type of Land Use ☐ Open Space ☐ Farm ☒ Residential ☐ Commercial ☐ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A		27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.3457750		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.8919900	
29. Lat/Long Source ☒ Actual ☐ Estimated		30.A. Railroad Use *			
31.A. State Use * CPUC 001DA-16.30				30.B. Railroad Use *	
31.B. State Use *				30.C. Railroad Use *	
31.C. State Use *				30.D. Railroad Use *	
31.D. State Use *				32.A. Narrative (Railroad Use) *	
32.B. Narrative (State Use) *				33. Emergency Notification Telephone No. (posted) 800-848-8715	
34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722			

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week?
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 0				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 02/24/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 750132E	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 2 ☐ W10-3 _____ ☐ W10-11 _____ ☐ W10-2 _____ ☐ W10-4 _____ ☐ W10-12 _____	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☒ All Approaches ☐ Median ☐ One Approach ☐ None	
2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No		2.I. ENS Sign (I-13) Displayed ☒ Yes ☐ No			
2.J. Other MUTCD Signs Specify Type W10-12 Count 2 Specify Type _____ Count _____ Specify Type _____ Count _____		2.K. Private Crossing Signs (if private) ☐ Yes ☐ No		2.L. LED Enhanced Signs (List types) 0	
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 2 Pedestrian 0		3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) Resistance ☐ 3 Quad ☐ Median Gates ☐ 4 Quad		3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 2 ☐ Incandescent Not Over Traffic Lane 0 ☒ LED	
3.D. Mast Mounted Flashing Lights (count of masts) 4 ☐ Incandescent ☒ LED ☒ Back Lights Included ☒ Side Lights Included		3.E. Total Count of Flashing Light Pairs 10			
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) _____/_____/_____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/_____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	
3.I. Bells (count) 2		3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☒ None		3.K. Other Flashing Lights or Warning Devices Count 0 Specify type _____	
4.A. Does nearby Hwy Intersection have Traffic Signals? ☐ Yes ☒ No		4.B. Hwy Traffic Signal Interconnection ☐ Not Interconnected ☐ For Traffic Signals ☐ For Warning Signs		4.C. Hwy Traffic Signal Preemption ☐ Simultaneous ☐ Advance	
5. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____		6. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☐ None			
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 2 ☐ One-way Traffic ☒ Two-way Traffic ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No		3. Does Track Run Down a Street? ☐ Yes ☒ No	
4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☒ Yes ☐ No		5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/_____ ☐ 1 Timber ☐ 2 Asphalt ☐ 3 Asphalt and Timber ☒ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____		Width * _____ Length * 147	
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 375		7. Smallest Crossing Angle ☐ 0° - 29° ☒ 30° - 59° ☐ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☐ (03) Federal AID, Not NHS ☒ (08) Non-Federal AID		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☐ (5) Major Collector ☐ (2) Other Freeways and Expressways ☐ (3) Other Principal Arterial ☐ (6) Minor Collector ☐ (4) Minor Arterial ☒ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	
4. Highway Speed Limit 25 _____ MPH ☒ Posted ☐ Statutory		5. Linear Referencing System (LRS Route ID) *		6. LRS Milepost *	
7. Annual Average Daily Traffic (AADT) Year 2016 AADT 2227		8. Estimated Percent Trucks 05 _____ %		9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____	
10. Emergency Services Route ☐ Yes ☐ No					
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____					
Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 02 / 24 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ New Crossing ☐ Closed ☐ Re-Open ☐ Date Change Only ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 750131X
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number North 6th Street (Street/Road Name) * (Block Number)		6. Highway Type & No. Is	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None Northern California		10. Railroad Subdivision or District ☐ None Warm Springs		11. Branch or Line Name ☒ None	
12. RR Milepost 0016.345 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private	18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.	19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	20. Public Access (if Private Crossing) ☐ Yes ☒ No	21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other	22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0
23. Type of Land Use ☐ Open Space ☐ Farm ☒ Residential ☐ Commercial ☐ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A	27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.3473550		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.8916280		29. Lat/Long Source ☒ Actual ☐ Estimated
30.A. Railroad Use *			31.A. State Use * CPUC 001DA-16.20		
30.B. Railroad Use *			31.B. State Use *		
30.C. Railroad Use *			31.C. State Use *		
30.D. Railroad Use *			31.D. State Use *		
32.A. Narrative (Railroad Use) *			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week? _____
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 0				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 02/24/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 750131X	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 4 ☐ W10-3 ☐ W10-11 ☐ W10-2 ☐ W10-4 ☐ W10-12	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☐ All Approaches ☐ Median ☐ One Approach ☒ None	
				2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No	
				2.I. ENS Sign (I-13) Displayed ☒ Yes ☐ No	
2.J. Other MUTCD Signs Specify Type _____ Count _____ Specify Type _____ Count _____ Specify Type _____ Count _____		2.K. Private Crossing Signs (if private) ☐ Yes ☐ No		2.L. LED Enhanced Signs (List types) 0	
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 4 Pedestrian 0	3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) Resistance ☐ 3 Quad ☐ Median Gates ☐ 4 Quad	3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 2 ☒ Incandescent Not Over Traffic Lane 0 ☒ LED		3.D. Mast Mounted Flashing Lights (count of masts) 5 ☐ Incandescent ☒ LED ☒ Back Lights Included ☐ Side Lights Included	3.E. Total Count of Flashing Light Pairs 13
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) _____/_____/_____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/_____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	3.I. Bells (count) 5
3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☒ None				3.K. Other Flashing Lights or Warning Devices Count 1 Specify type CPUC#10	
4.A. Does nearby Hwy Intersection have Traffic Signals? ☐ Yes ☒ No	4.B. Hwy Traffic Signal Interconnection ☐ Not Interconnected ☐ For Traffic Signals ☐ For Warning Signs	4.C. Hwy Traffic Signal Preemption ☐ Simultaneous ☐ Advance	5. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____	6. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☐ None	
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 2 ☐ One-way Traffic ☒ Two-way Traffic ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No		3. Does Track Run Down a Street? ☐ Yes ☒ No	
4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☒ Yes ☐ No					
5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/_____ ☐ 1 Timber ☒ 2 Asphalt ☐ 3 Asphalt and Timber ☐ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____					
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 1 _____		7. Smallest Crossing Angle ☐ 0° - 29° ☒ 30° - 59° ☐ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☒ (03) Federal AID, Not NHS ☐ (08) Non-Federal AID		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☐ (5) Major Collector ☐ (2) Other Freeways and Expressways ☐ (3) Other Principal Arterial ☐ (6) Minor Collector ☐ (4) Minor Arterial ☒ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	
				4. Highway Speed Limit 25 _____ MPH ☐ Posted ☒ Statutory	
				5. Linear Referencing System (LRS Route ID) *	
				6. LRS Milepost *	
7. Annual Average Daily Traffic (AADT) Year 2018 AADT 3100		8. Estimated Percent Trucks 10 _____ %		9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____	
				10. Emergency Services Route ☐ Yes ☐ No	
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____					
Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 02 / 24 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ Re-Open ☐ New Crossing ☐ Date Change Only ☐ Closed ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 750129W
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number NORTH 7TH STREET (Street/Road Name) * (Block Number)		6. Highway Type & No. Is	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None NORTHERN CALIFORN		10. Railroad Subdivision or District ☐ None Warm Springs		11. Branch or Line Name ☒ None	
12. RR Milepost 0016.190 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private	18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.	19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	20. Public Access (if Private Crossing) ☐ Yes ☐ No	21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other	22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0
23. Type of Land Use ☐ Open Space ☐ Farm ☒ Residential ☐ Commercial ☐ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A	27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.349678		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.892007		29. Lat/Long Source ☒ Actual ☐ Estimated
30.A. Railroad Use *			31.A. State Use * CPUC 001DA-16.15		
30.B. Railroad Use *			31.B. State Use *		
30.C. Railroad Use *			31.C. State Use *		
30.D. Railroad Use *			31.D. State Use *		
32.A. Narrative (Railroad Use) *			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week? _____
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 0				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 02/24/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 750129W	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 1 ☐ W10-3 ☐ W10-11 ☐ W10-2 ☐ W10-4 ☐ W10-12	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☐ All Approaches ☐ Median ☐ One Approach ☒ None	
2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No		2.I. ENS Sign (I-13) Displayed ☒ Yes ☐ No			
2.J. Other MUTCD Signs Specify Type _____ Count _____ Specify Type _____ Count _____ Specify Type _____ Count _____		2.K. Private Crossing Signs (if private) ☐ Yes ☐ No		2.L. LED Enhanced Signs (List types) 1	
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 2 Pedestrian 0		3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) ☐ 3 Quad Resistance ☐ 4 Quad Median Gates		3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 1 ☒ Incandescent Not Over Traffic Lane 0 ☐ LED	
3.D. Mast Mounted Flashing Lights (count of masts) 3 ☒ Incandescent ☐ LED ☒ Back Lights Included ☐ Side Lights Included		3.E. Total Count of Flashing Light Pairs 8			
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) _____/_____/_____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/_____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	
3.I. Bells (count) 3		3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☒ None			
3.K. Other Flashing Lights or Warning Devices Count 0 Specify type _____		3.L. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____			
4.A. Does nearby Hwy Intersection have Traffic Signals? ☐ Yes ☒ No		4.B. Hwy Traffic Signal Interconnection ☒ Not Interconnected ☐ For Traffic Signals ☐ For Warning Signs		4.C. Hwy Traffic Signal Preemption ☐ Simultaneous ☐ Advance	
4.D. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☐ None		4.E. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☐ None			
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 2 ☐ One-way Traffic ☒ Two-way Traffic ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No		3. Does Track Run Down a Street? ☐ Yes ☒ No	
4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☒ Yes ☐ No		5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/_____ ☐ 1 Timber ☒ 2 Asphalt ☐ 3 Asphalt and Timber ☐ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____			
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 20		7. Smallest Crossing Angle ☒ 0° - 29° ☐ 30° - 59° ☐ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☒ (03) Federal AID, Not NHS ☐ (08) Non-Federal AID		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☒ (5) Major Collector ☐ (2) Other Freeways and Expressways ☐ (3) Other Principal Arterial ☐ (6) Minor Collector ☐ (4) Minor Arterial ☐ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	
4. Highway Speed Limit 25 _____ MPH ☒ Posted ☐ Statutory		5. Linear Referencing System (LRS Route ID) *			
6. LRS Milepost *		7. Annual Average Daily Traffic (AADT) Year 2018 AADT 3620			
8. Estimated Percent Trucks 18 _____ %		9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____		10. Emergency Services Route ☐ Yes ☐ No	
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____					
Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 02 / 24 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ New Crossing ☐ Closed ☐ Re-Open ☐ Date Change Only ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 750128P
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number Jackson Street (Street/Road Name) * (Block Number)		6. Highway Type & No. Is	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None Northern California		10. Railroad Subdivision or District ☐ None Warm Springs Sub		11. Branch or Line Name ☒ None	
12. RR Milepost 0016.172 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private		18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.		19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	
20. Public Access (if Private Crossing) ☐ Yes ☒ No		21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other		22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0	
23. Type of Land Use ☐ Open Space ☐ Farm ☒ Residential ☐ Commercial ☐ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A		27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.3499930		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.8921300	
29. Lat/Long Source ☒ Actual ☐ Estimated		30.A. Railroad Use *			
30.B. Railroad Use *		31.A. State Use * CPUC 001DA-16.10			
30.C. Railroad Use *		31.B. State Use *			
30.D. Railroad Use *		31.C. State Use *			
30.E. Railroad Use *		31.D. State Use *			
32.A. Narrative (Railroad Use) *			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week?
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 0				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 02/24/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 750128P	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 3 ☐ W10-3 ☐ W10-11 ☐ W10-2 ☐ W10-4 ☐ W10-12	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☐ All Approaches ☐ Median ☐ One Approach ☒ None	
				2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No	
2.J. Other MUTCD Signs Specify Type _____ Count _____ Specify Type _____ Count _____ Specify Type _____ Count _____		2.K. Private Crossing Signs (if private) ☐ Yes ☐ No		2.L. LED Enhanced Signs (List types) 0	
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 2 Pedestrian 0		3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) Resistance ☐ 3 Quad ☐ Median Gates ☐ 4 Quad		3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 0 ☐ Incandescent Not Over Traffic Lane 0 ☐ LED	
				3.D. Mast Mounted Flashing Lights (count of masts) 2 ☐ Incandescent ☒ LED ☒ Back Lights Included ☐ Side Lights Included	
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) _____/_____/_____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/_____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	
3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☒ None		3.K. Other Flashing Lights or Warning Devices Count 1 Specify type No left turn blankout			
4.A. Does nearby Hwy Intersection have Traffic Signals? ☐ Yes ☒ No		4.B. Hwy Traffic Signal Interconnection ☐ Not Interconnected ☐ For Traffic Signals ☐ For Warning Signs		4.C. Hwy Traffic Signal Preemption ☐ Simultaneous ☐ Advance	
				5. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____	
				6. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☐ None	
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 2 ☐ One-way Traffic ☒ Two-way Traffic ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No		3. Does Track Run Down a Street? ☐ Yes ☒ No	
				4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☒ Yes ☐ No	
5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/_____ ☐ 1 Timber ☒ 2 Asphalt ☐ 3 Asphalt and Timber ☐ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____					
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 5		7. Smallest Crossing Angle ☐ 0° - 29° ☐ 30° - 59° ☒ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☒ (03) Federal AID, Not NHS ☐ (08) Non-Federal AID		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☒ (5) Major Collector ☐ (2) Other Freeways and Expressways ☐ (3) Other Principal Arterial ☐ (6) Minor Collector ☐ (4) Minor Arterial ☐ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	
				4. Highway Speed Limit 25 MPH ☒ Posted ☐ Statutory	
				5. Linear Referencing System (LRS Route ID) *	
				6. LRS Milepost *	
7. Annual Average Daily Traffic (AADT) Year 2016 AADT 2900		8. Estimated Percent Trucks 18 %		9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____	
				10. Emergency Services Route ☐ Yes ☐ No	
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____					
Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 02 / 24 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ New Crossing ☐ Closed ☐ Re-Open ☐ Date Change Only ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 750127H
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number East Taylor Street (Street/Road Name) * (Block Number)		6. Highway Type & No. Is	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None NORTHERN CALIFORNIA		10. Railroad Subdivision or District ☐ None Warm Springs Sub		11. Branch or Line Name ☒ None	
12. RR Milepost 0016.000 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private		18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.		19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	
20. Public Access (if Private Crossing) ☐ Yes ☒ No		21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other		22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0	
23. Type of Land Use ☐ Open Space ☐ Farm ☐ Residential ☒ Commercial ☐ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A		27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.3525440		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.8929860	
29. Lat/Long Source ☒ Actual ☐ Estimated		30.A. Railroad Use *			
30.B. Railroad Use *		31.A. State Use * CPUC 001DA-15.90			
30.C. Railroad Use *		31.B. State Use *			
30.D. Railroad Use *		31.C. State Use *			
30.E. Railroad Use *		31.D. State Use *			
32.A. Narrative (Railroad Use) *			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week?
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 0				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 02/24/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 750127H	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 2 ☐ W10-3 _____ ☐ W10-11 _____ ☐ W10-2 _____ ☐ W10-4 _____ ☐ W10-12 _____	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☐ All Approaches ☐ Median ☐ One Approach ☒ None	
2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No		2.I. ENS Sign (I-13) Displayed ☒ Yes ☐ No			
2.J. Other MUTCD Signs Specify Type _____ Count _____ Specify Type _____ Count _____ Specify Type _____ Count _____		2.K. Private Crossing Signs (if private) ☐ Yes ☐ No		2.L. LED Enhanced Signs (List types) 0	
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 2 Pedestrian 0		3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) Resistance ☐ 3 Quad ☐ Median Gates ☐ 4 Quad		3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 2 ☒ Incandescent Not Over Traffic Lane 0 ☐ LED	
3.D. Mast Mounted Flashing Lights (count of masts) 2 ☒ Incandescent ☐ LED ☒ Back Lights Included ☒ Side Lights Included		3.E. Total Count of Flashing Light Pairs 9			
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) _____/_____/_____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/_____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	
3.I. Bells (count) 2		3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☒ None			
3.K. Other Flashing Lights or Warning Devices Count 0 Specify type _____		4.A. Does nearby Hwy Intersection have Traffic Signals? ☒ Yes ☐ No			
4.B. Hwy Traffic Signal Interconnection ☒ Not Interconnected ☐ For Traffic Signals ☐ For Warning Signs		4.C. Hwy Traffic Signal Preemption ☐ Simultaneous ☐ Advance		5. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____	
6. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☒ None					
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 2 ☐ One-way Traffic ☒ Two-way Traffic ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No		3. Does Track Run Down a Street? ☐ Yes ☒ No	
4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☒ Yes ☐ No					
5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/_____ ☐ 1 Timber ☒ 2 Asphalt ☐ 3 Asphalt and Timber ☐ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____					
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 280		7. Smallest Crossing Angle ☐ 0° - 29° ☐ 30° - 59° ☒ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☒ (03) Federal AID, Not NHS ☐ (08) Non-Federal AID		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☐ (5) Major Collector ☐ (2) Other Freeways and Expressways ☐ (3) Other Principal Arterial ☐ (6) Minor Collector ☒ (4) Minor Arterial ☐ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	
4. Highway Speed Limit 25 _____ MPH ☒ Posted ☐ Statutory		5. Linear Referencing System (LRS Route ID) *			
6. LRS Milepost *		7. Annual Average Daily Traffic (AADT) Year 2016 AADT 12842			
8. Estimated Percent Trucks 15 _____ %		9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____		10. Emergency Services Route ☐ Yes ☐ No	
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____					
Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 02 / 24 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ New Crossing ☐ Closed ☐ Re-Open ☐ Date Change Only ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 750121S
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number HEDDING STREET (Street/Road Name) * (Block Number)		6. Highway Type & No. Is	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None NORTHERN CALIFORNIA		10. Railroad Subdivision or District ☐ None Warm Springs Sub		11. Branch or Line Name ☒ None	
12. RR Milepost 0015.640 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private		18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.		19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	
20. Public Access (if Private Crossing) ☐ Yes ☒ No		21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other		22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0	
23. Type of Land Use ☐ Open Space ☐ Farm ☐ Residential ☒ Commercial ☐ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A		27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.3576200		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.8945190	
29. Lat/Long Source ☒ Actual ☐ Estimated		30.A. Railroad Use *			
30.B. Railroad Use *		31.A. State Use * CPUC 001DA-15.60			
30.C. Railroad Use *		31.B. State Use *			
30.D. Railroad Use *		31.C. State Use *			
30.E. Railroad Use *		31.D. State Use *			
32.A. Narrative (Railroad Use) *			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week?
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 0				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 02/24/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 750121S	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 2 ☐ W10-3 ☐ W10-11 ☐ W10-2 ☐ W10-4 ☐ W10-12	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☐ All Approaches ☐ Median ☐ One Approach ☒ None	
				2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No	
2.J. Other MUTCD Signs Specify Type _____ Count _____ Specify Type _____ Count _____ Specify Type _____ Count _____		☒ Yes ☐ No		2.K. Private Crossing Signs (if private) ☐ Yes ☐ No	
				2.L. LED Enhanced Signs (List types) 0	
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 2 Pedestrian 0	3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) ☐ 3 Quad Resistance ☐ 4 Quad Median Gates	3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 2 ☐ Incandescent Not Over Traffic Lane 0 ☒ LED		3.D. Mast Mounted Flashing Lights (count of masts) 2 ☐ Incandescent ☒ LED ☒ Back Lights Included ☐ Side Lights Included	3.E. Total Count of Flashing Light Pairs 8
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) _____/_____/_____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/_____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	3.I. Bells (count) 2
3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☒ None				3.K. Other Flashing Lights or Warning Devices Count 0 Specify type _____	
4.A. Does nearby Hwy Intersection have Traffic Signals? ☒ Yes ☐ No	4.B. Hwy Traffic Signal Interconnection ☐ Not Interconnected ☒ For Traffic Signals ☐ For Warning Signs	4.C. Hwy Traffic Signal Preemption ☒ Simultaneous ☐ Advance	5. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____	6. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☐ None	
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 3 ☐ One-way Traffic ☒ Two-way Traffic ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No		3. Does Track Run Down a Street? ☐ Yes ☒ No	
4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☒ Yes ☐ No					
5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/_____ ☐ 1 Timber ☒ 2 Asphalt ☐ 3 Asphalt and Timber ☐ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____					
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 125		7. Smallest Crossing Angle ☐ 0° - 29° ☐ 30° - 59° ☒ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☒ (03) Federal AID, Not NHS ☐ (08) Non-Federal AID		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☐ (5) Major Collector ☐ (2) Other Freeways and Expressways ☒ (3) Other Principal Arterial ☐ (6) Minor Collector ☐ (4) Minor Arterial ☐ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	
				4. Highway Speed Limit 30 _____ MPH ☒ Posted ☐ Statutory	
				5. Linear Referencing System (LRS Route ID) *	
				6. LRS Milepost *	
7. Annual Average Daily Traffic (AADT) Year 2018 AADT 15539		8. Estimated Percent Trucks 15 _____ %		9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____	
				10. Emergency Services Route ☐ Yes ☐ No	
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____					
Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 02 / 24 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ New Crossing ☐ Closed ☐ Re-Open ☐ Date Change Only ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 750118J
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number NORTH 10TH STREET (Street/Road Name) * (Block Number)		6. Highway Type & No. Is	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None NORTHERN CALIFORNIA		10. Railroad Subdivision or District ☐ None Warm Springs Sub		11. Branch or Line Name ☒ None	
12. RR Milepost 0015.500 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private		18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.		19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	
20. Public Access (if Private Crossing) ☐ Yes ☒ No		21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other		22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0	
23. Type of Land Use ☐ Open Space ☐ Farm ☐ Residential ☐ Commercial ☒ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A		27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.3595610		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.8951970	
29. Lat/Long Source ☒ Actual ☐ Estimated		30.A. Railroad Use *			
30.B. Railroad Use *		31.A. State Use * CPUC 001DA-15.50			
30.C. Railroad Use *		31.B. State Use *			
30.D. Railroad Use *		31.C. State Use *			
30.E. Railroad Use *		31.D. State Use *			
32.A. Narrative (Railroad Use) * Ind track is Out of Service			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week?
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 1				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 02/24/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 750118J	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 4 ☐ W10-3 ☐ W10-11 ☐ W10-2 ☐ W10-4 ☐ W10-12	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☐ All Approaches ☐ Median ☐ One Approach ☒ None	
2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No		2.I. ENS Sign (I-13) Displayed ☒ Yes ☐ No			
2.J. Other MUTCD Signs Specify Type W10-12 Count 2 Specify Type _____ Count _____ Specify Type _____ Count _____		2.K. Private Crossing Signs (if private) ☐ Yes ☐ No		2.L. LED Enhanced Signs (List types) 0	
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 2 Pedestrian 0		3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) ☐ 3 Quad Resistance ☐ 4 Quad Median Gates		3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 0 ☐ Incandescent Not Over Traffic Lane 0 ☐ LED	
3.D. Mast Mounted Flashing Lights (count of masts) 2 ☐ Incandescent ☒ LED ☒ Back Lights Included ☒ Side Lights Included		3.E. Total Count of Flashing Light Pairs 5			
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) ____/____/____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	
3.I. Bells (count) 2		3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☒ None			
3.K. Other Flashing Lights or Warning Devices Count 0 Specify type _____		3.L. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____			
4.A. Does nearby Hwy Intersection have Traffic Signals? ☐ Yes ☒ No		4.B. Hwy Traffic Signal Interconnection ☒ Not Interconnected ☐ For Traffic Signals ☐ For Warning Signs		4.C. Hwy Traffic Signal Preemption ☐ Simultaneous ☐ Advance	
4.D. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☒ None		4.E. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☒ None			
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 4 ☐ One-way Traffic ☒ Two-way Traffic ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No		3. Does Track Run Down a Street? ☐ Yes ☒ No	
4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☒ Yes ☐ No		5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/____ Width * _____ Length * 225 ☐ 1 Timber ☒ 2 Asphalt ☐ 3 Asphalt and Timber ☐ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____			
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 35		7. Smallest Crossing Angle ☐ 0° - 29° ☒ 30° - 59° ☐ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☒ (03) Federal AID, Not NHS ☐ (08) Non-Federal AID		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☐ (5) Major Collector ☐ (2) Other Freeways and Expressways ☐ (3) Other Principal Arterial ☐ (6) Minor Collector ☒ (4) Minor Arterial ☐ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	
4. Highway Speed Limit 35 _____ MPH ☐ Posted ☒ Statutory		5. Linear Referencing System (LRS Route ID) *			
6. LRS Milepost *		7. Annual Average Daily Traffic (AADT) Year 2016 AADT 15317			
8. Estimated Percent Trucks 15 _____ %		9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____		10. Emergency Services Route ☐ Yes ☒ No	
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____					
Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 02 / 24 / 2020	B. Reporting Agency ☒ Railroad ☐ Transit ☐ State ☐ Other	C. Reason for Update (Select only one) ☒ Change in Data ☐ New Crossing ☐ Closed ☐ Re-Open ☐ Date Change Only ☐ Change in Primary Operating RR ☐ No Train Traffic ☐ Quiet Zone Update ☐ Admin. Correction	D. DOT Crossing Inventory Number 750117C
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Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State CALIFORNIA		3. County SANTA CLARA	
4. City / Municipality ☒ In ☐ Near SAN JOSE		5. Street/Road Name & Block Number HORNING STREET (Street/Road Name) * (Block Number)		6. Highway Type & No. Is	
7. Do Other Railroads Operate a Separate Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? ☐ Yes ☒ No If Yes, Specify RR		
9. Railroad Division or Region ☐ None NORTHERN CALIFORNIA		10. Railroad Subdivision or District ☐ None Warm Springs Sub		11. Branch or Line Name ☒ None	
12. RR Milepost 0015.460 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *			
14. Nearest RR Timetable Station *		15. Parent RR (if applicable) ☒ N/A		16. Crossing Owner (if applicable) ☐ N/A UP	
17. Crossing Type ☒ Public ☐ Private		18. Crossing Purpose ☒ Highway ☐ Pathway, Ped. ☐ Station, Ped.		19. Crossing Position ☒ At Grade ☐ RR Under ☐ RR Over	
20. Public Access (if Private Crossing) ☐ Yes ☒ No		21. Type of Train ☒ Freight ☐ Intercity Passenger ☐ Commuter ☐ Transit ☐ Shared Use Transit ☐ Tourist/Other		22. Average Passenger Train Count Per Day ☐ Less Than One Per Day ☐ Number Per Day 0	
23. Type of Land Use ☐ Open Space ☐ Farm ☐ Residential ☐ Commercial ☒ Industrial ☐ Institutional ☐ Recreational ☐ RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? ☐ Yes ☒ No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) ☒ No ☐ 24 Hr ☐ Partial ☐ Chicago Excused Date Established		
26. HSR Corridor ID ☒ N/A		27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 37.3601050		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -121.8953040	
29. Lat/Long Source ☒ Actual ☐ Estimated		30.A. Railroad Use *			
30.B. Railroad Use *		31.A. State Use * CPUC 001DA-15.40			
30.C. Railroad Use *		31.B. State Use *			
30.D. Railroad Use *		31.C. State Use *			
30.E. Railroad Use *		31.D. State Use *			
32.A. Narrative (Railroad Use) * Ind track is Out of Service			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 415-703-3722	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 4	1.B. Total Night Thru Trains (6 PM to 6 AM) 3	1.C. Total Switching Trains 0	1.D. Total Transit Trains 0	1.E. Check if Less Than One Movement Per Day ☐ How many trains per week?
2. Year of Train Count Data (YYYY) 2020		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 1 Siding 0 Yard 0 Transit 0 Industry 1				
5. Train Detection (Main Track only) ☒ Constant Warning Time ☐ Motion Detection ☐ AFO ☐ PTC ☐ DC ☐ Other ☐ None				
6. Is Track Signaled? ☒ Yes ☐ No		7.A. Event Recorder ☐ Yes ☒ No		7.B. Remote Health Monitoring ☐ Yes ☒ No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 02/24/2020		PAGE 2		D. Crossing Inventory Number (7 char.) 750117C	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? ☒ Yes ☐ No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count) 0	2.D. Advance Warning Signs (Check all that apply; include count) ☐ None ☒ W10-1 1 ☐ W10-3 ☐ W10-11 ☐ W10-2 ☐ W10-4 ☐ W10-12	
2.E. Low Ground Clearance Sign (W10-5) ☐ Yes (count _____) ☒ No		2.F. Pavement Markings ☒ Stop Lines ☐ Dynamic Envelope ☒ RR Xing Symbols ☐ None		2.G. Channelization Devices/Medians ☐ All Approaches ☐ Median ☐ One Approach ☒ None	
				2.H. EXEMPT Sign (R15-3) ☐ Yes ☒ No	
2.J. Other MUTCD Signs Specify Type _____ Count _____ Specify Type _____ Count _____ Specify Type _____ Count _____		2.K. Private Crossing Signs (if private) ☐ Yes ☐ No		2.L. LED Enhanced Signs (List types) 0	
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 2 Pedestrian 0	3.B. Gate Configuration ☒ 2 Quad ☐ Full (Barrier) Resistance ☐ 3 Quad ☐ Median Gates	3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 0 ☐ Incandescent Not Over Traffic Lane 0 ☐ LED		3.D. Mast Mounted Flashing Lights (count of masts) 2 ☐ Incandescent ☒ LED ☒ Back Lights Included ☒ Side Lights Included	3.E. Total Count of Flashing Light Pairs 5
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) ____/____/____ ☒ Not Required		3.G. Wayside Horn ☐ Yes Installed on (MM/YYYY) ____/____/____ ☒ No		3.H. Highway Traffic Signals Controlling Crossing ☐ Yes ☒ No	3.I. Bells (count) 2
3.J. Non-Train Active Warning ☐ Flagging/Flagman ☐ Manually Operated Signals ☐ Watchman ☐ Floodlighting ☒ None				3.K. Other Flashing Lights or Warning Devices Count 0 Specify type _____	
4.A. Does nearby Hwy Intersection have Traffic Signals? ☐ Yes ☒ No	4.B. Hwy Traffic Signal Interconnection ☐ Not Interconnected ☐ For Traffic Signals ☐ For Warning Signs	4.C. Hwy Traffic Signal Preemption ☐ Simultaneous ☐ Advance	5. Highway Traffic Pre-Signals ☐ Yes ☒ No Storage Distance * _____ Stop Line Distance * _____	6. Highway Monitoring Devices (Check all that apply) ☐ Yes - Photo/Video Recording ☐ Yes - Vehicle Presence Detection ☐ None	
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 2 ☐ One-way Traffic ☒ Two-way Traffic ☐ Divided Traffic		2. Is Roadway/Pathway Paved? ☒ Yes ☐ No	3. Does Track Run Down a Street? ☐ Yes ☒ No	4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) ☒ Yes ☐ No	
5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/____ Width * _____ Length * 80 ☐ 1 Timber ☒ 2 Asphalt ☐ 3 Asphalt and Timber ☐ 4 Concrete ☐ 5 Concrete and Rubber ☐ 6 Rubber ☐ 7 Metal ☐ 8 Unconsolidated ☐ 9 Composite ☐ 10 Other (specify) _____					
6. Intersecting Roadway within 500 feet? ☒ Yes ☐ No If Yes, Approximate Distance (feet) 25		7. Smallest Crossing Angle ☐ 0° - 29° ☐ 30° - 59° ☒ 60° - 90°		8. Is Commercial Power Available? * ☒ Yes ☐ No	
Part V: Public Highway Information					
1. Highway System ☐ (01) Interstate Highway System ☐ (02) Other Nat Hwy System (NHS) ☐ (03) Federal AID, Not NHS ☒ (08) Non-Federal AID		2. Functional Classification of Road at Crossing ☐ (0) Rural ☒ (1) Urban ☐ (1) Interstate ☐ (5) Major Collector ☐ (2) Other Freeways and Expressways ☐ (3) Other Principal Arterial ☐ (6) Minor Collector ☐ (4) Minor Arterial ☒ (7) Local		3. Is Crossing on State Highway System? ☐ Yes ☒ No	4. Highway Speed Limit 25 _____ MPH ☐ Posted ☒ Statutory
				5. Linear Referencing System (LRS Route ID) *	
				6. LRS Milepost *	
7. Annual Average Daily Traffic (AADT) Year 2016 AADT 3824		8. Estimated Percent Trucks 10 _____ %	9. Regularly Used by School Buses? ☐ Yes ☒ No Average Number per Day _____		10. Emergency Services Route ☐ Yes ☐ No
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____					
Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					



APPENDIX C

Conceptual Improvement Plans

CITY OF SAN JOSE

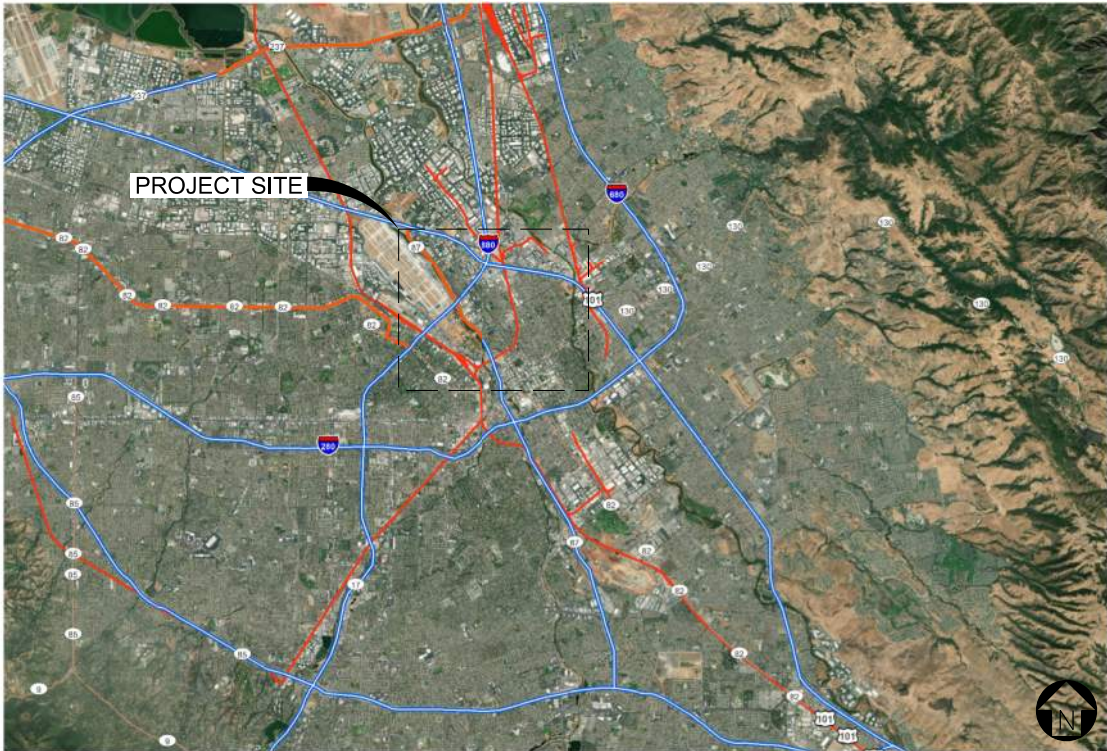
WARM SPRINGS SUBDIVISION QUIET ZONE EVALUATION

INDEX OF DRAWINGS

- 1 G-001 TITLE SHEET AND DRAWING INDEX
- 2 C-100 OVERALL MAP
- 3 C-101 N 10TH ST AT GRADE CROSSING OVERALL PLAN
- 4 C-102 N 10TH ST AT GRADE CROSSING EXISTING SITE PLAN
- 5 C-103 N 10TH ST AT GRADE CROSSING PROPOSED SITE PLAN
- 6 C-104 HEDDING ST AT GRADE CROSSING OVERALL PLAN
- 7 C-105 HEDDING ST AT GRADE CROSSING EXISTING SITE PLAN
- 8 C-106 HEDDING ST AT GRADE CROSSING PROPOSED SITE PLAN
- 9 C-107 E TAYLOR ST AT GRADE CROSSING OVERALL PLAN
- 10 C-108 E TAYLOR ST AT GRADE CROSSING EXISTING SITE PLAN
- 11 C-109 E TAYLOR ST AT GRADE CROSSING PROPOSED SITE PLAN
- 12 C-110 N 7TH ST & JACKSON ST AT GRADE CROSSING PROPOSED SITE PLAN
- 13 C-111 N 6TH ST AND EMPIRE ST AT GRADE CROSSING PROPOSED SITE PLAN
- 14 C-112 N 5TH ST AT GRADE CROSSING PROPOSED SITE PLAN
- 15 C-113 N 4TH ST AT GRADE CROSSING PROPOSED SITE PLAN
- 16 C-114 N 3RD ST AT GRADE CROSSING PROPOSED SITE PLAN
- 17 C-115 N 2ND ST AT GRADE CROSSING PROPOSED SITE PLAN
- 18 C-116 N 1ST ST AT GRADE CROSSING PROPOSED SITE PLAN
- 19 C-117 AUTUMN PKWY AT GRADE CROSSING OVERALL PLAN
- 20 C-118 AUTUMN PKWY AT GRADE CROSSING EXISTING SITE PLAN
- 21 C-119 AUTUMN PKWY AT GRADE CROSSING PROPOSED SITE PLAN
- 22 C-120 N MONTGOMERY ST AT GRADE CROSSING PROPOSED SITE PLAN



VICINITY MAP
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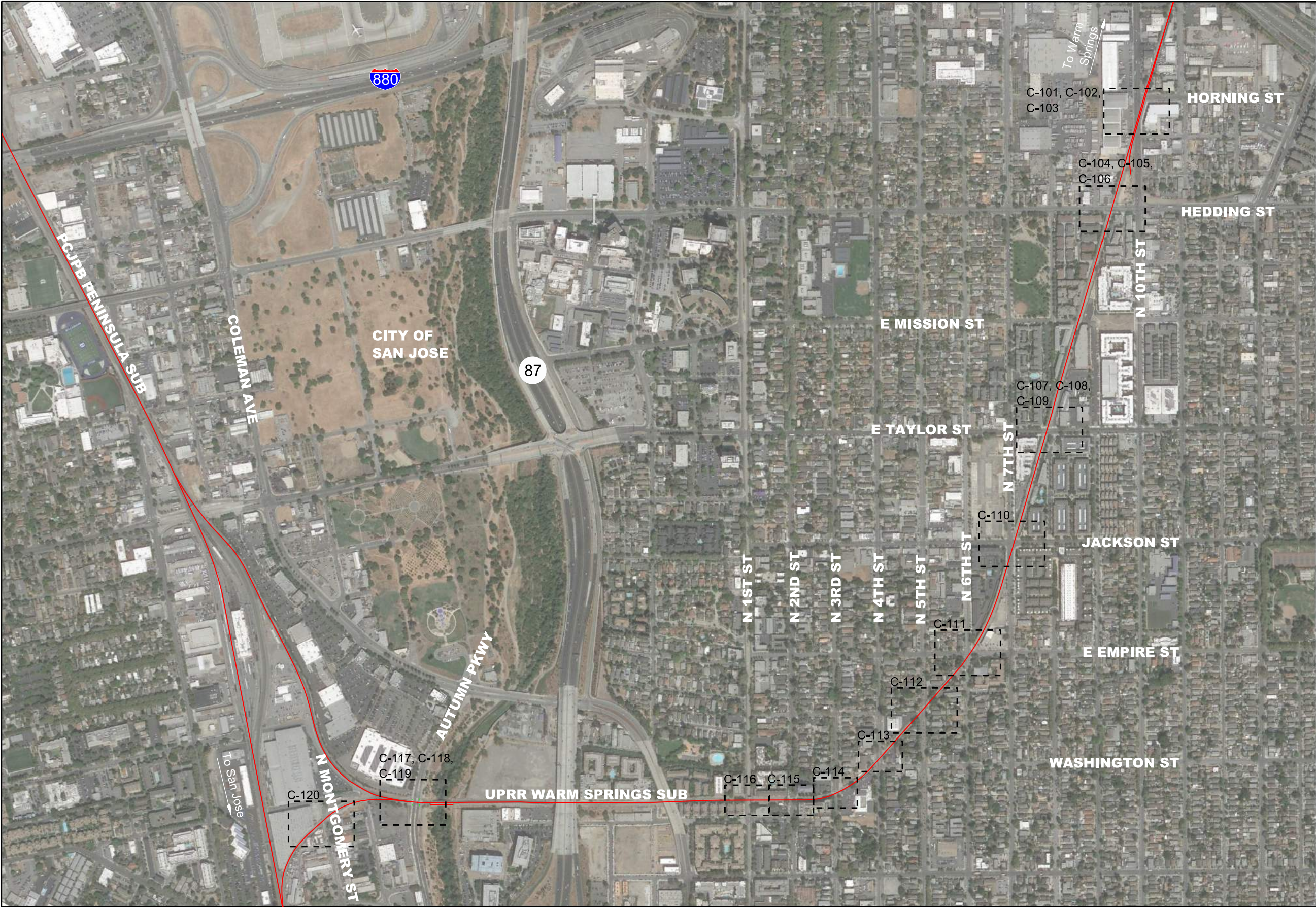


LOCATION MAP
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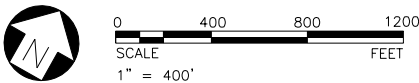
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		 3930 Pacheco Blvd Martinez, CA 94553 T: 925.400.4356 www.jmacivil.com		CONCEPT - NOT FOR CONSTRUCTION 04/09/2020	REVISIONS:			 CITY OF SAN JOSE CAPITAL OF SILICON VALLEY	CITY OF SAN JOSE UPRR WARM SPRINGS SUBDIVISION QUIET ZONE CITY OF SAN JOSE TRANSPORTATION DEPARTMENT 200 EAST SANTA CLARA STREET SAN JOSE, CA 95113	SHEET TITLE: TITLE SHEET AND DRAWING INDEX	
SUBCONSULTANT:	SUBCONSULTANT:				PRIME CONSULTANT:	PROFESSIONAL SEAL:	ISSUE:			MARK	DATE

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SHEET NOTES:
SEE SHEET C-101 FOR GENERAL NOTES

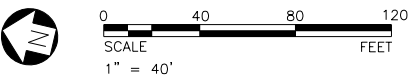


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- GENERAL NOTES:**
- EXISTING FEATURES SHOWN WERE DEVELOPED FROM AERIAL PHOTO DATA AND SUPPLEMENT FIELD MEASUREMENTS. TOPOGRAPHIC SURVEY WAS NOT PERFORMED.
 - PAINT OR EXTEND RED CURB LIMITS ON THE APPROACH AND EXIT OF EACH CROSSING TO PREVENT PARKED VEHICLES FROM OBSTRUCTING VISIBILITY OF THE WARNING DEVICES
 - TRIM OR REMOVE EXISTING TREES ON THE APPROACHES TO RAIL CROSSINGS. ENSURE NO NEW TREES ARE PLANTED ON APPROACHES AS PART OF ANY NEW DEVELOPMENTS
 - PROVIDE EDGE OF TRAVEL LANE STRIPING AND MEDIAN STRIPING UP TO THE EDGE OF THE CROSSING PANELS.

- SHEET NOTES:**
- EXISTING INFRASTRUCTURE
- 1 EXISTING RAILROAD XING SYMBOLS
 - 2 EXISTING DRIVEWAY
- CIVIL IMPROVEMENTS
- 1 INSTALL W10-9P (NO TRAIN HORN)
 - 2 INSTALL W10-1 (RAIL CROSSING WARNING)

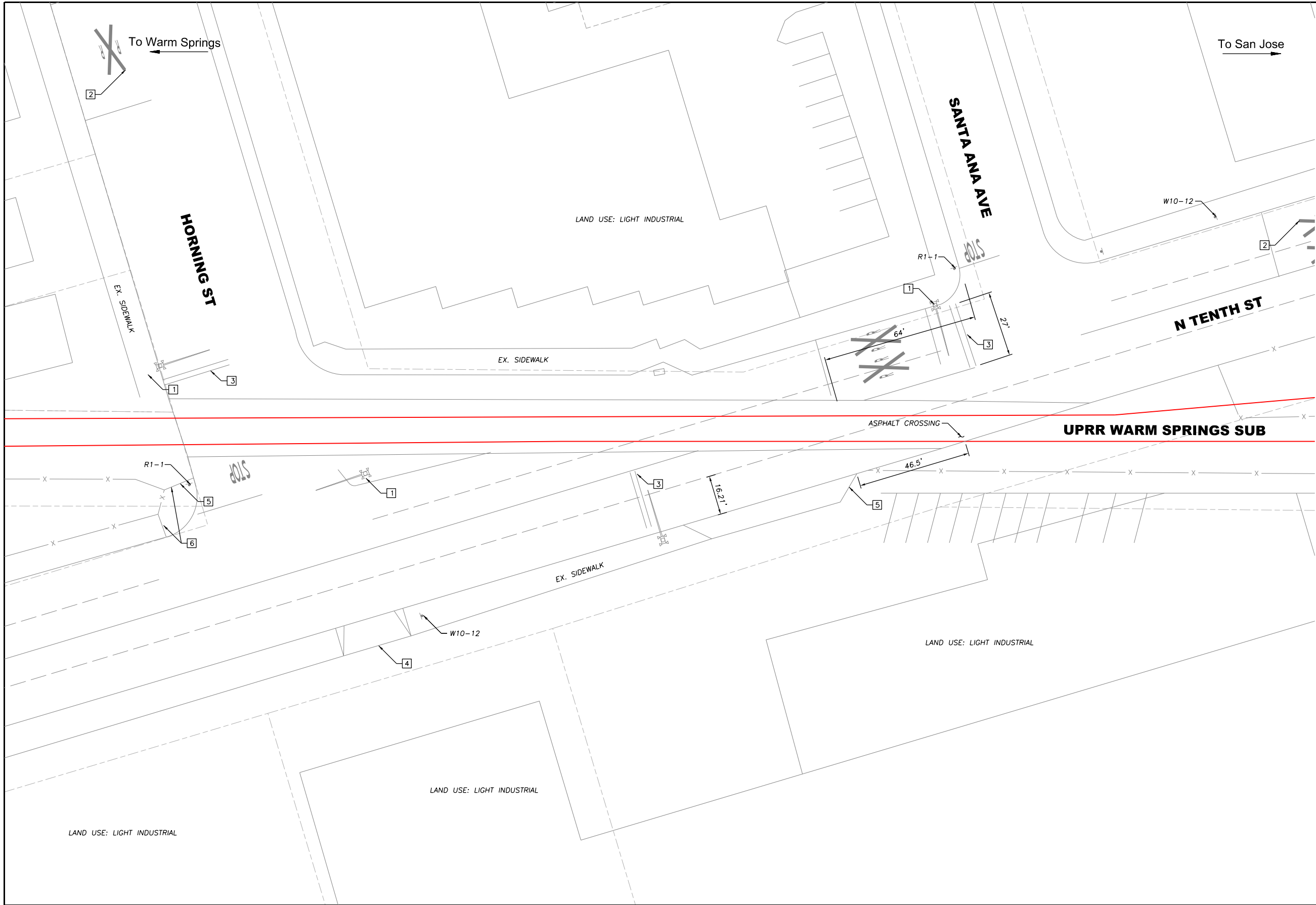


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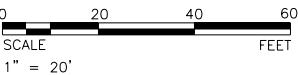
GENERAL NOTES

SEE SHEET C-101 FOR GENERAL NOTES.

SHEET NOTES:

EXISTING INFRASTRUCTURE

- 1 EXISTING NO. 9 QUADRANT GATE WITH R15-1 TO REMAIN
- 2 EXISTING RAILROAD XING SYMBOLS
- 3 EXISTING STOP BARS
- 4 EXISTING DRIVEWAY
- 5 END OF EXISTING SIDEWALK
- 6 EXISTING PEDESTRIAN BARRIER



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3	04/09/20	QUIET ZONE FEASIBILITY STUDY DRAWING
2	02/25/20	ISSUED FOR SITE DIAGNOSTIC MEETING
1	10/18/19	ISSUED FOR STAKEHOLDER REVIEW
MARK	DATE	DESCRIPTION



CITY OF SAN JOSE
UPRR WARM SPRINGS SUBDIVISION
QUIET ZONE
CITY OF SAN JOSE TRANSPORTATION DEPARTMENT
200 EAST SANTA CLARA STREET
SAN JOSE, CA 95113

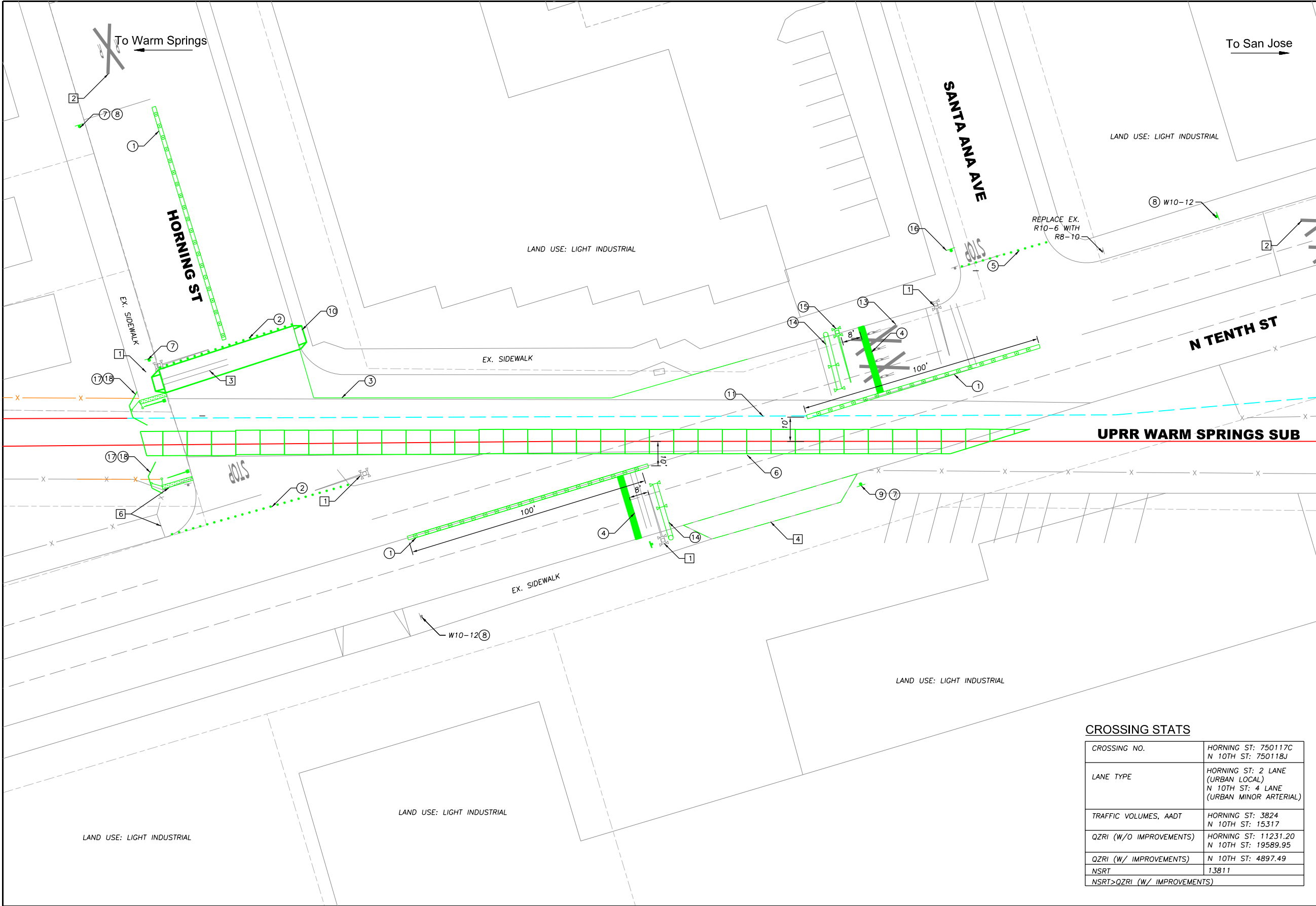
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WARM SPRINGS SUB, MP 15.50
N 10TH ST AT GRADE CROSSING
EXISTING SITE PLAN

PROJ NO: 19154
SCALE: AS NOTED
DATE: 04/09/2020
DESIGNED BY: MA/WH

SHEET NO.
C-10 476

SHEET 4 OF 22



GENERAL NOTES:

SEE SHEET C-101 FOR GENERAL NOTES.

SHEET NOTES:

EXISTING INFRASTRUCTURE

- 1 EXISTING NO. 9 QUADRANT GATE WITH R15-1 TO REMAIN
- 2 EXISTING RAILROAD XING SYMBOL
- 3 EXISTING STOP BAR
- 4 EXISTING DRIVEWAY, WITHIN 60' DISTANCE FROM RAILROAD CROSSING. CITY SHALL COORDINATE WITH PROPERTY OWNER FOR DRIVEWAY RELOCATION
- 5 END OF EXISTING SIDEWALK
- 6 EXISTING PEDESTRIAN BARRIER

CIVIL IMPROVEMENTS

- 1 PROPOSED MOUNTABLE MEDIAN WITH REFLECTIVE TRAFFIC CHANNELIZATION DEVICES
- 2 ALTERNATIVE 1: PROPOSED BOLLARDS FOR HORNING ST FULL CLOSURE
- 3 PROPOSED CURB EXTENSION
- 4 PROPOSED 24" STOP BAR PER 2014 MUTCD STANDARDS
- 5 ALTERNATIVE 2: PROPOSED BOLLARDS FOR SANTA ANA AVENUE FULL CLOSURE
- 6 PROPOSED CONCRETE CROSSING PAD, APPROX. 340 LF BY UPRR.
- 7 INSTALL W10-9P (NO TRAIN HORN) AND REPLACE R10-6 (STOP HERE ON RED) WITH R8-10 (STOP HERE WHEN FLASHING)
- 8 INSTALL W10-1 (RAIL CROSSING WARNING)
- 9 INSTALL R3-5R (RIGHT TURN ONLY)
- 10 PROPOSED PEDESTRIAN CROSSWALK WITH ADA RAMP
- 11 REMOVE EXISTING SPUR TRACK FOR SURFACE IMPROVEMENT WORK BY UPRR.
- 12 PROPOSED PEDESTRIAN DETECTABLE WARNING STRIP
- 13 REMOVE EXISTING RAILROAD CROSSING MARKING
- 14 PROVIDE RAILROAD CANTILEVER FLASHER WITH A SET OF FLASHER FOR EACH TRAVEL LANE.
- 15 RELOCATE EXISTING GATE CLOSER TO THE TRACKS
- 16 INSTALL W10-4 (GRADE CROSSING ADVANCE WARNING)
- 17 ALTERNATIVE 2: PROPOSED FULL PEDESTRIAN TREATMENT INCLUDE AUTOMATIC PEDESTRIAN GATE, EXIT SWING GATE, DETECTABLE WARNING STRIP AND CHANNELIZATION
- 18 PROPOSED FENCE AND FENCE GATE ALONG BACK OF SIDEWALK

CROSSING STATS

CROSSING NO.	HORNING ST: 750117C N 10TH ST: 750118J
LANE TYPE	HORNING ST: 2 LANE (URBAN LOCAL) N 10TH ST: 4 LANE (URBAN MINOR ARTERIAL)
TRAFFIC VOLUMES, AADT	HORNING ST: 3824 N 10TH ST: 15317
QZRI (W/O IMPROVEMENTS)	HORNING ST: 11231.20 N 10TH ST: 19589.95
QZRI (W/ IMPROVEMENTS)	N 10TH ST: 4897.49
NSRT	13811
NSRT>QZRI (W/ IMPROVEMENTS)	



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04/09/2020

ISSUE:

REVISIONS:

MARK	DATE	DESCRIPTION
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2	02/25/20	ISSUED FOR SITE DIAGNOSTIC MEETING
1	10/18/19	ISSUED FOR STAKEHOLDER REVIEW



CITY OF
SAN JOSE
CAPITAL OF SILICON VALLEY

CITY OF SAN JOSE
UPRR WARM SPRINGS SUBDIVISION
QUIET ZONE

CITY OF SAN JOSE TRANSPORTATION DEPARTMENT
200 EAST SANTA CLARA STREET
SAN JOSE, CA 95113

SHEET TITLE:

WARM SPRINGS SUB, MP 15.50
N 10TH ST AT GRADE CROSSING
PROPOSED SITE PLAN

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DATE: 04/09/2020
DESIGNED BY: MA/WH

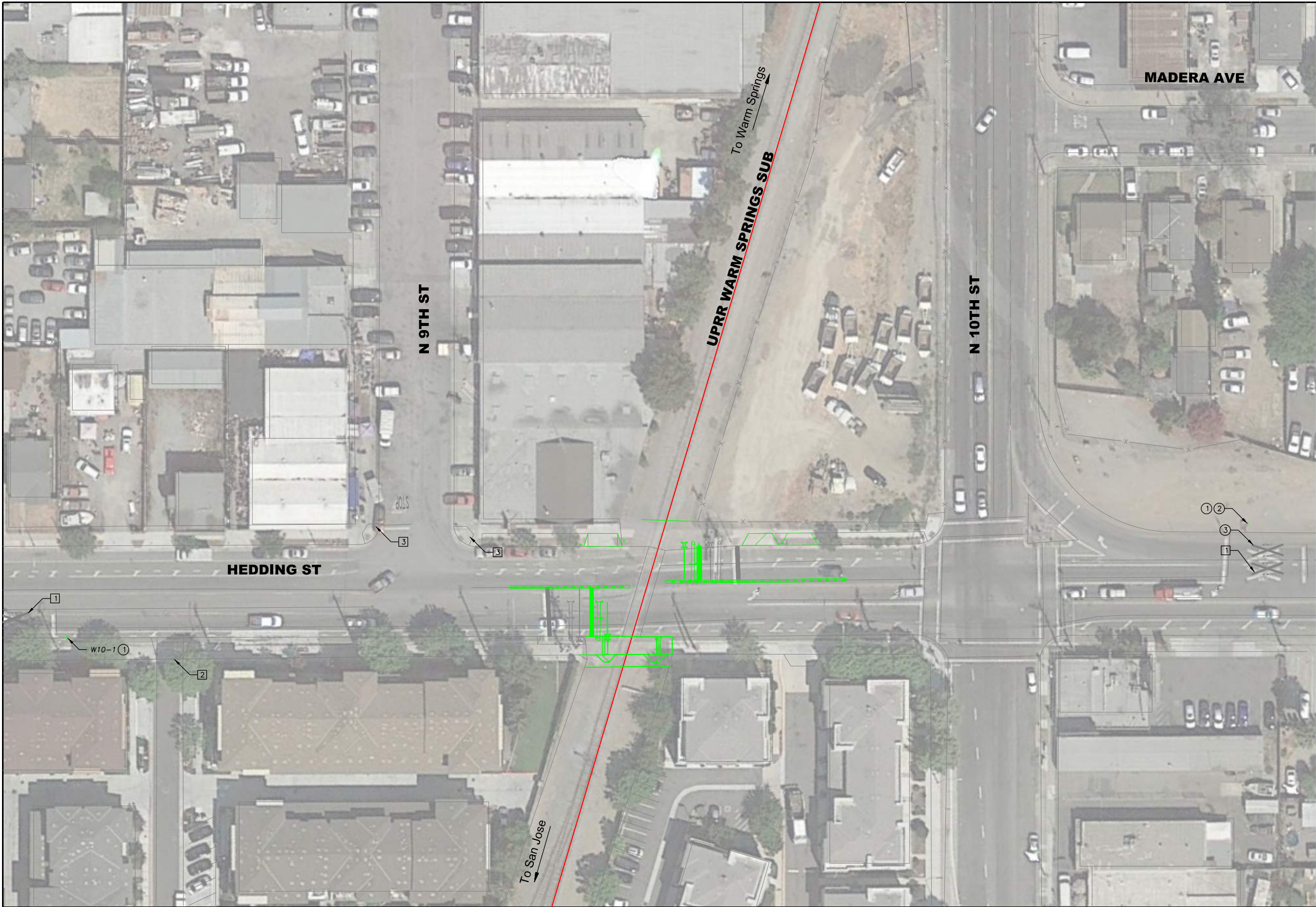
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SHEET 5 OF 22

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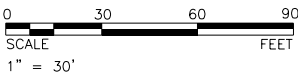
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EXISTING INFRASTRUCTURE

- 1 EXISTING RAILROAD XING SYMBOLS
- 2 EXISTING DRIVEWAY
- 3 EXISTING ADA RAMP

CIVIL IMPROVEMENTS

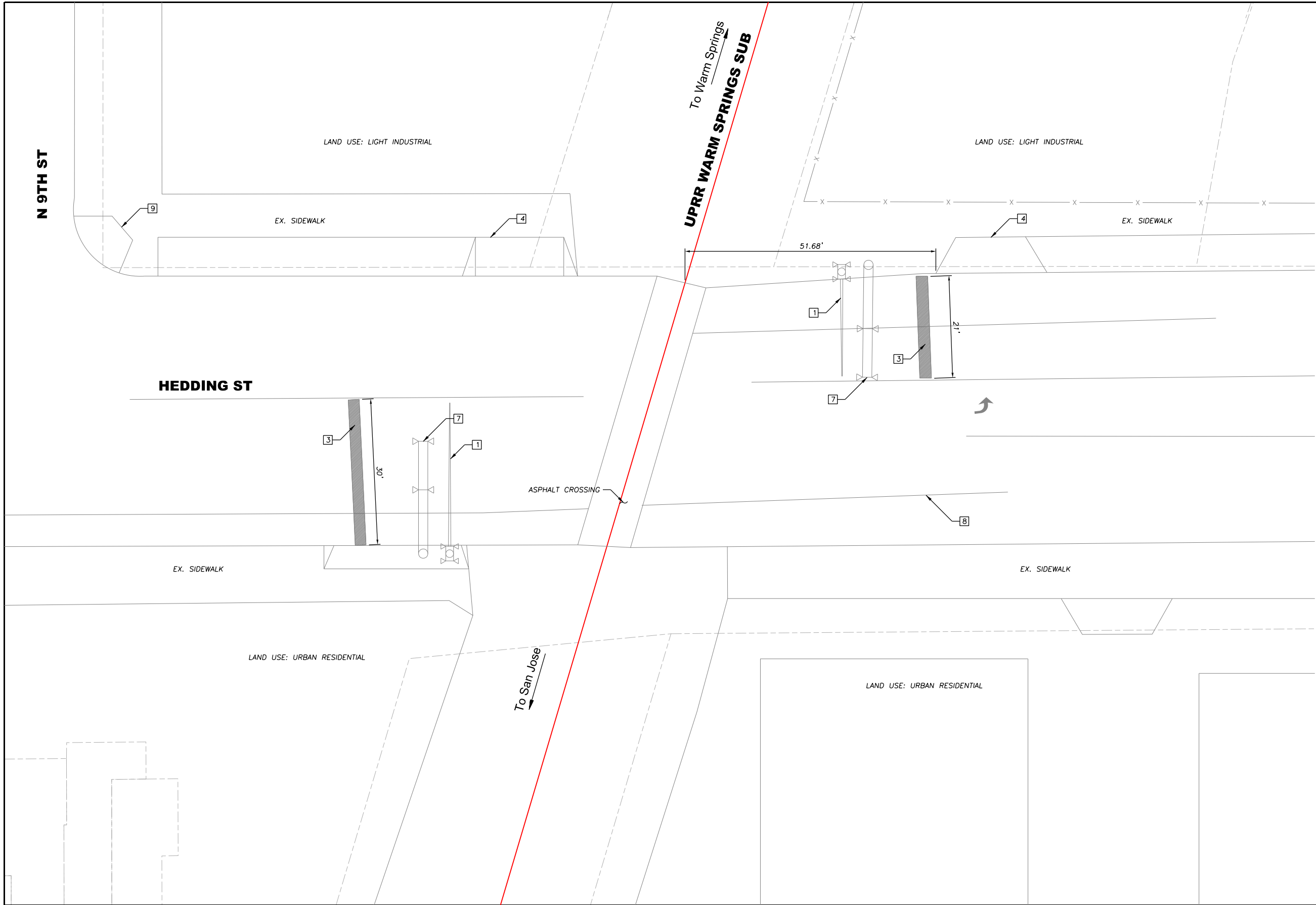
- 1 INSTALL W10-9P (NO TRAIN HORN)
- 2 INSTALL W10-1 (RAIL CROSSING WARNING)
- 3 REMOVE EXISTING RAILROAD CROSSING MARKING IN THE WESTBOUND RIGHT TURN LANE



		 3930 Pacheco Blvd Martinez, CA 94553 T: 925.400.4356 www.jmacivil.com		CONCEPT - NOT FOR CONSTRUCTION 04/09/2020	<table><tr><th colspan="3">REVISIONS:</th></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td>3</td><td>04/09/20</td><td>QUIET ZONE FEASIBILITY STUDY DRAWING</td></tr><tr><td>2</td><td>02/25/20</td><td>ISSUED FOR SITE DIAGNOSTIC MEETING</td></tr><tr><td>1</td><td>10/18/19</td><td>ISSUED FOR STAKEHOLDER REVIEW</td></tr><tr><th>MARK</th><th>DATE</th><th>DESCRIPTION</th></tr></table>	REVISIONS:															3	04/09/20	QUIET ZONE FEASIBILITY STUDY DRAWING	2	02/25/20	ISSUED FOR SITE DIAGNOSTIC MEETING	1	10/18/19	ISSUED FOR STAKEHOLDER REVIEW	MARK	DATE	DESCRIPTION	 CITY OF SAN JOSE UPRR WARM SPRINGS SUBDIVISION QUIET ZONE CITY OF SAN JOSE TRANSPORTATION DEPARTMENT 200 EAST SANTA CLARA STREET SAN JOSE, CA 95113	SHEET TITLE: WARM SPRINGS SUB, MP 15.64 HEDDING ST AT GRADE CROSSING OVERALL PLAN <table><tr><td>PROJ NO: 19154</td><td rowspan="4">SHEET NO. C-10 478</td></tr><tr><td>SCALE: AS NOTED</td></tr><tr><td>DATE: 04/09/2020</td></tr><tr><td>DESIGNED BY: MA/WH</td></tr><tr><td colspan="2">SHEET 6 OF 22</td></tr></table>	PROJ NO: 19154	SHEET NO. C-10 478	SCALE: AS NOTED	DATE: 04/09/2020	DESIGNED BY: MA/WH	SHEET 6 OF 22	
REVISIONS:																																									
3	04/09/20	QUIET ZONE FEASIBILITY STUDY DRAWING																																							
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DESIGNED BY: MA/WH																																									
SHEET 6 OF 22																																									
SUBCONSULTANT:	SUBCONSULTANT:	PRIME CONSULTANT:	PROFESSIONAL SEAL:	ISSUE:																																					

IF THIS DRAWING IS LESS THAN 22" X 34" IT IS A REDUCED SIZE DRAWING

4/9/2020 3:33:35 PM - P:\19154-SJ\Site\Sheets\Primary Design\105 Hedding St_Existing.dgn



GENERAL NOTES:

SEE SHEET C-101 FOR GENERAL NOTES.

SHEET NOTES:

EXISTING INFRASTRUCTURE

- 1 EXISTING NO. 9A QUADRANT GATE WITH R15-1 TO REMAIN
- 2 EXISTING RAILROAD XING SYMBOLS
- 3 EXISTING STOP BARS
- 4 EXISTING DRIVEWAY
- 5 END OF EXISTING SIDEWALK
- 6 EXISTING PEDESTRIAN BARRIER
- 7 EXISTING SIGNAL CANTILEVER WITH R15-1
- 8 EXISTING BIKE PATH
- 9 EXISTING ADA RAMP



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PROFESSIONAL SEAL:

CONCEPT
NOT FOR CONSTRUCTION
04/09/2020

REVISIONS:		
3	04/09/20	QUIET ZONE FEASIBILITY STUDY DRAWING
2	02/25/20	ISSUED FOR SITE DIAGNOSTIC MEETING
1	10/18/19	ISSUED FOR STAKEHOLDER REVIEW
MARK	DATE	DESCRIPTION



CITY OF SAN JOSE
UPRR WARM SPRINGS SUBDIVISION
QUIET ZONE
CITY OF SAN JOSE TRANSPORTATION DEPARTMENT
200 EAST SANTA CLARA STREET
SAN JOSE, CA 95113

SHEET TITLE:
WARM SPRINGS SUB, MP 15.64
HEDDING ST AT GRADE CROSSING
EXISTING SITE PLAN

PROJ NO: 19154
SCALE: AS NOTED
DATE: 04/09/2020
DESIGNED BY: MA/WH

SHEET NO.
C-10: 479
SHEET 7 OF 22

4/9/2020 3:33:35 PM - P:\19154-SJ\PublicZone\Site\Sheets\Primary Design\106 Hedding St\Proposed.dgn

N 9TH ST

LAND USE: LIGHT INDUSTRIAL

LAND USE: LIGHT INDUSTRIAL

HEDDING ST

LAND USE: URBAN RESIDENTIAL

LAND USE: URBAN RESIDENTIAL

UPRR WARM SPRINGS SUB
To San Jose

To Warm Springs

GENERAL NOTES

SEE SHEET C-101 FOR GENERAL NOTES

SHEET NOTES:

EXISTING INFRASTRUCTURE

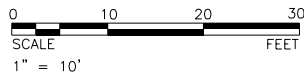
- EXISTING NO. 9A QUADRANT GATE WITH R15-1 TO REMAIN
- EXISTING RAILROAD XING SYMBOL
- EXISTING STOP BAR
- EXISTING DRIVEWAY WITHIN 60' DISTANCE FROM RAILROAD CROSSING
- EXISTING WALL
- EXISTING PEDESTRIAN BARRIER
- EXISTING SIGNAL CANTILEVER WITH R15-1
- EXISTING BIKE PATH
- EXISTING ADA RAMP
- EXISTING RIGHT OF WAY FENCE
- EXISTING EMERGENCY ONLY DRIVEWAY

CIVIL IMPROVEMENTS

- PROPOSED MOUNTABLE MEDIAN WITH REFLECTIVE TRAFFIC CHANNELIZATION DEVICES
- RELOCATE EXISTING DRIVEWAY TO PROVIDE 60' DISTANCE FROM GATE
- PROPOSED 24" STOP BAR PER MUTCD STANDARDS
- PROPOSED FULL PEDESTRIAN TREATMENTS INCLUDE AUTOMATIC PEDESTRIAN GATE, EXIT SWING GATE, DETECTABLE WARNING STRIP AND CHANNELIZATION
- PROPOSED SIDEWALK IMPROVEMENT
- INSTALL W10-9P (NO TRAIN HORN) AND R8-8 (DO NOT STOP ON TRACKS)
- INSTALL W10-1 (RAIL CROSSING WARNING)
- INSTALL R3-5R (RIGHT TURN ONLY)
- RELOCATE EXISTING QUADRANT GATE AND CANTILEVER CLOSER TO THE TRACK.
- PROPOSED FENCE AND FENCE GATE ALONG BACK OF SIDEWALK

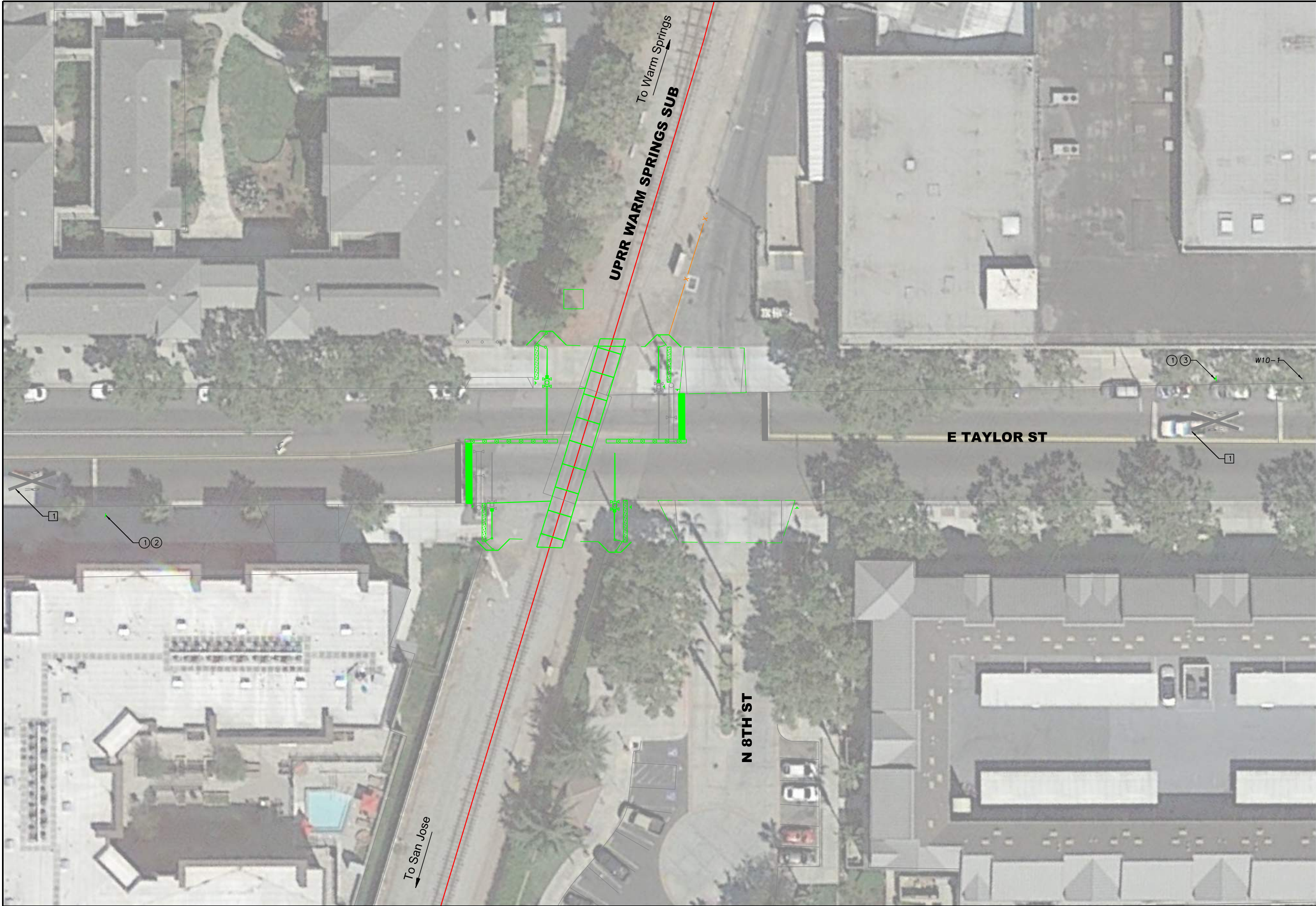
CROSSING STATS

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LANE TYPE	3 LANE (URBAN OTHER PRINCIPAL ARTERIAL)
TRAFFIC VOLUMES, AADT	15539
OZRI (W/O IMPROVEMENTS)	17646.57
OZRI (W/ IMPROVEMENTS)	4411.64
NSRT	13811
NSRT>OZRI (W/ IMPROVEMENTS)	



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SUBCONSULTANT:		SUBCONSULTANT:		PRIME CONSULTANT:		PROFESSIONAL SEAL:		CONCEPT		REVISIONS:		CITY OF SAN JOSE		SHEET NO. C-10 480													
SUBCONSULTANT:		SUBCONSULTANT:		PRIME CONSULTANT:		PROFESSIONAL SEAL:		CONCEPT		REVISIONS:		CITY OF SAN JOSE		SHEET NO.													

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GENERAL NTOES:

SEE SHEET C-101 FOR GENERAL NOTES.

SHEET NOTES:

EXISTING INFRASTRUCTURE

- 1 EXISTING RAILROAD XING SYMBOLS
- 2 EXISTING ADA RAMP

CIVIL IMPROVEMENTS

- 1 INSTALL W10-9P (NO TRAIN HORN)
- 2 INSTALL W10-1 (RAIL CROSSING WARNING)
- 3 RELOCATE EX. W10-1 CLOSE TO RAILROAD CROSSING MARKING



4/9/2020 3:33:40 PM - P:\19154-SJ\04\Zone\Site\Sheets\Primary Design\C-107 E Taylor St_Overall.dgn

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MARK	DATE	DESCRIPTION
3	04/09/20	QUIET ZONE FEASIBILITY STUDY DRAWING
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1	10/18/19	ISSUED FOR STAKEHOLDER REVIEW



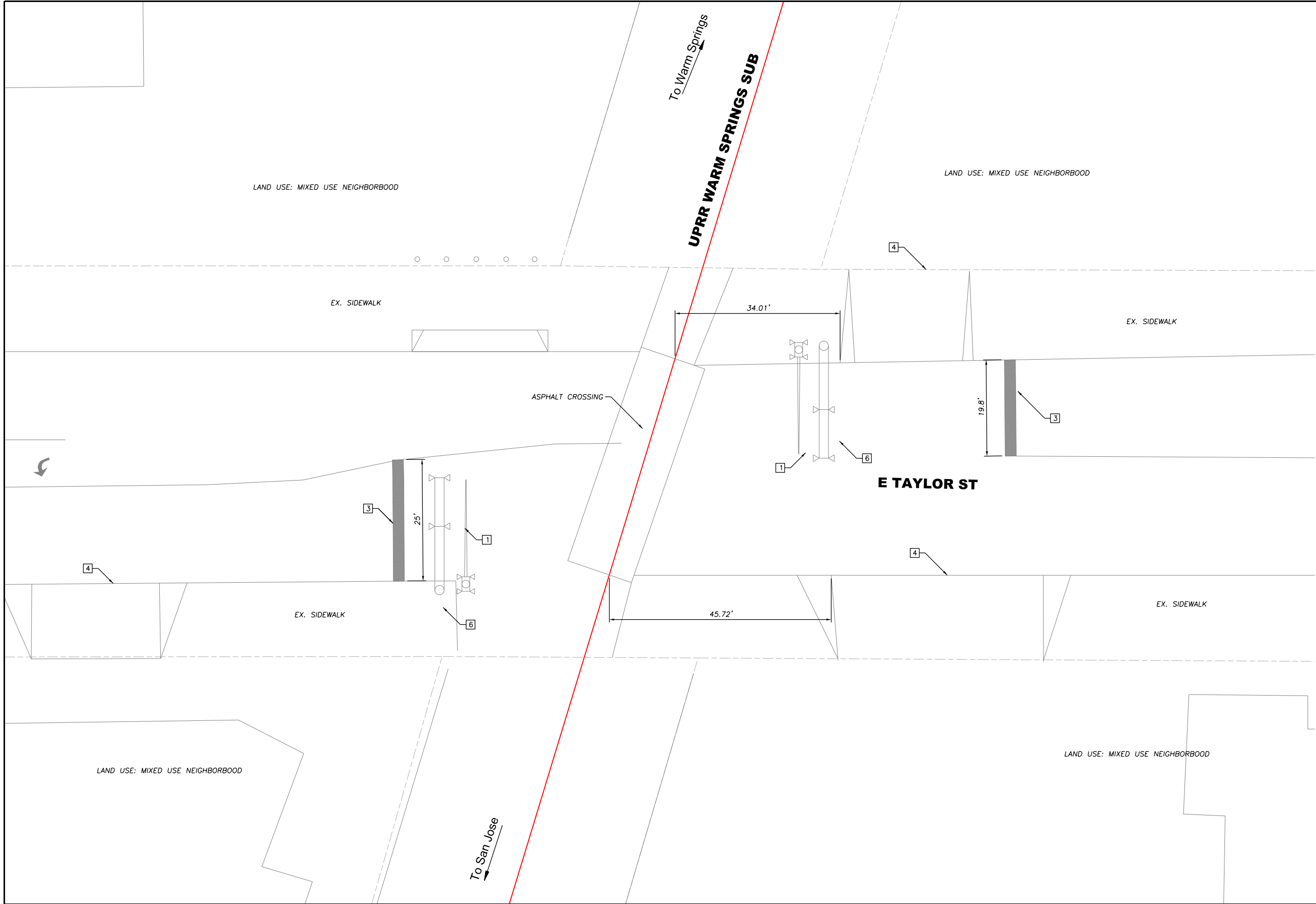
CITY OF SAN JOSE
UPRR WARM SPRINGS SUBDIVISION
QUIET ZONE
CITY OF SAN JOSE TRANSPORTATION DEPARTMENT
200 EAST SANTA CLARA STREET
SAN JOSE, CA 95113

SHEET TITLE:
WARM SPRINGS SUB, MP 16.00
E TAYLOR ST AT GRADE CROSSING
OVERALL PLAN

PROJ NO: 19154
SCALE: AS NOTED
DATE: 04/09/2020
DESIGNED BY: MA/WH

SHEET NO.
C-10 481
SHEET 9 OF 22

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GENERAL NOTES:

SEE SHEET C-101 FOR GENERAL NOTES.

SHEET NOTES:

EXISTING INFRASTRUCTURE

- 1 EXISTING NO. 9A QUADRANT GATE WITH R15-1 TO REMAIN
- 2 EXISTING RAILROAD XING SYMBOLS
- 3 EXISTING STOP BARS
- 4 EXISTING DRIVEWAY
- 5 END OF EXISTING SIDEWALK
- 6 EXISTING SIGNAL CANTILEVER WITH R15-1



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REVISIONS:		
3	04/09/20	QUIET ZONE FEASIBILITY STUDY DRAWING
2	02/25/20	ISSUED FOR SITE DIAGNOSTIC MEETING
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MARK	DATE	DESCRIPTION

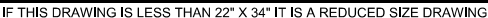


CITY OF SAN JOSE
UPRR WARM SPRINGS SUBDIVISION
QUIET ZONE
CITY OF SAN JOSE TRANSPORTATION DEPARTMENT
200 EAST SANTA CLARA STREET
SAN JOSE, CA 95113

SHEET TITLE:
WARM SPRINGS SUB, MP 16.00
E TAYLOR ST AT GRADE CROSSING
EXISTING PLAN

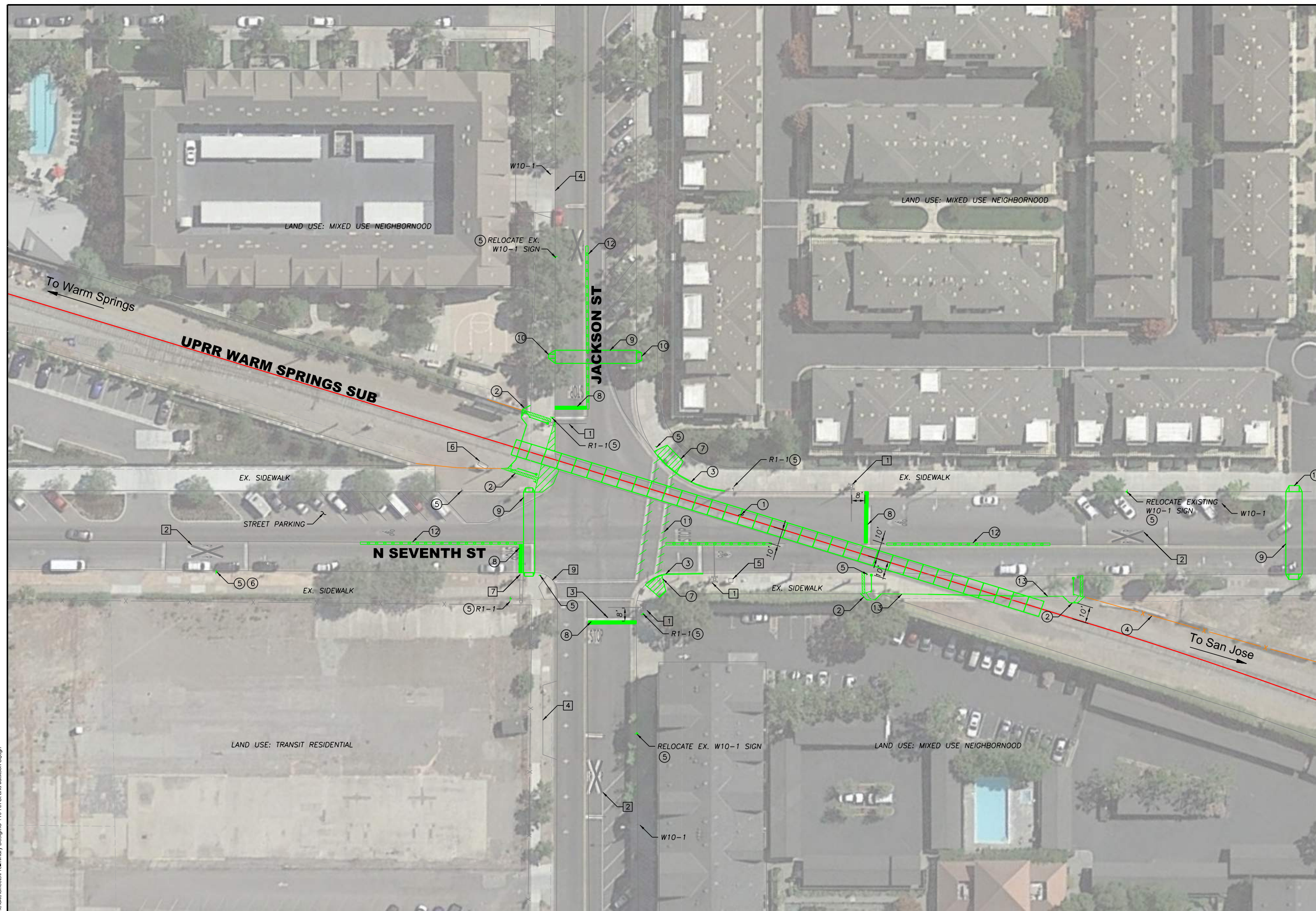
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SCALE: AS NOTED	C-108 482
DATE: 04/09/2020	
DESIGNED BY: MA/WH	

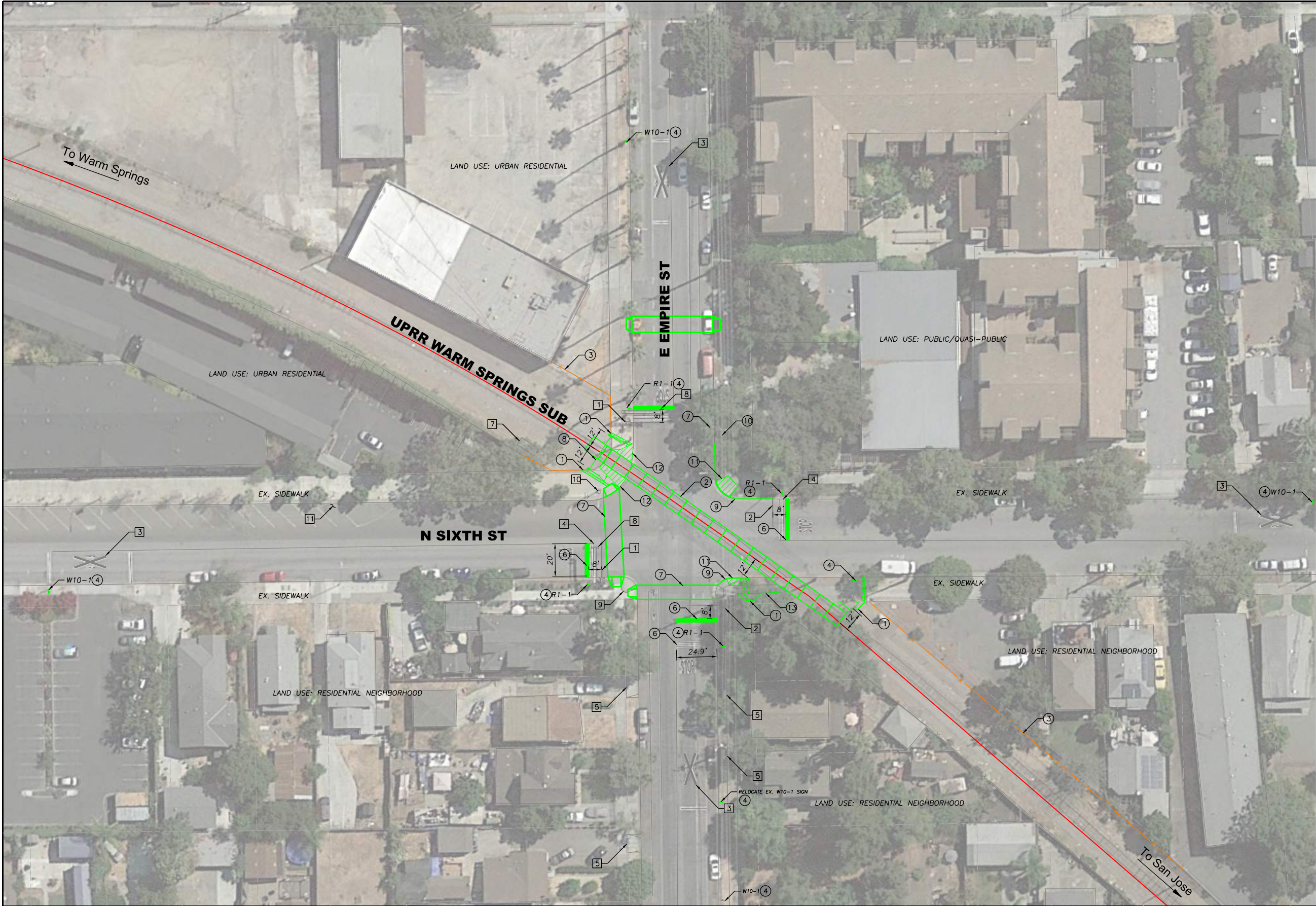
SHEET 10 OF 22



SHEET NO. C-11 484

SHEET 12 OF 22





GENERAL NOTES:

SEE SHEET C-101 FOR GENERAL NOTES.

SHEET NOTES:

EXISTING INFRASTRUCTURE

- 1 EXISTING NO. 9A QUADRANT GATE WITH R15-1 TO REMAIN
- 2 EXISTING NO. 9 QUADRANT GATE WITH R15-1 TO REMAIN
- 3 EXISTING RAILROAD XING SYMBOL
- 4 EXISTING STOP BAR
- 5 EXISTING DRIVEWAY
- 6 EXISTING DRIVEWAY WITHIN 60' DISTANCE FROM RAILROAD CROSSING
- 7 UPRR CONTROL HOUSE
- 8 EXISTING SIGNAL CANTILEVER WITH R15-1
- 9 EXISTING ADA RAMP
- 10 EXISTING POLE
- 11 EXISTING STREET PARKING

CIVIL IMPROVEMENTS

- 1 PROPOSED FULL PEDESTRIAN TREATMENTS INCLUDE AUTOMATIC PEDESTRIAN GATE, EXIT SWING GATE, DETECTABLE WARNING STRIP AND CHANNELIZATION
- 2 PROPOSED CONCRETE CROSSING PANNEL, APPROX. 150 LF BY UPRR
- 3 PROPOSED 8' HIGH RIGHT OF WAY FENCE BY DEVELOPER
- 4 INSTALL W10-9P (NO TRAIN HORN)
- 5 INSTALL W10-1 (RAIL CROSSING WARNING)
- 6 PROPOSED 24" STOP BAR PER MUTCD STANDARDS
- 7 PROPOSED CROSSWALK STRIPING
- 8 PROPOSED PEDESTRIAN SIDEWALK
- 9 INSTALL R9-3 (NO PEDESTRIAN CROSSING) AND R9-3bP (USE CROSSWALK) ON PROPOSED BARRICADE
- 10 PROPOSED ADA RAMP
- 11 REMOVE EXISTING ADA RAMP
- 12 REMOVE EXISTING SIDEWALK
- 13 PROPOSED FENCE AND FENCE GATE ALONG BACK OF SIDEWALK

CROSSING STATS

CROSSING NO.	750131X
LANE TYPE	2 LANE (URBAN LOCAL)
TRAFFIC VOLUMES, AADT	3100
QZRI (W/O IMPROVEMENTS)	10651.69
NSRT	13811
NSRT>QZRI (W/O IMPROVEMENTS)	



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CONCEPT

NOT FOR CONSTRUCTION

04/09/2020

ISSUE:

REVISIONS:

MARK	DATE	DESCRIPTION
3	04/09/20	QUIET ZONE FEASIBILITY STUDY DRAWING
2	02/25/20	ISSUED FOR SITE DIAGNOSTIC MEETING
1	10/18/19	ISSUED FOR STAKEHOLDER REVIEW

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

CITY OF SAN JOSE
UPRR WARM SPRINGS SUBDIVISION
QUIET ZONE
CITY OF SAN JOSE TRANSPORTATION DEPARTMENT
200 EAST SANTA CLARA STREET
SAN JOSE, CA 95113

SHEET TITLE:

WARM SPRINGS SUB, MP 16.35
N 6TH ST AND EMPIRE ST
AT GRADE CROSSING
PROPOSED SITE PLAN

PROJ NO: 19154
SCALE: AS NOTED
DATE: 04/09/2020
DESIGNED BY: MA/WH

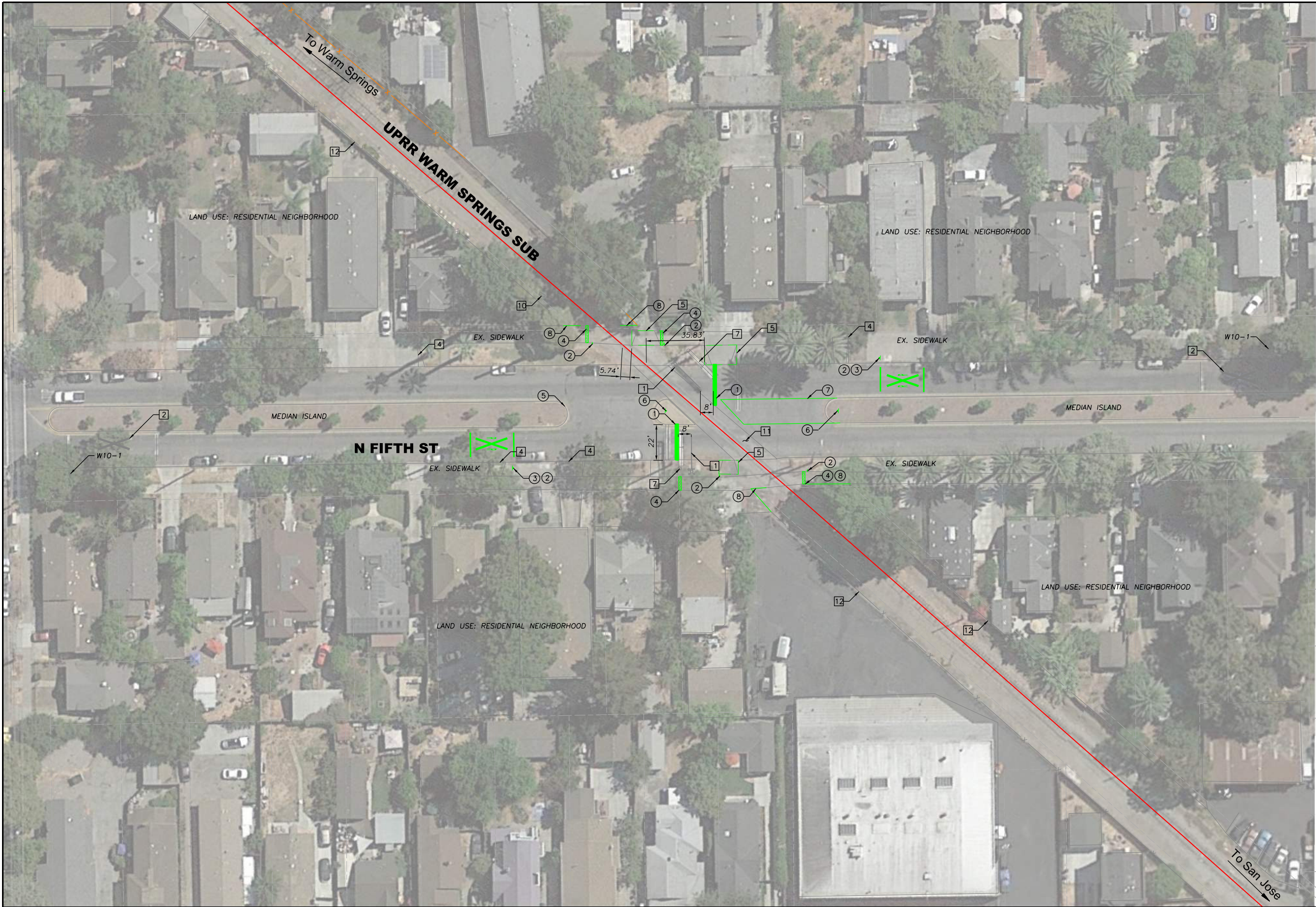
SHEET NO.

C-11 485

SHEET 13 OF 22

4/9/2020 3:33:52 PM - P:\19154-SJ\QuasiZone\Site\Sheets\Primary Design\C-11 6th St and Empire St.dgn

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GENERAL NOTES:

SEE SHEET C-101 FOR GENERAL NOTES.

SHEET NOTES:

EXISTING INFRASTRUCTURE

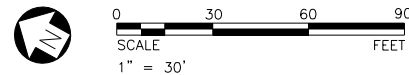
- EXISTING NO. 9A QUADRANT GATE WITH R15-1
- EXISTING RAILROAD XING SYMBOL
- EXISTING STOP BAR
- EXISTING DRIVEWAY
- EXISTING DRIVEWAY WITHIN 60' DISTANCE FROM RAILROAD CROSSING
- EXISTING PEDESTRIAN BARRIER
- EXISTING SIGNAL CANTILEVER WITH R15-1
- EXISTING BIKE PATH
- EXISTING ADA RAMP
- UPRR CONTROL HOUSE
- EXISTING ASPHALT CROSSING
- EXISTING FENCE

CIVIL IMPROVEMENTS

- PROPOSED STOP BAR PER MUTCD STANDARDS
- INSTALL W10-9P (NO TRAIN HORN) AND R15-8 (LOOK) FOR PEDESTRIAN
- RELOCATE EXISTING RAILROAD CROSSING SIGNS WITH 100' DISTANCE TO THE STOP BAR
- PROPOSED PEDESTRIAN DETECTABLE WARNING STRIPS
- RELOCATE MEDIAN GAP FURTHER AWAY FROM THE RAILROAD CROSSING
- INSTALL R8-8 (DO NOT STOP ON TRACKS)
- PROPOSED MEDIAN ISLAND TO ASSIST CROSSING GATE COVER 90% OF TRAVEL APPROACH WIDTH.
- PROPOSED FENCE AND FENCE GATE ALONG BACK OF SIDEWALK

CROSSING STATS

CROSSING NO.	750132E
LANE TYPE	2 LANE (URBAN LOCAL)
TRAFFIC VOLUMES, AADT	2227
OZRI (W/O IMPROVEMENTS)	9789.62
NSRT	1.3811
NSRT>OZRI (W/O IMPROVEMENTS)	



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MARK	DATE	DESCRIPTION																											
3	04/09/20	QUIET ZONE FEASIBILITY STUDY DRAWING																											
2	02/25/20	ISSUED FOR SITE DIAGNOSTIC MEETING																											
1	10/18/19	ISSUED FOR STAKEHOLDER REVIEW																											
SUBCONSULTANT:		SUBCONSULTANT:		PRIME CONSULTANT:		PROFESSIONAL SEAL:		CONCEPT		REVISIONS:		 CITY OF SAN JOSE CAPITAL OF SILICON VALLEY		CITY OF SAN JOSE UPRR WARM SPRINGS SUBDIVISION QUIET ZONE CITY OF SAN JOSE TRANSPORTATION DEPARTMENT 200 EAST SANTA CLARA STREET SAN JOSE, CA 95113		SHEET TITLE: WARM SPRINGS SUB, MP 16.45 N 5TH ST AT GRADE CROSSING PROPOSED SITE PLAN													
SUBCONSULTANT:		SUBCONSULTANT:		PRIME CONSULTANT:		PROFESSIONAL SEAL:		CONCEPT		REVISIONS:		 CITY OF SAN JOSE CAPITAL OF SILICON VALLEY		CITY OF SAN JOSE UPRR WARM SPRINGS SUBDIVISION QUIET ZONE CITY OF SAN JOSE TRANSPORTATION DEPARTMENT 200 EAST SANTA CLARA STREET SAN JOSE, CA 95113		SHEET TITLE: WARM SPRINGS SUB, MP 16.45 N 5TH ST AT GRADE CROSSING PROPOSED SITE PLAN													
SUBCONSULTANT:		SUBCONSULTANT:		PRIME CONSULTANT:		PROFESSIONAL SEAL:		CONCEPT		REVISIONS:		 CITY OF SAN JOSE CAPITAL OF SILICON VALLEY		CITY OF SAN JOSE UPRR WARM SPRINGS SUBDIVISION QUIET ZONE CITY OF SAN JOSE TRANSPORTATION DEPARTMENT 200 EAST SANTA CLARA STREET SAN JOSE, CA 95113		SHEET TITLE: WARM SPRINGS SUB, MP 16.45 N 5TH ST AT GRADE CROSSING PROPOSED SITE PLAN													

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GENERAL NOTES:

SEE SHEET C-101 FOR GENERAL NOTES.

SHEET NOTES:

EXISTING INFRASTRUCTURE

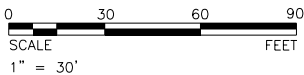
- EXISTING NO. 9 QUADRANT GATE WITH R15-1 TO REMAIN
- EXISTING RAILROAD XING SYMBOL
- EXISTING STOP BAR
- EXISTING DRIVEWAY
- EXISTING DRIVEWAY WITHIN 60' DISTANCE FROM RAILROAD CROSSING
- EXISTING PEDESTRIAN BARRIER
- EXISTING SIGNAL CANTILEVER WITH R15-1
- EXISTING BIKE PATH
- EXISTING ADA RAMP
- UPRR CONTROL HOUSE
- EXISTING SIGNAL LIGHT
- EXISTING MEDIAN ISLAND
- PCC PAD AT GRADE CROSSING
- EXISTING FENCE

CIVIL IMPROVEMENTS

- PROPOSED 24" STOP BAR PER MUTCD STANDARDS
- INSTALL W10-9P (NO TRAIN HORN) AND R15-8 (LOOK)
- INSTALL R3-5R (RIGHT TURN ONLY)
- PROPOSED BOLLARDS FOR WASHINGTON ST FULL CLOSURE
- INSTALL R3-1 (NO RIGHT TURN)
- PROPOSED PEDESTRIAN DETECTABLE WARNING STRIPS
- STRIPING UP MEDIAN TO THE EDGE OF CONCRETE PANEL WITH REFLECTIVE MARKERS
- INSTALL W10-4 (GRADE CROSSING ADVANCE WARNING)
- PROPOSED FENCE AND FENCE GATE ALONG BACK OF SIDEWALK

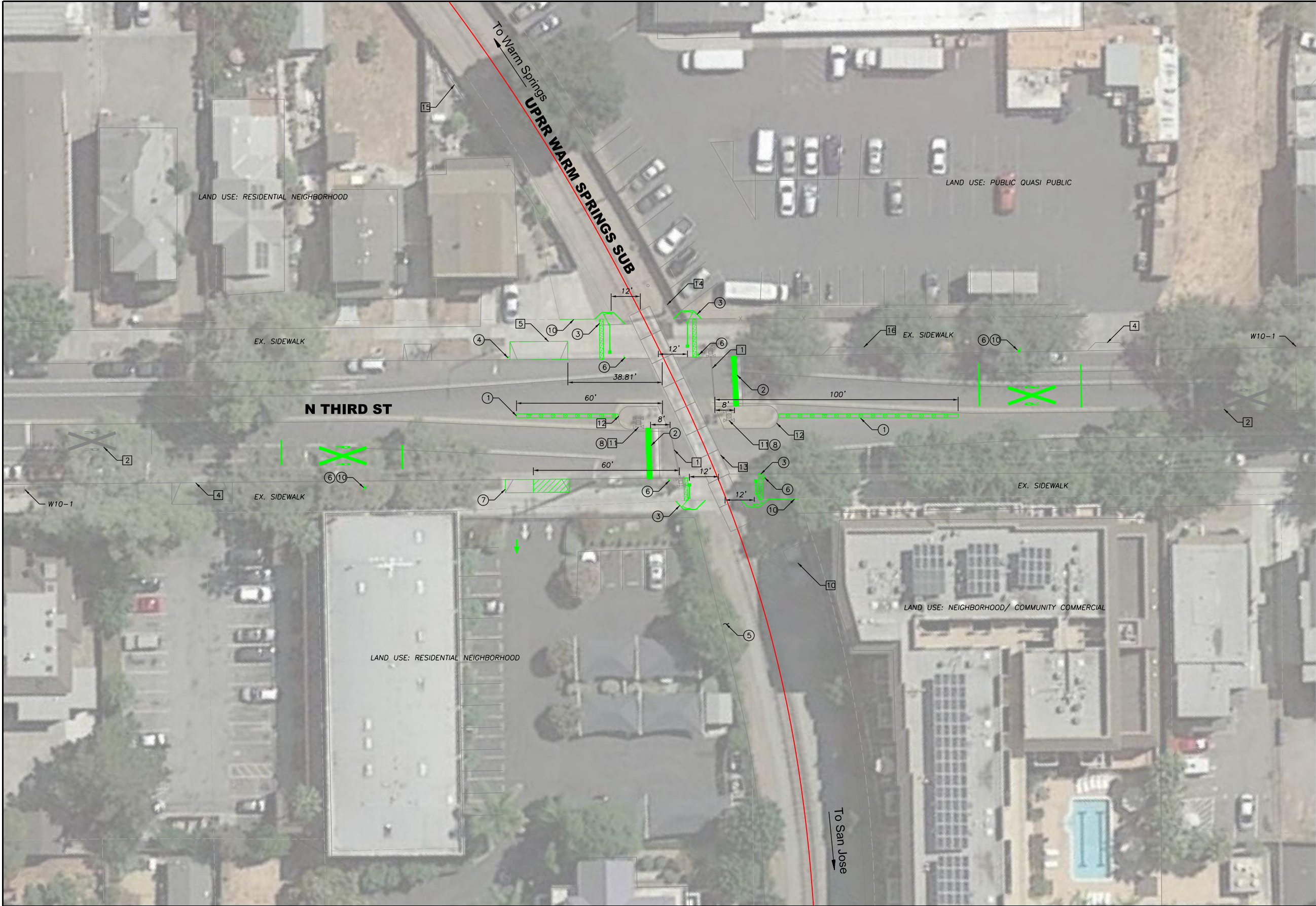
CROSSING STATS

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TRAFFIC VOLUMES, AADT	5709
QZRI (W/O IMPROVEMENTS)	12410.06
NSRT	13811
NSRT>QZRI (W/O IMPROVEMENTS)	



		CONCEPT		REVISIONS:				CITY OF SAN JOSE		SHEET TITLE:	
		NOT FOR CONSTRUCTION						UPRR WARM SPRINGS SUBDIVISION		WARM SPRINGS SUB, MP 16.55	
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								CITY OF SAN JOSE TRANSPORTATION DEPARTMENT		PROPOSED SITE PLAN	
								200 EAST SANTA CLARA STREET		PROJ NO: 19154	
								SAN JOSE, CA 95113		SCALE: AS NOTED	
										DATE: 04/09/2020	
										DESIGNED BY: MA/WH	
										SHEET NO. C-11 487	
										SHEET 15 OF 22	

IF THIS DRAWING IS LESS THAN 22" X 34" IT IS A REDUCED SIZE DRAWING



GENERAL NOTES:

SEE SHEET C-101 FOR GENERAL NOTES.

SHEET NOTES:

EXISTING INFRASTRUCTURE

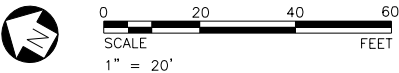
- 1 EXISTING NO. 9 QUADRANT GATE WITH R15-1 TO REMAIN
- 2 EXISTING RAILROAD XING SYMBOL
- 3 EXISTING STOP BAR
- 4 EXISTING DRIVEWAY
- 5 EXISTING DRIVEWAY WITHIN 60' DISTANCE FROM RAILROAD CROSSING
- 6 EXISTING PEDESTRIAN BARRIER
- 7 EXISTING SIGNAL CANTILEVER WITH R15-1
- 8 EXISTING BIKE PATH
- 9 EXISTING ADA RAMP
- 10 UPRR CONTROL HOUSE
- 11 EXISTING SIGNAL LIGHT
- 12 EXISTING MEDIAN ISLAND
- 13 EXISTING PCC PAD AT GRADE CROSSING
- 14 EXISTING UTILITY POLE
- 15 EXISTING FENCE
- 16 EXISTING CLOSED DRIVEWAY

CIVIL IMPROVEMENTS

- 1 PROPOSED MOUNTABLE MEDIAN WITH REFLECTIVE TRAFFIC CHANNELIZATION DEVICES
- 2 PROPOSED 24" STOP BAR PER MUTCD STANDARDS
- 3 PROPOSED FULL PEDESTRIAN TREATMENTS INCLUDE AUTOMATIC PEDESTRIAN GATE, EXIT SWING GATE, DETECTABLE WARNING STRIP AND CHANNELIZATION
- 4 INSTALL R3-5R (RIGHT TURN ONLY)
- 5 PROPERTY OWNERS TO REMOVE VEGETATION WITHIN UPRR RIGHT OF WAY
- 6 INSTALL W10-9P (NO TRAIN HORN)
- 7 REDUCE THE WIDTH OF RESIDENTIAL DRIVEWAY FOR ONE WAY ENTER ONLY
- 8 ADD BELL ON EXISTING NO. 8 FLASHER
- 9 PROPOSED FENCE AND FENCE GATE ALONG BACK OF SIDEWALK
- 10 RELOCATE EXISTING RAILROAD CROSSING MARKING AND W10-1 SIGN WITH 100' DISTANCE FROM STOP BAR

CROSSING STATS

CROSSING NO.	750134T
LANE TYPE	2 LANE (URBAN MAJOR COLLECTOR)
TRAFFIC VOLUMES, AADT	3992
QZRI (W/O IMPROVEMENTS)	11353.09
QZRI (W/ IMPROVEMENTS)	2838.27
NSRT	13811
NSRT>QZRI (W/O IMPROVEMENTS)	



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ISSUE:

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3	04/09/20	QUIET ZONE FEASIBILITY STUDY DRAWING
2	02/25/20	ISSUED FOR SITE DIAGNOSTIC MEETING
1	10/18/19	ISSUED FOR STAKEHOLDER REVIEW
MARK	DATE	DESCRIPTION

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

CITY OF SAN JOSE
UPRR WARM SPRINGS SUBDIVISION
QUIET ZONE
CITY OF SAN JOSE TRANSPORTATION DEPARTMENT
200 EAST SANTA CLARA STREET
SAN JOSE, CA 95113

SHEET TITLE:

WARM SPRINGS SUB, MP 16.63
N 3RD ST AT GRADE CROSSING
PROPOSED SITE PLAN

PROJ NO: 19154
SCALE: AS NOTED
DATE: 04/09/2020
DESIGNED BY: MA/WH

SHEET NO.

C-11 488

SHEET 16 OF 22

whoong 4/9/2020 3:34:37 PM - P:\19154-SJ\QuietZone\Site\Sheets\Primary Design\C-114 3rd St.dgn

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GENERAL NOTES:

SEE SHEET C-101 FOR GENERAL NOTES.

SHEET NOTES:

EXISTING INFRASTRUCTURE

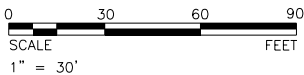
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- EXISTING NO. 9A QUADRANT GATE WITH R15-1 TO REMAIN
- EXISTING RAILROAD XING SYMBOL
- EXISTING STOP BAR
- EXISTING DRIVEWAY
- EXISTING DRIVEWAY WITHIN 60' DISTANCE FROM RAILROAD CROSSING
- EXISTING PEDESTRIAN BARRIER
- EXISTING SIGNAL CANTILEVER WITH R15-1
- EXISTING BIKE PATH
- EXISTING ADA RAMP
- UPRR CONTROL HOUSE
- EXISTING SIGNAL LIGHT
- EXISTING MEDIAN ISLAND
- EXISTING BARRIER
- PCC PAD AT GRADE CROSSING

CIVIL IMPROVEMENTS

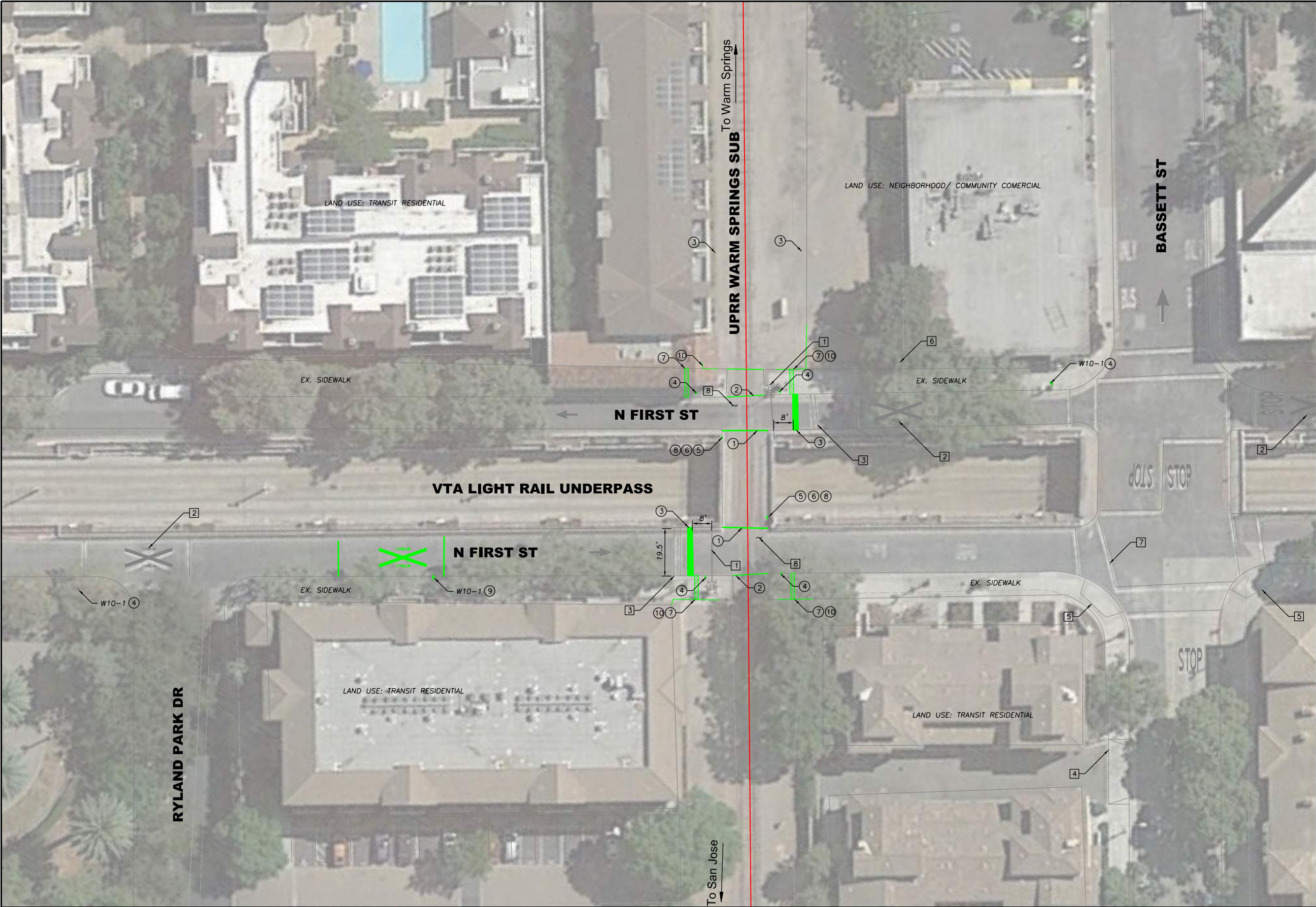
- PROPOSED MOUNTABLE MEDIAN WITH REFLECTIVE TRAFFIC CHANNELIZATION DEVICES
- PROPOSED 24" STOP BAR PER MUTCD STANDARDS
- PROPOSED FULL PEDESTRIAN TREATMENTS INCLUDE AUTOMATIC PEDESTRIAN GATE, EXIT SWING GATE, DETECTABLE WARNING STRIP AND CHANNELIZATION
- CITY WILL COORDINATE WITH PROPERTY OWNER TO RELOCATE TRASH PICKUP LOCATION TO SOUTH SIDE OF DRIVEWAY
- INSTALL W10-9P (NO TRAIN HORN)
- RELOCATE EXISTING RAILROAD CROSSING MARKING AND W10-1 SIGN WITH 100' DISTANCE TO STOP BAR
- INSTALL R3-5R (RIGHT TURN ONLY)
- INSTALL R4-1 (DO NOT PASS)
- PROPOSED FENCE AND FENCE GATE ALONG BACK OF SIDEWALK

CROSSING STATS

CROSSING NO.	750135A
LANE TYPE	2 LANE (URBAN MAJOR COLLECTOR)
TRAFFIC VOLUMES, AADT	5974
QZRI (W/O IMPROVEMENTS)	12549.65
QZRI (W/ IMPROVEMENTS)	3137.41
NSRT	13811
NSRT>QZRI (W/O IMPROVEMENTS)	



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3	04/09/20	QUIET ZONE FEASIBILITY STUDY DRAWING																											
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MARK	DATE	DESCRIPTION																											
DESIGNED BY: MA/WH		SHEET NO. C-113 489		SHEET 17 OF 22																									



GENERAL NOTES:

SEE SHEET C-101 FOR GENERAL NOTES.

SHEET NOTES:

EXISTING INFRASTRUCTURE

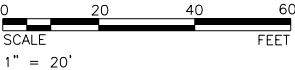
- 1 EXISTING NO. 9 QUADRANT GATE WITH R15-1 TO REMAIN
- 2 EXISTING RAILROAD XING SYMBOL
- 3 EXISTING STOP BAR
- 4 EXISTING DRIVEWAY
- 5 EXISTING ADA RAMP
- 6 EXISTING BARRIER
- 7 EXISTING CROSSWALK
- 8 EXISTING ASPHALT CROSSING

CIVIL IMPROVEMENTS

- 1 PROPOSED DOUBLE YELLOW LINE ROAD STRIPING TO THE EDGE OF CONCRETE PANEL
- 2 POTENTIAL CROSSING IMPROVEMENT BY UPRR
- 3 PROPOSED 24" STOP BAR PER MUTCD STANDARDS
- 4 INSTALL W10-9P (NO TRAIN HORN) AND R15-8 (LOOK)
- 5 INSTALL R5-1 (DO NOT ENTER) SIGN PERPENDICULAR TO THE ROADWAY
- 6 INSTALL R3-2 (NO LEFT TURN)
- 7 PROPOSED PEDESTRIAN DETECTABLE WARNING STRIPS
- 8 INSTALL R15-1 (GRADE CROSSING) AND R9-3 (NO PEDESTRIAN CROSSING)
- 9 RELOCATE EXISTING RAILROAD CROSSING MARKING AND W10-1 SIGN WITH DISTANCE 100' TO STOP BAR
- 10 PROPOSED FENCE AND FENCE GATE ALONG BACK OF SIDEWALK

CROSSING STATS

CROSSING NO.	750136G
LANE TYPE	2 LANE (URBAN OTHER PRINCIPAL ARTERIAL)
TRAFFIC VOLUMES, AADT	7836
OZRI (W/O IMPROVEMENTS)	13410.8
NSRT	13811
NSRT>OZRI (W/O IMPROVEMENTS)	



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1	10/18/19	ISSUED FOR STAKEHOLDER REVIEW

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QUIET ZONE
CITY OF SAN JOSE TRANSPORTATION DEPARTMENT
200 EAST SANTA CLARA STREET
SAN JOSE, CA 95113

SHEET TITLE:

WARM SPRINGS SUB, MP 16.78
N 1ST ST AT GRADE CROSSING
PROPOSED SITE PLAN

PROJ NO: 19154
SCALE: AS NOTED
DATE: 04/09/2020
DESIGNED BY: MA/WH

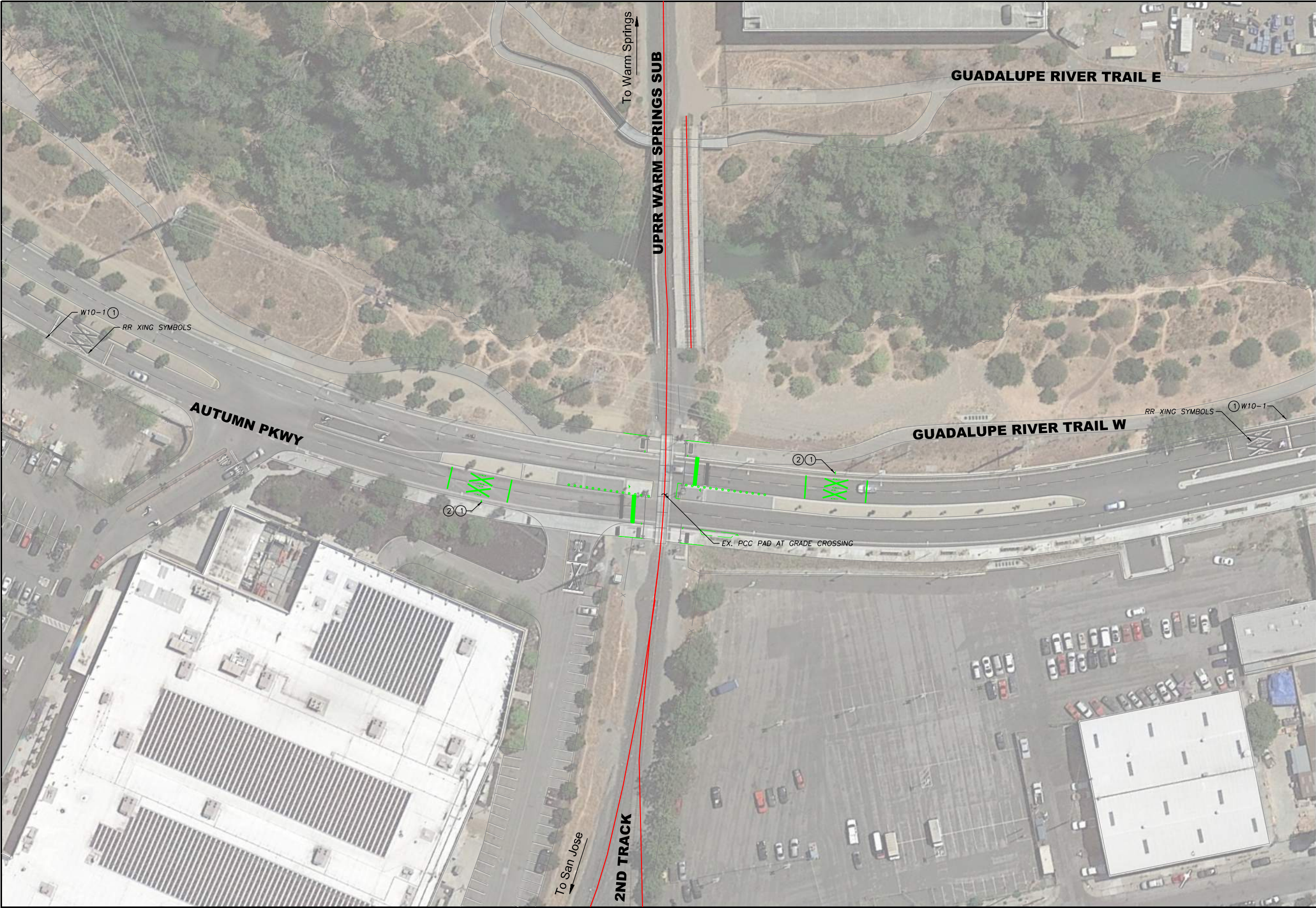
SHEET NO.

C-116 490

SHEET 18 OF 22

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GENERAL NOTES:

SEE SHEET C-101 FOR GENERAL NOTES.

SHEET NOTES:

- ① INSTALL W10-9P (NO TRAIN HORN)
- ② RELOCATE EXISTING RAILROAD CROSSING MARKING AND W10-1 SIGN WITH 100' DISTANCE TO STOP BAR



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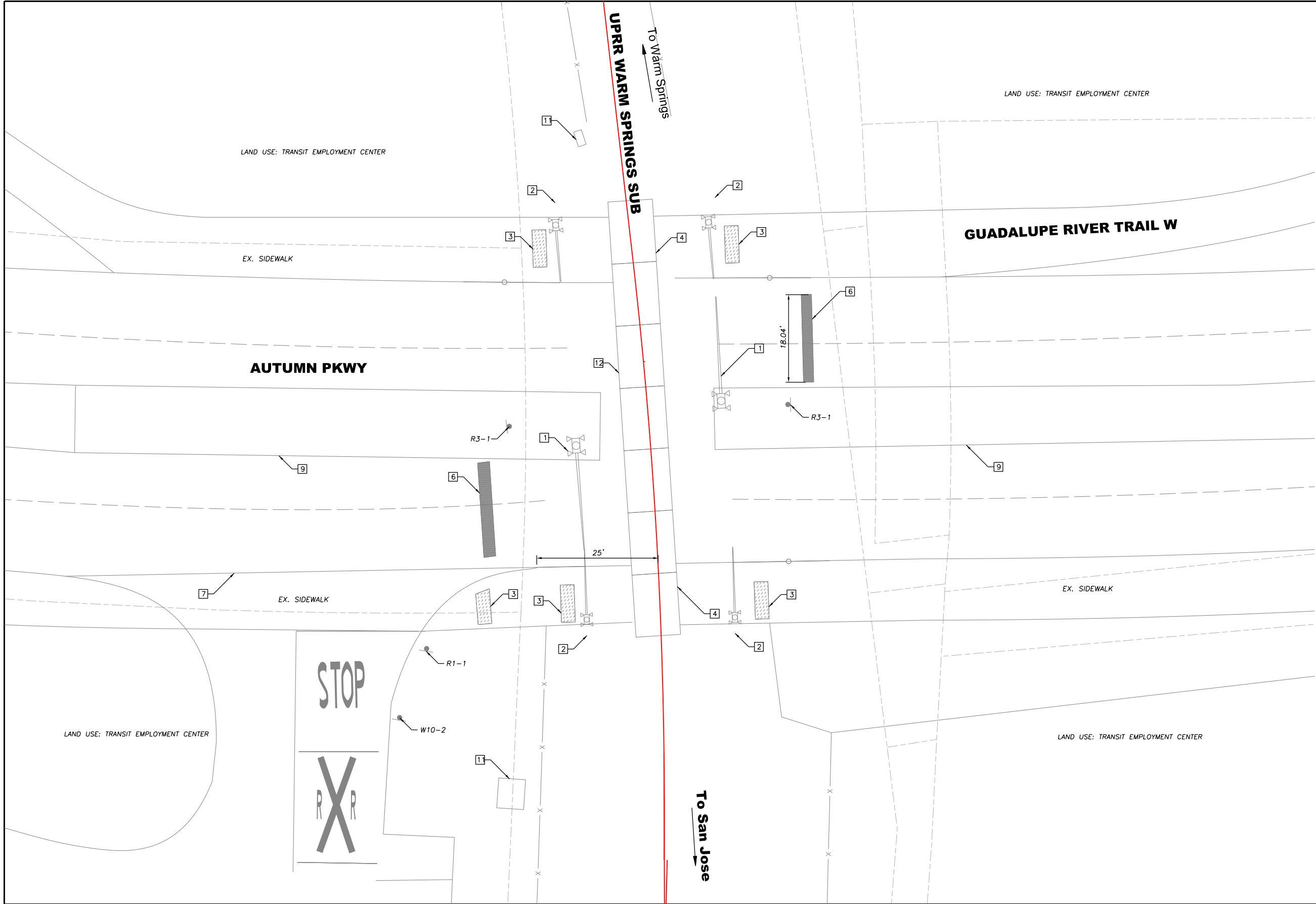


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CITY OF SAN JOSE TRANSPORTATION DEPARTMENT
200 EAST SANTA CLARA STREET
SAN JOSE, CA 95113

SHEET TITLE:
**WARM SPRINGS SUB, MP 17.32
AUTUMN PKWY AT GRADE CROSSING
OVERALL PLAN**

PROJ NO: 19154	SHEET NO.
SCALE: AS NOTED	C-117 491
DATE: 04/09/2020	
DESIGNED BY: MA/WH	SHEET 19 OF 22

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GENERAL NOTES:

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SHEET NOTES:

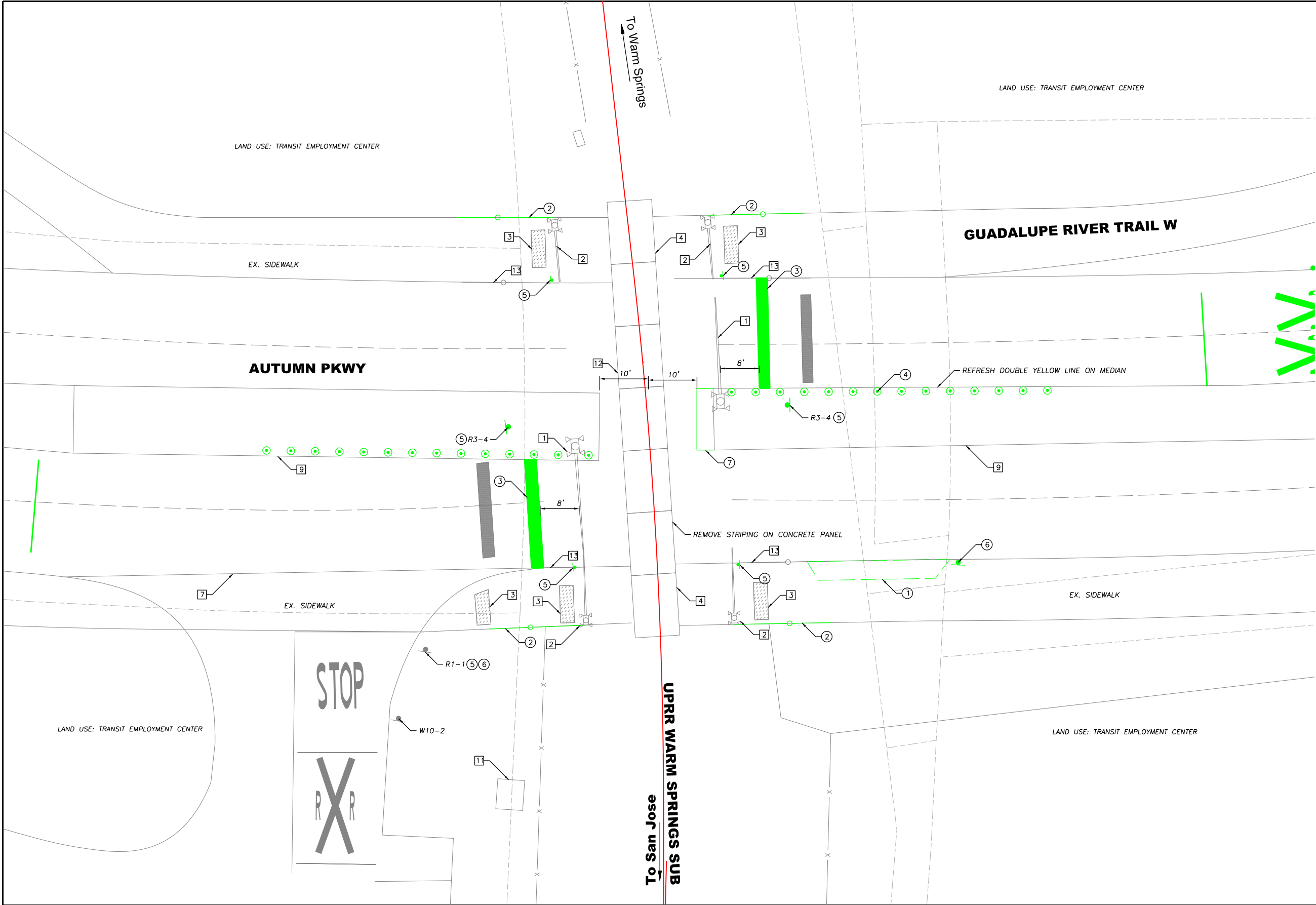
EXISTING INFRASTRUCTURE

- 1 EXISTING NO. 9 QUADRANT GATE WITH R15-1 TO REMAIN
- 2 EXISTING NO. 9 PEDESTRIAN GATE TO REMAIN
- 3 EXISTING DETECTABLE WARNING STRIP TO REMAIN
- 4 EXISTING PEDESTRIAN CROSSING TO REMAIN
- 5 EXISTING RAILROAD XING SYMBOLS
- 6 EXISTING STOP BARS
- 7 EXISTING DRIVEWAY
- 8 END OF EXISTING SIDEWALK
- 9 EXISTING MEDIAN ISLAND
- 10 EXISTING SIGNAL CANTILEVER WITH R15-1
- 11 UPRR CONTROL HOUSE
- 12 EXISTING PCC PAD AT GRADE CROSSING



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3	04/09/20	QUIET ZONE FEASIBILITY STUDY DRAWING																																								
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MARK	DATE	DESCRIPTION																																								
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SCALE: AS NOTED	C-118 492																																									
DATE: 04/09/2020																																										
DESIGNED BY: MA/WH																																										
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GENERAL NOTES:

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SHEET NOTES:

EXISTING INFRASTRUCTURE

- 1 EXISTING NO. 9 QUADRANT GATE WITH R15-1 TO REMAIN
- 2 EXISTING NO. 9 PEDESTRIAN GATE TO REMAIN
- 3 EXISTING DETECTABLE WARNING STRIP TO REMAIN
- 4 EXISTING PEDESTRIAN CROSSING TO REMAIN
- 5 EXISTING RAILROAD XING SYMBOL
- 6 EXISTING STOP BAR
- 7 EXISTING DRIVEWAY
- 8 END OF EXISTING SIDEWALK
- 9 EXISTING MEDIAN ISLAND
- 10 EXISTING SIGNAL CANTILEVER WITH R15-1
- 11 EXISTING UPRR CONTROL HOUSE
- 12 EXISTING PCC PAD AT GRADE CROSSING
- 13 EXISTING TUBULAR RAILING

CIVIL IMPROVEMENTS

- 1 PROPOSED DRIVEWAY CONSTRUCTED BY DEVELOPER, NEW PG&E ACCESS EASEMENT, PRIVATE USE AND GATED. WORK IN PROGRESS
- 2 PROPOSED PEDESTRIAN CHANNELIZATION WITH 20" TUBULAR RAILING AT BACK OF WALK
- 3 PROPOSED 24" STOP BAR PER MUTCD STANDARDS
- 4 PROPOSED REFLECTIVE TRAFFIC CHANNELIZATION DEVICES ON TOP OF EXISTING MEDIAN
- 5 INSTALL W10-9P (NO TRAIN HORN) AND R8-8 (DO NOT STOP ON TRACK)
- 6 INSTALL R3-5R (RIGHT TURN ONLY)
- 7 EXTEND EXISTING MEDIAN TO 10' FROM TRACK CENTERLINE
- 8 RELOCATE EXISTING BUS STOP FURTHER AWAY FROM THE CROSSING

CROSSING STATS

CROSSING NO.	924191R
LANE TYPE	4 LANE (URBAN LOCAL)
TRAFFIC VOLUMES, AADT	11430
QZRI (W/O IMPROVEMENTS)	18358.90
QZRI (W/ IMPROVEMENTS)	3671.78
NSRT	13811
NSRT>QZRI (W/ IMPROVEMENTS)	



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PRIME CONSULTANT:

PROFESSIONAL SEAL:

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1	10/18/19	ISSUED FOR STAKEHOLDER REVIEW

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QUIET ZONE
CITY OF SAN JOSE TRANSPORTATION DEPARTMENT
200 EAST SANTA CLARA STREET
SAN JOSE, CA 95113

SHEET TITLE:

WARM SPRINGS SUB, MP 17.32
AUTUMN PKWY AT GRADE CROSSING
PROPOSED SITE PLAN

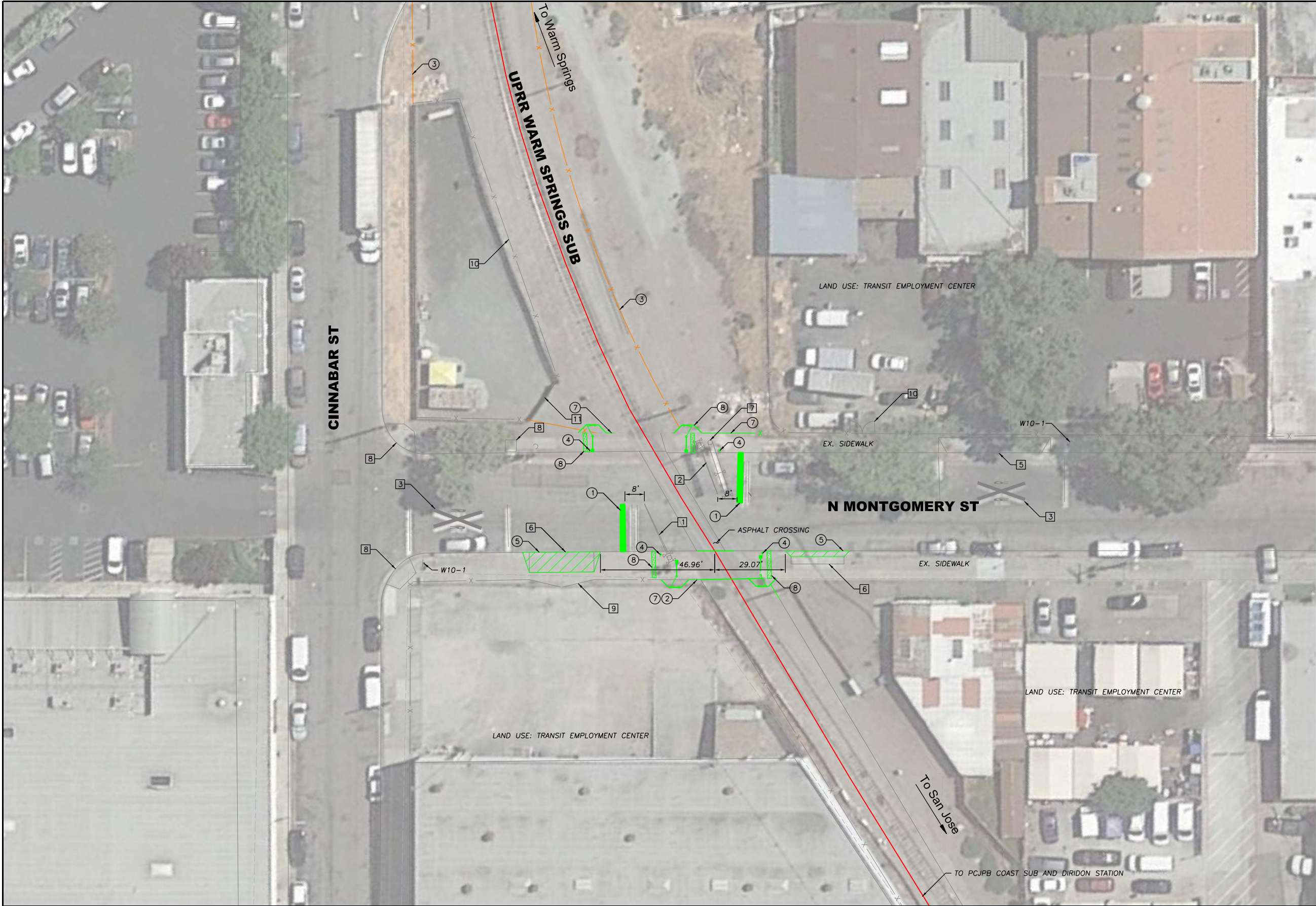
PROJ NO: 19154
SCALE: AS NOTED
DATE: 04/09/2020
DESIGNED BY: MA/WH

SHEET NO.

C-119 493

SHEET 21 OF 22

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GENERAL NOTES:

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SHEET NOTES:

EXISTING INFRASTRUCTURE

- 1 EXISTING NO. 9 QUADRANT GATE WITH R15-1 TO REMAIN
- 2 EXISTING NO. 9A QUADRANT GATE WITH R15-1 TO REMAIN
- 3 EXISTING RAILROAD XING SYMBOL
- 4 EXISTING STOP BAR
- 5 EXISTING DRIVEWAY
- 6 EXISTING DRIVEWAY WITHIN 60' DISTANCE FROM RAILROAD CROSSING
- 7 EXISTING SIGNAL CANTILEVER WITH R15-1
- 8 EXISTING ADA RAMP
- 9 UPRR CONTROL HOUSE
- 10 EXISTING FENCE & FENCE GATE
- 11 UPRR SIGNAL YARD GATE

CIVIL IMPROVEMENT

- 1 PROPOSED STOP BAR PER 2014 MUTCD STANDARDS
- 2 PROPOSED PEDESTRIAN SIDEWALK IMPROVEMENT
- 3 POTENTIAL PROPOSED 8' HIGH RIGHT OF WAY FENCE VERIFY DURING SITE DIAGNOSTIC MEETING
- 4 INSTALL W10-9P (NO TRAIN HORN) AND R15-8 (LOOK)
- 5 RELOCATE EXISTING DRIVEWAY BY DEVELOPER, EXTEND RED CURB LIMIT THROUGH DRIVEWAYS
- 6 THE PARCEL WEST OF THIS CROSSING WILL BE DEMOLISHED AND REDEVELOPED BY DEVELOPER
- 7 PROPOSED PEDESTRIAN CHANNELIZATION FENCE AND FENCE GATE AT BACK OF WALK
- 8 PROPOSED FULL PEDESTRIAN TREATMENTS INCLUDE AUTOMATIC PEDESTRIAN GATE, EXIT SWING GATE, DETECTABLE WARNING STRIP AND CHANNELIZATION.

CROSSING STATS

CROSSING NO.	750151J
LANE TYPE	2 LANE (URBAN LOCAL)
TRAFFIC VOLUMES, AADT	1792
OZRI (W/O IMPROVEMENTS)	4460.67
NSRT	13811
NSRT>OZRI (W/O IMPROVEMENTS)	



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CAPITAL OF SILICON VALLEY

CITY OF SAN JOSE
UPRR WARM SPRINGS SUBDIVISION
QUIET ZONE
CITY OF SAN JOSE TRANSPORTATION DEPARTMENT
200 EAST SANTA CLARA STREET
SAN JOSE, CA 95113

SHEET TITLE:

WARM SPRINGS SUB, MP 17.46
N MONTGOMERY ST
AT GRADE CROSSING
PROPOSED SITE PLAN

PROJ NO: 19154
SCALE: AS NOTED
DATE: 04/09/2020
DESIGNED BY: MA/WH

SHEET NO.

C-12 494

SHEET 22 OF 22

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APPENDIX D

Meeting Minutes



APPENDIX D.1

Stakeholders Design Review Minutes

San Jose Quiet Zone Study

200 East Santa Clara St
San Jose, CA 95113

Tuesday October 22, 2019

Part 1: 9:00 a.m. – 2:30 p.m. PDT

Railroad Stakeholder Feasibility Review Meeting

Dial-in: (669) 224-3412

Access Code: 232-139-341

Weblink: <https://global.gotomeeting.com/join/232139341>

If attending in person:

City of San Jose
200 East Santa Clara St
San Jose, CA 95113
8th Floor, Room 847

Meeting Objective: Review the project work to-date with UPRR, FRA and CPUC and solicit preliminary input.

Agenda

1. Introductions

2. Project Overview

- a. City Objectives
- b. Scope of Work and Limits of Study Area

3. Crossing Analysis

- a. Site Visit & Inventory Update
- b. Comparative Risk Evaluation
 - i) SSMs
 - ii) ASMs
- c. Preliminary Design

4. Crossing Improvements Walk-Through

- a. North Crossings with SSMs
- b. South Crossings

5. Project Phasing

- a. Site Visit & Inventory Update
- b. Comparative Risk Evaluation
 - iii) SSMs
 - iv) ASMs
- c. Preliminary (30%) Design

6. Next Steps

- a. Quiet Zone Study Report

Minutes

Item No.	Description	Action
1. Overview		
a.	City Noted that the consideration of City future development is a focus for this project	
2. General Comments		
a.	FRA noted that the AADT data needs to be updated in the FRA database based on the latest numbers. This will affect the NSRT. JMA will coordinate with DOT and CPUC to update traffic information in FRA Inventory Forms for each crossing.	JMA
b.	FRA and City DOT Director received multiple complaints from residents weekly FRA very familiar with the Subdivision	
c.	FRA noted: - Application A3 should be filed. It's a risk to the City if SSM will not be installed at all crossings because risk indices change over time. - City can lose the Quiet Zone designation if improvements are not made at all crossings in the corridor - In A1 filing – SSMs at all crossings is preferred - Trespassing and homelessness are an issue. Need to be addressed. One encampment can compromise the QZ. - Locomotive engineer has full control over blowing horn if unsafe condition is noted. - Significant developments from Planning in the QZ can put the QZ at risk.	
d.	Eliminate driveways within 60' distance from gate is required for the SSM: Gates with Medians or Channelization Devices.	
e.	Anti-trespassing panels violate CPUC GO-118A for walkways and will be removed from the plans. Per FRA, studies show that anti-trespassing panels are not very effective. We can table this for future discussion.	
f.	UPRR noted all crossings are Tier 3. The tier level is determined by UPRR based on a system-wide crossing assessment process and regression model Statistically significant crossings have certain characteristics. Tier 1 has the most significant characteristics associated with incidents; Tier 3 has the least number of these characteristics	
g.	Even if a quiet zone becomes cost-prohibitive and the City doesn't pursue it, safety recommendations made here are still worthwhile to implement as much as possible	

h.	UPRR asked if a closure study was done. City doesn't want to close streets or convert 2-way to one-way.	
i.	City will discuss internally and review possible closure options	CSJ
j.	City to evaluate operation life-saver outreach.	
k.	FRA recommended that the City look at high-risk areas and do outreach and education. Perform a proximity analysis.	CSJ
l.	Look at stop bar placement. FRA recommended that the City refresh these before the QZ work. - Single stop bar is the new standard 8' placement in advance of closest equipment	
m.	Posted speeds need to be added in proximity to all crossings.	
n.	Peggy referenced MUTCD 8A.01 for the crossing modification process.	
o.	Peggy encouraged City to look at pedestrian grade separation options. Pedestrians will always take the path of least resistance and will not walk out of their way.	
p.	FRA said that field diagnostic by end of the year is ambitious. Recommend Jan 2020 timeframe	
q.	FRA looking at tightening up Rule Section 222 requirements.	
3. City Trespass		
a.	FRA wants to know what the City is doing for trespassing.	CSJ
b.	City is working with UPRR on an MOU for removal of the homelessness Agreement in process.	CSJ
c.	Mindy said that the agreement with UPRR will be executed by Dec 2019	
d.	FRA wants to know what prevention measures are in place. For example: - Enforcement of Law - Engineering, Education and Enforcement	CSJ
e.	Joe offered to send supporting documents and grant program information	FRA
f.	Per FRA, the Counties are organizing a summit to work together as a community to address trespassing and homelessness. FRA will send City information on the summit.	FRA
4. City Incident Data		
a.	City has incident data for the crossings. No RR incident data within 10 years.	
b.	UPRR (Peggy) asked that the City look again and specifically look for non-railroad incidents.	CSJ

c.	UPRR (Peggy) also asked the City to investigate incidents at adjacent intersections. Peggy noted that not all rail incidents specifically mention rail.	CSJ
5. N. Tenth St		
a.	UPRR confirmed the spur track will be removed as part of the crossing surface improvement work. JMA will note on plans.	JMA
b.	Stop bars need to be reinstalled for all crossings to match MUTCD (2014 versus and 2009 requirement)	
c.	UPRR: A new cantilever over the road will be required for N 10 th St. UPRR (Peggy) noted UPRR pole placement might cause site distance issues. CPUC: consider median mounted gate because electrical poles on sidewalk may prevent installation of cantilever	
d.	Santa Ana Ave – since the Santa Ana Ave intersects 10 th St. close to the crossing and is adjacent to the gate, FRA suggested considering allowing northbound right-turn into Santa Ana Ave only and eliminating westbound out of Santa Ana Ave.	
e.	CPUC noted that they receive complaints from bicyclists about the pavement condition across the tracks here. UPRR noted that they would like to complete the panel replacement project.	
f.	UPRR noted one flasher for each lane of travel is required per AREMA. CPUC noted that multiple travel lanes require flashers cantilevered over the road, or in the median. Asked if City plans to reduce lanes and add bike lanes.	
g.	UPRR noted that location of existing gate on the east sidewalk is questionable and it probably should be relocated.	
h.	JMA will revise preliminary design to bring median island to within 10' from remaining track and will square up median nose.	
i.	UPRR requested information on school bus and passenger bus routes	CSJ
j.	UPRR: ensure striping conforms to latest MUTCD, e.g. 24" stop bar	
6. Hedding St.		
a.	2013 – Review of interconnected crossings study for pre-emption. - UPRR asked City to provide comments on the recommendations that were presented for consideration. Peggy will provide the study. - Peggy asked if City implemented the track clearance green time that was recommended in report?	UPRR & CSJ
b.	FRA noted that this is the worst crossing in terms of trespassing and witnessed a near-miss. City needs to be proactive. Engineering, enforcement, and education are the three pillars to address the issue.	

	California has 6 of the top 10 counties with highest railroad fatalities. FRA is putting together safety summit and wants San Jose there. There is also a new federal grant for funding enforcement efforts on railroad corridors.	
c.	CPUC and UPRR asked if lane configuration was changed. Cantilevers are usually for 2 lanes each way, but this is only 1 lane each direction. - City noted 4-lane to 3-lane conversion and bike lanes installed in 2013. - CPUC has no record of approval to reduce lanes and add bike lanes. GO-88B CPUC application was not filed by the City.	
d.	CPUC ask the City to confirm if the asphalt from the sidewalk being replaced.	CSJ
e.	FRA noted setbacks from gates look too far. JMA to evaluate.	JMA
f.	FRA recommended full pedestrian treatment (pedestrian gate, swing gate, detectable warning strips. - CPUC (Felix) described full pedestrian treatment includes automatic ped gate, with exit swing gate and channelization. - Detectable warning strips will be required for all sidewalks. - Sidewalk should meet all ADA requirements.	JMA
g.	UPRR noted City should consider rerouting school bus path near this new quiet zone.	CSJ
h.	UPRR suggested City study incidents at adjacent signalized intersection; some accidents don't involve a train but happen because of driver behavior near the crossing, queueing affected by the crossing, etc.	
i.	FRA recommended full pedestrian treatment (pedestrian gate, swing gate, detectable warning strips. - CPUC (Felix) described full pedestrian treatment includes automatic ped gate, with exit swing gate and channelization. - Detectable warning strips will be required for all sidewalks. Sidewalk should meet ADA requirements.	JMA
7. E. Taylor		
a.	FRA noted that SSM: medians with gates does not allow for driveways within 60' from gate arm (not crossing). Quad gates are the only SSM when existing driveways cannot be moved. This location is a good example of the City allowing driveways too close to crossings.	
b.	FRA recommended using quad gates and install full pedestrian treatments for this crossing.	
c.	UPRR noted road work happened at this crossing in 2015 per Google Street view. Reminder that Right-of-Entry and a UPRR flagger is required for work that could cause queueing or work within 25' from railroad. Also, traffic detours and lane shifts need to conform to MUTCD standards.	

d.	FRA noted Taylor St & Hedding St crossings were evaluated as high-risk crossing. There is an existing siding with switch moves that needs to be considered	
e.	2016 Site Diagnostic Meeting. CPUC (Felix) noted there was \$150k conditioned for railroad improvements. Where did that money go? - CPUC (Felix) has minutes and can share the minutes for diagnostic meeting. - City: the money is allocated towards the panel replacement work planned with UP	CPUC
8. Jackson/7th		
a.	City noted \$400k City has been earmarked for crossing improvement.	
b.	FRA suggested eliminating ped crossing within the limits of the warning devices. Add pedestrian fencing or channelization devices to direct access path. Control pedestrian crossing to the southwest.	JMA
c.	At northwest corner of intersection, UPRR noted railroad warning devices cannot be inside the construction fencing; City to inform developer. Also noted cantilever device does not have a gate.	CSJ
d.	City noted new 600 residential unit development is being constructed in the northwest corner of intersection. UPRR recommended that for developments of this nature that a site diagnostic meeting should have been performed with the developer as part of the EIR process. Traffic impact study was prepared for the development. UPRR requested a copy of the EIR. City will provide.	CSJ
e.	FRA: having the tracks cross in the middle of the crosswalk is a problem because pedestrians could be in the crosswalk with no direction as to where to go when the warning devices are activated and a train is approaching CPUC: signaling the intersection would allow for preemption which would protect pedestrian (and vehicular) movements from entering the intersection when a train is approaching	
f.	FRA: need channelization (fencing) along sidewalk on south leg around the crossing	
g.	FRA: at northeast corner of intersection, extend UP fence to edge of sidewalk; swing gate might be required for UP access to railroad.	
h.	FRA: what is the circulation in this area? Suggest shifting south leg crosswalk to north leg to avoid pedestrian crossing the tracks outside of the controls of the warning devices. City should evaluate proper placement of crosswalk to maximize pedestrian access while minimizing uncontrolled pedestrian exposure to the crossing.	JMA

9. N 6 th and Empire		
a.	UPRR observed motorist confusion with vehicles stopping on the tracks at this crossing.	
b.	This crossing is included on the planned UPRR/City cost-share for crossing improvement with new concrete crossing panel.	
c.	FRA noted there is no pedestrian visibility in the southwest of 6 th St. Pedestrian treatment needed here	
d.	CPUC does not recommend mid-block crossings near the tracks. Cars can queue on track.	
e.	CPUC: the problem with trying to prevent pedestrians from crossing on east leg is that you can't fully prevent pedestrians from going where they want to go; you could potentially install pedestrian treatments at the northeast corner to facilitate pedestrian east-west travel; the pedestrian path could be oriented to be perpendicular to the tracks; may need UPRR ROW UPRR: as long as it conforms with diagnostic recommendations, UP is amenable to entering into an agreement with the City for sidewalk easement in order to fit in safety improvements	
f.	UPRR (Peggy) wants to observe behavior during train movement.	UPRR
g.	Mid high-rise residential development under construction. UPRR requested copy of EIR.	CSJ
h.	UPRR: stop signs are awkwardly placed and don't control vehicles after they enter the intersection; consider a traffic signal	
i.	Development should fence along railroad ROW	
j.	Curb ramps on the south corners of the intersection facilitate pedestrian crossing across the south leg which is not ideal because the tracks cross the middle of the path. FRA recommended to eliminate these ramps and City evaluate proper placement of crosswalks at other legs	
10. N 5 th		
a.	City needs to investigate driveways and close unpermitted driveways.	CSJ
b.	Necessity and legality of business driveway on the west side of 5 th questioned seeing that the business has access on 4 th .	
c.	There is a gap in the median on the north leg; provides access for residential driveways; consider whether this gap makes the crossing overall safer, or if closing the gap would be safer	JMA, CSJ
d.	Where do residents place trash bins? In limits of track area – problem; evaluate this for 451 and 452 N 5 th St	
e.	UPRR: check need for tree trimming, especially southbound	

f.	UPRR noted W10-1 placement may be too far away; consider adding supplemental W10-1, maybe in median	
g.	FRA requested the City also review pavement marking distance, and fix signs and striping	
h.	JMA will investigate the cantilever installation requirement per MUTCD.	JMA
11. N 4th		
a.	UPRR recommended possibly closing Washington St at N 5 th St • Make 4th NB and 5th SB. • Alternative, make Washington St. one-way NB City: our practice is to keep 2-way streets; we have been converting one-way streets to 2-way. FRA: Quiet Zones are unique enough to consider exceptions to this policy.	CSJ
b.	Investigate SE section next to track, Google Earth showed a parked car next to track. Who installed bollards?	CSJ
c.	FRA: what is the use of the building on the northwest quadrant? If it is for homeless resources, we suggest City do ongoing outreach here, e.g. Operation Lifesaver. In general, City can look at a radius around the crossing (e.g. 1 mile), and target critical populations including transit users, PD, homeless centers, etc. throughout life of quiet zone	
12. N 3rd		
a.	FRA noted this crossing may need pedestrian treatments due to visibility on curves • May require property acquisition for pedestrian bump outs.	
b.	Residential driveway on northeast corner does not invalidate SSM Gates with medians if there are 4 units or less	
c.	FRA recommended extend medians to 100' per SSM standard, by that way the driveway in the northbound side do not need to remove.	
d.	FRA asked that vegetation be removed within UPRR right-of-way that is blocking site distance.	
e.	FRA noted pedestrian visibility will be impact by existing tree.	
f.	UPRR suggested adding bells to the median mounted flashers	
g.	Salmon colored building residences have contacted FRA (Joe) to discuss homelessness	
h.	FRA suggested to change the residential driveway to entrance only in southbound direction and reduce the width of driveway to have 60' clearance from gate.	
i.	FRA: trim trees on sidewalk	

13. N 2nd		
a.	FRA: trash containers cause backup in the street. Cars circumvent trash trucks and can pull into crossing with limited visibility. Consider 4-quadrant gate system for this reason	
b.	FRA: consider full ped treatments on north quadrants due to reduced visibility for pedestrian.	
c.	FRA: short blocks between 1 st , 2 nd , 3 rd ; people walk the rail corridor as an east-west short cut; even if you have a quiet zone, the train operators will sound the horns due to these pedestrians	
14. N 1st		
a.	CPUC: does the barriers along the street count towards the SSM gates with medians since they are non-traversable? FRA: not sure if this crossing should be considered 2 crossings; need to confirm If it is considered as 2 crossings, each crossing could potentially be considered as one-way street with gates. If two crossings, all data need to be considered separately.	FRA
b.	FRA recommended enlarging the existing “do not enter” sign on the bridge.	
c.	FRA: check stop bar distance; should be 8’ from downed gate or cantilever	
d.	UPRR: we have had some vehicles stopped on the tracks here; suggest checking lighting across the crossing. FRA: maybe drivers get confused and turn left onto tracks; consider adding no turn signs, extend edge of road striping across tracks; consider thermoplastic, retroreflective	
15. Autumn Parkway		
a.	CPUC: the existing pedestrian treatments reflect old design and do not meet current CPUC practice. For example, at the southeast quadrant the vehicular gate is located behind the sidewalk to serve both vehicles and pedestrians; however today CPUC would require the vehicle gate to be placed closer to the curb and a pedestrian treatment (automated gate and swing gate) to be placed to the right of it. At the northeast quadrant there is an automated pedestrian gate; today, CPUC would require this to be accompanied by an exit swing gate so that e.g. a wheelchair user could exit the crossing. The reason this crossing has an outdated design even though it was constructed relatively recently is because it was delayed in construction by 15 years due to an adjacent Army Corps rail bridge replacement project. The City had no control over that, so CPUC granted the City the extensions on its design approval. FRA: also the ped path is lacking channelization. It’s easy for pedestrians to walk behind the gates.	

b.	Medians look short. Minimum of 6" height is required for a median to be considered non-traversable. FRA recommends new construction be min 8" to account for overlays.	
c.	UPRR: the pedestrian path on the east side of this crossing is one side of the Guadalupe River Trail. The other side of the trail is on the east side of the River, and that goes under the rail in a pedestrian tunnel. Trails imply a higher pedestrian volume which is of concern to UPRR.	
d.	Ped underpass east of Autumn Parkway: - FRA noted that the trail undercrossing washed away; UPRR forces came to abate and were attacked - No FRA DOT number per UPRR. - UPRR assigned a DOT number. - CPUC confirmed that this crossing was approved in 2006. - UPRR is interested in the City's trail maintenance plans for the underpass and if MOU includes this bridge - SCVWD was the lead agency. - UPRR asked if City can provide underpass maintenance information.	CSJ
e.	CPUC confirmed that Autumn Parkway was a City project.	
f.	CPUC said that the pedestrian underpass was processed as a separate application from Autumn Parkway.	
g.	UPRR: check the W10-1 sign placement on the south side – looks far. The warning devices need to be visible.	JMA
h.	FRA: what is the speed limit? Need to post speed limits at approaches to quiet zone crossings.	CSJ
i.	UPRR: the driveway in the northwest corner used to have northbound access through the median, but now the median gap is closed; wonder when this change happened. CPUC: it may have been closed due to left-turn pocket length issue; but continuous median now is better	CSJ
j.	FRA: City can't claim SSM: gates with medians due to the driveway at the northwest quadrant unless the driveway is relocated.	JMA
k.	City: PG&E requested easement along rail corridor between Autumn St. and Autumn Pkwy including a new driveway on the SW quadrant as part of a new proposed development. FRA: what does PG&E want to use the access for? If they have access to Autumn St, why do they need a driveway here on Autumn Pkwy? City: we can check on their access need and if one driveway on Autumn St would be adequate	CSJ

16. Montgomery		
a.	City: this area surrounding Montgomery St. is proposed for high density office and mixed use development. Early stages only. UPRR: reminder to see CA MUTCD requirements for modifying a crossing. CPUC: we need local agency help to engage us early on, way in advance of CEQA comment period UPRR: pedestrians will desire to cross between the new high density development and the restaurants and shopping plaza on the north side of the tracks; need to provide a pedestrian undercrossing, otherwise pedestrians will cut through the fence	
b.	FRA: need fencing along the rail corridor from Autumn Pkwy to here	
c.	City noted N Montgomery St. can't be closed since it's the only entrance to the land uses just north of the crossing.	
17. Site Diagnostic Meeting		
a.	UPRR: suggest a pre-review meeting in office before we go out to the field	
b.	UPRR: suggest 3 days to cover the 14 crossings	
c.	UPRR: encourage City staff to drive all the crossings during peak am, pm and nighttime to experience conditions first-hand and see how they change across different times of day.	
d.	FRA: please include an SJPd rep in the field diagnostic	
18. Next Steps		
a.	Submit updated Inventory Form to CPUC. Need to consider future traffic volumes for construction underway.	JMA
b.	Schedule 3-day field diagnostic, FRA is available in Jan 2020.	JMA

SIGN-IN SHEET



City of San Jose Quiet Zone Project
City of San Jose

Tuesday October 22, 2019

San Jose Quiet Zone Feasibility Study

Web Meeting

200 East Santa Clara Street

San Jose, CA 95113

8th Floor, Conference Room 847

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SIGN-IN SHEET



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Name	Title	Agency/ Company	Address	Telephone	Email	Initial
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TIM OSTGIL	CTC	CONSULTANT				BY PHONE



APPENDIX D.2

Site Diagnostic Meeting Minutes

/San Jose Warm Springs Quiet Zone Study

200 East Santa Clara St
San Jose, CA 95113

Tuesday-Thursday February 25-27, 2020

Warm Springs Quiet Zone Site Diagnostic Meeting

Meeting Objective: Review the project work to-date with UPRR, FRA and CPUC and solicit preliminary input.

Minutes

Item No.	Description	Action
1. General Comments: Overview		
a.	The diagnostic team have included the FRA-Region 7 “Diagnostic Meeting Opening Statement” and CAMUTCD 8A.01.05a as attachments to these minutes.	
b.	Site diagnostic meetings and CPUC applications are required for any railroad crossing improvements. Any developments or roadway improvements in the vicinity of the railroad crossings should be evaluated for their impacts to the railroad crossings.	
c.	The goal of this quiet zone study is to define the scope and programmatic cost to implement the quiet zone so the City of San Jose (City) can determine the feasibility of the project. City is mainly concerned with nighttime train horns. FRA noted that the City may apply for a partial quiet zone that limits that train horns to just the day times. The process and application requirements for a partial quiet zone is the same as for a full quiet zone.	
d.	Proposed quiet zone is 1.8 miles long and spans 14 at-grade crossings. This corridor has an average of 4 train movements per day (2 in the daytime, 2 in the night hours). Train speed is 10 mph. Train speed limit on this corridor is 20 mph.	
e.	Existing corridor quiet zone risk index is below the National Risk Index Threshold. Per the Train Horn Rule, the City could designate a quiet zone on this basis. FRA noted that the current crossing standards were written in 1999 and are outdated. The National Risk Index is a minimum threshold and we should strive for safety improvements that exceed far above the minimum. FRA noted that safety improvements for the existing crossings may be required regardless of the disposition of the Quiet Zone project.	

f.	FRA re-evaluates quiet zones that are established through the Public Authority Application Process every 3 years. Quiet zones may be terminated if a City's quiet zone treatments are modified or fall into a state of disrepair or otherwise fails to meet the requirements stipulated by the Quiet Zone application.	
g.	The diagnostic team noted that safety improvements for the existing crossings may be required regardless of the disposition of the Quiet Zone project.	
h.	The FRA noted that the current Quiet Zone standards were written in 1999. The National Risk Index is a minimum threshold and we should strive for safety improvements that exceed far above the minimum.	
i.	The diagnostic team is a strong endorser for eliminating or consolidating at-grade crossing, as well as constructing grade separations. The diagnostic team acknowledges Federal regulation (23 CFR 646.214(c)) that specifies that "all crossings of railroads and highways at grade shall be eliminated where there is full control of access on the highway (a freeway) regardless of the volume of railroad or highway traffic". In addition, the team acknowledges MUTCD, Section 8A.05 Grade Crossing Elimination Guidance: 01 Because grade crossings are a potential source of crashes and congestion, agencies should conduct engineering studies to determine the cost and benefits of eliminating these crossings.	
j.	School buses were observed travelling through all crossings except for Montgomery. FRA Inventory Forms shall be updated with this data.	City/CPUC/ JMA
k.	City reported there are 19 school districts in San Jose who determine their own school bus routes with no coordination or approval required from the City. City will reach out to the relevant school districts to: (1) Outreach for feedback on study as they are a Stakeholder; (2) Determine Educational or additional educational needs as it pertains to the Quiet Zone; and (3) Work with the school districts to determine if re-routing to avoid railroad at-grade crossings is possible	City
l.	Pursuant to CA MUTCD 8A.01.05a Site diagnostic meetings and CPUC authorizations are required for any railroad crossing improvements. Any developments or roadway improvements in the vicinity of the railroad crossings or improvements that have the potential to effect adjacent railroad crossings should be evaluated for their impacts to the railroad crossings under CA MUTCD 8A.01.05a and CPUC General Order 88B. City acknowledges new developments should be carefully evaluated to determine impacts under CA MUTCD 8A.01.05a and CPUC General Order 88B.	City

m.	The diagnostic team recommends the City's law enforcement to improve safety of the crossings by performing enforcement activities, including providing warnings to trespassers inappropriately using the UPRR ROW and monitor UPRR ROW to help keep trespassers off the UPRR ROW. The diagnostic team recognizes homelessness is a national issue. The issue is very evident in San Jose, not only on the rail corridor, but in creeks, highway ramps, overpasses, etc. City of San Jose is directing significant resources at housing and homelessness to address the issue. City and UPRR are in the midst of executing a Memorandum of Understanding (MOU) to allow City law enforcement to enter UPRR ROW. FRA noted that there has been significant clean-up of the corridor by UPRR forces. Currently, City law enforcement prioritizes traffic enforcement at locations with reported injuries and fatalities. City DOT can work with PD to target enforcement at rail crossings as well.	City
n.	FRA requested City personnel, including law enforcement to join the FRA Rail Crossing Safety Summit planned this summer for additional information and education about railroad crossing safety and trespass mitigation strategies	City
o.	From 2015 to 2020, UPRR documented the following incidents reported to its Response Management Communication Center: There have been 363 events through this proposed quiet zone, but the events have mainly been trespassing or illegal dumping. The peak period of reports are from 11 AM to 5 PM; there are not a lot of reports from 9 PM to 11 AM. Site specific information provided in further detail below.	UPRR
p.	UPRR doesn't have any plans to increase speed above 20 mph at this time.	
q.	UPRR doesn't have any plans to increase train volumes at this time, but shippers drive this aspect and conditions could always change in the future.	
r.	UPRR informed the diagnostic team that locomotive horns must be sounded when: -Employees are working on or near the track -Meeting or passing the head end or rear end of a train in the vicinity of a grade crossing -Notified that automatic warning devices are malfunctioning -Horn may be sounded to provide a warning to animals, vehicle operators, peds, trespassers or crews on other trains	
s.	Diagnostic team recommended everyone drive and walk all approaches to all crossings in the corridor.	

Definitions		
Full Pedestrian Treatments: Pedestrian gate with flashing lights (CPUC Standard No.8), emergency exit swing gate, detectable warning strip, and channelization RRTCD: Railroad traffic control devices. Diagnostic Team: Pursuant to CAMUTCD 8A.01.05a, the diagnostic team needs to include at a minimum, representatives of the highway agency or authority with jurisdiction over the roadway, the railroad with responsibility of the track and signals, and the California Public Utilities Commission with statutory authority over grade crossings.		
CPUC Standard Warning Devices: Per GO-75D • CPUC Standard No. 8: An automatic flashing light signal assembly which, by alternately flashing red lights facing each approach, provides a warning of an approaching train. A Crossbuck sign shall be installed on the mast. • CPUC Standard No. 8-A: A Standard 8 with additional flashing signals over the roadway on a cantilever arm. • Standard No. 9: An automatic gate arm used in combination with a Standard 8. The gate mechanism may be mounted on the Standard 8 mast or separately on an adjacent pedestal. The automatic gate shall be designed to fail in the down position. A Crossbuck sign shall be installed on the mast • Standard No. 9-A: A Standard 9 with additional flashing light signals over the roadway on a cantilever arm. • Standard No. 9-E: A Standard 9 installed on the departure side of the at-grade crossing (also known as an exit gate) in addition to the typical approach side of the at-grade crossing (also known as an entrance gate).		
2. General Comments: Standards		
a.	For the purposes of SSM credit, medians and median separators are measured from the gate arm locations.	
b.	Driveways and intersections within 100' of crossings are encouraged to be closed because of the risk that queues and vehicle conflicts on the tracks could coincide with a train approaching.	
c.	12" LED lights are the current MUTCD standard for railroad traffic control device flashing lights; many crossings still have 8" incandescent / flashing lights. For any crossings modified as part of the Quiet Zone, CPUC will require 8" heads be upgraded to 12" LED's UPRR noted that head upgrades cannot be accommodated on existing equipment and will trigger a replacement of the entire equipment.	UPRR
d.	Any new exit gates will require back flashers per CPUC requirements.	
e.	Channelize pedestrian to cross track at or as close to 90 degrees as possible	
f.	Detectable warning strips should be no closer than 12' from nearest rail And/or 2' in front of the RRTCD. The detectable warning should be placed across the entire width of the sidewalk. See CAMUTCD 8D.04.	

g.	UPRR is now requiring minimum 5'3" clearance from center of mast to face of curb in new designs	UPRR
h.	Provide double sided R15-8 signs upstream and downstream of the crossing along with detectable warning strips on sidewalk approaches to crossings. The R15-8 Look sign is the appropriate supplemental sign on sidewalk approaches. The W82-1(CA) sign is not appropriate since that is for LRT and has a picture of a trolley. Signs with images are beneficial for people who don't read or speak English. Members on the National Committee of Uniform Traffic Control Devices to address at next committee meeting.	
i.	Evaluate placement of all crossing stop bars, RXR markings, and W10 series signs to meet CAMUTCD standards, taking into consideration optimization for visibility and user legibility. Don't locate signs where they will block RRTCD. Likewise, for all other markings and signs including the addition of R8-8 (do not stop on tracks) and R8-10 sign (stop here when flashing). Current CAMUTCD standard for W10-1 signs is 36" diameter pursuant to CAMUTCD 2A.11/Table TC-4 Per CAMUTCD 8B.28, stop bars should be placed 8 feet in advance of the gate but no closer than 15 feet in advance of the nearest rail.	
j.	Per MUTCD 8B.28, stop bars should be placed 8ft in advance of the gate but no closer than 15ft in advance of the nearest rail.	
k.	Current MUTCD standard for W10-1 signs is 36" diameter.	
3. General Comments: All Crossings		
a.	FRA inventory report should reflect existing ADT. The City and JMA will collect new ADT plus add in projected development trips for all crossings, rerun the quiet zone calculator, and report back to the diagnostic team	JMA/City
b.	Paint or extend red curb limits on the approach and exit of each crossing to prevent parked vehicles from obstructing visibility of the warning devices.	City
c.	Ideally there wouldn't be any trees on the approaches to rail crossings because they can obstruct visibility of warning devices. Ensure that no new trees are planted on approaches for example as part of new developments. Also consider removal of existing trees on approaches where it would improve visibility and eliminate maintenance burden. Any trees that remain should be monitored and trimmed regularly to ensure that visibility of the warning devices is never compromised. FRA can require removal of trees where they feel they jeopardize safety and/or terminate a quiet zone for that reason.	City
d.	Due to maintenance needs, RRTCD shall be placed in a dirt/gravel patch rather than concrete.	City
e.	UPRR to share right-of way maps for all crossings. Right of way will be updated in the next rendition of the drawings.	UPRR

f.	Channelization elements along the back of side walks/sidewalks, such as fencing or vegetation, help channelize pedestrians towards pedestrian treatments; they can also help deter pedestrians from turning into the railroad corridor because of the limited space to enter. Note that tactile detectable warning strips should be minimum no closer than 12' from nearest rail track center line. And/or 2' in front of the RRTCD. The detectable warning should be placed across the entire width of the sidewalk. See CAMUTCD 8D.04.	
g.	UPRR prefers to eliminate cantilevers at locations not needed; not typical to have cantilever over 1 lane.	
h.	Traffic, queuing, closure, pedestrian, truck turning radius and other studies regarding traffic, pedestrian, multi-modal needs provide necessary information to the design of railroad intersections	City
i.	Provide edge of travel lane striping and centerline striping up to the edge of the crossing panels.	City
j.	Provide a signage and striping schedule sheet that all drawings may reference.	City
k.	Use of detectable warning surfaces/truncated domes should be place close enough to railroad bell so that a visibly-impaired user can hear the bell when they are standing at the dome.	
l.	UPRR proposes a maintenance project programmed at all 20 Warm Springs crossings in San Jose, in addition to crossings in Milipitas. At locations with existing asphalt crossing surfaces around the tracks, the asphalt will be replaced with concrete panels if all necessary permits are obtained in cooperation with the City. At locations with existing concrete panels, UPRR will shuffle the concrete panels within the crossing. UPRR's project would repave the asphalt 2 feet wide along the outside of the panels, but that will not resolve large grade changes in the roadway/sidewalk profile. Concrete panels will extend a minimum of 3 feet behind the back of sidewalk. City and UPRR are coordinating location of the back of walk. City to advise of any City plans to extend the back of walk into the railroad corridor, e.g. to accommodate pedestrian treatments, so that UPRR can put in the appropriate length of crossing surface with their project. UPRR advises that track resurfacing could raise tracks up to 2" higher than what it is today. The work is planned to be done this year. These improvements should be shown on the drawings. A GO88-B application is not required for the UPRR maintenance project.	UPRR/City
m.	Providing sight triangles at the crossings will help to determine visibility between pedestrians and trains in the rail corridor and RRTCD.	City
n.	Where pedestrian travel is allowed but there are no existing sidewalks, an ADA path should be provided. City policy to be updated to be in accordance with CA MUTCD 8A.01.05a. Currently City requires new development to install and upgrade sidewalks.	

o.	The diagnostic team acknowledges benefits to the addition of traffic control devices in addition to RRTCD at certain intersections.	
p.	Diagnostic team acknowledges new RRTCD have a longer gate keeper with a dimension of 3'3" from CL of gate mast to nearest obstruction. CAMUTCD Figure 8C-6. As such, there is now a minimum of 5'3" clearance from center of gate mast to face of curb.	
q.	Illumination should be evaluated all crossings to make sure that approaches and crossing itself are all sufficiently illuminated for visibility per CAMUTCD 8A.05.	
r.	Diagnostic team to determine design of any new exit gates and what would be required for pedestrian treatments	
s.	Show all proposed developments on next rendition of the drawings with description of development and occupancy.	
t.	There is a balance between planning improvements for future traffic and future train volumes versus the significant investment that improvements cost and the potential that future development may never come, or may not come for decades, and that those costs can be leveraged on those future developments rather than on public dollars that are spread thin across many city needs including homelessness. Everyone agrees that in an ideal world, the best safety improvements should be implemented at all crossings. However, with limited City resources and the relatively lower risk that this corridor poses with its low train volume and low train speed, the cost of improvements needs to be balanced with the incident risks.	
4. Horning St.		
a.	General Comments:	
i.	UPRR's Reported Incidents: • 1 Unsafe Motorist • 4 Vehicle on Track • 4 Broken Gate	
ii.	City's Reported Accidents - Cited Violations: • 1 Improper turn • 2 Speeding • 1 Unsafe turn movement • 2 Failure to yield	

iii.	UPRR Pre-diagnostic Meeting Observations: • Vehicles turning onto Tenth Street from Horning St stop on the tracks before making the turn movement. • Observed several pedestrians using the area between the tracks to move from Tenth Street to Horning St • Cars parked in close proximity the railroad crossing	
iv.	City is open to considering vehicular closure of either Horning St. at 10 th St or Santa Ana Ave at 10 th St. Either option would need to be fully vetted with City staff and go through City Council process.	
v.	Suggest closing Santa Ana Ave and converting Horning Street into a one-way road. City staff generally prefer full closures over partial closures because partial closures do not fully prevent vehicles from illegally using the opening in both directions. One way westbound option: Right-Out-only out of Horning does not solve the problem of vehicles queueing over the tracks when they stop at the stop sign. May also result in motorists using Santa Ana Ave to travel eastbound over the tracks which will cause queueing onto the 10th St crossing. One Way eastbound option: May result in increased northbound traffic traveling over the 10th St crossing.	
vi.	If Horning St is closed without closing Santa Ana, more vehicles will use Santa Ana. Southbound vehicles waiting to turn left onto Santa Ana will likely cause queues over the tracks. Traffic study will address traffic flow and additional modifications to include median to channelize motorists.	
vii.	If Horning St remain open, evaluate reducing the width of Horning St at the crossing and its implications to trucks turning through the crossing.	
viii.	Road closures on the drawings are shown as bollards, but the City is open to other closure details. Diagnostic team agreed that road closure should be performed using a cul de sac or an impenetrable barrier.	
ix.	Train movement observed.	

x. UPRR will find out if its surface replacement project plans to eliminate the second track at this crossing if program proceeds as planned If UPRR removes the second track, design can incorporate additional modifications and can include extending the curb line on the east side of 10th St towards the remaining track to tighten up the railroad corridor. It also brings the sidewalk in closer and could facilitate a perpendicular pedestrian crossing across the tracks near the south side of Horning St with good visibility sight lines.	UPRR
xi. This crossing's flashers have 8" incandescent lights.	
a. NE Quad Comments:	
i. Diagnostic team recommends a pedestrian sidewalk barricade on the east side of the tracks to deter pedestrians from crossing the tracks on the north side of Horning St.	City
a. NW Quad Comments:	
i. Stopping at the existing stop sign on Horning Stat 10th Street puts vehicles in conflict with the Uniform Vehicle Code which prohibits vehicles from stopping on tracks. Closing the road would be an improvement for the crossing and in compliance with federal regulation (23 CFR 646.214(c)	
ii. The recycling center on east side of 10th Street north of this crossing generates pedestrian traffic. This was especially observed on Monday. There is no sidewalk on the east side of 10th St to the north of the crossing, so pedestrians use the bike lane. Some of the pedestrian traffic turns down Horning St, possibly to encampments down this street. City should investigate potential to reduce pedestrian traffic across the tracks.	
iii. Full sidewalk should be provided along the east side of N Tenth Street if pedestrians are allowed to cross the tracks at this quad CPUC Standard No. 8in the off quadrant will be required.	
iv. Existing sidewalk barrier is inadequate. As barriers shall be placed on each approach to a closed sidewalk.	
b. SW and SE Quad Comments:	
i. The vehicle gate arm might not meet the required length over the roadway. Consider a striped or vertical median on Horning Street in order to bridge the gap between the gate ends and meet compliance. Lowered horizontal gate is required to be within one foot of the median striping to comply with CPUC General Order 75-D. This is an immediate action.	City

ii. A northbound vehicle turning right onto Horning could cause a queue over the tracks at the 10 th St crossing if the crossings are activated, the motorist stops for a lowered vehicle gate arm at Horning and other vehicles queue up behind it back to the 10 th St crossing.	
5. N. 10th St	
a. General Comments:	
i. UPRR Reported Incidents: • 1 Unsafe Pedestrian • 5 Vehicle on Track • 18 Broken Gates	
ii. City Accident Report - Cited Violations: • 1 Improper turn • 11 Speeding • 2 Unsafe turn movement • 4 Failure to yield • 1 Unsafe Lane Change • 2 Vehicles going wrong way	
iii. UPRR Pre-diagnostic Meeting Observations: • SB queueing onto the Tenth St railroad crossing from the intersection of Tenth St and Hedding St • Observed SB vehicles stopping on the tracks to make a left turn onto Santa Ana Ave • Observed NB vehicles stop on tracks to make a left turn into commercial driveway on the west side of the street.	
iv. Median separators are proposed on both sides of the crossing.	
v. Recommended practice per AREMA Part 3.1.1 / D.2.vi is to provide one set of flashers for each lane of vehicle travel to provide visibility for each approaching lane under all traffic conditions.	
vi. 10 th St crossing railroad signals and Horning St crossing railroad signals are controlled by the Horning St crossing signal bungalow. Circuitry changes will be required if Horning is closed.	
vii. This crossing's flashers have 8" incandescent lights	
viii. Diagnostic team discussed observed queuing. UPRR to provide video of observed queuing to the diagnostic team. See general observations above.	UPRR
b. SE Quad Comments:	

i.	Replace R10-6 sign (stop here on red) with R8-10 sign (stop here when flashing) in line with railroad traffic control device – i.e. flashing lights. This is an immediate action.	City
ii.	Eliminate southbound left turn access into Santa Ana e.g. with closure or median separators. Diagnostic team to review alternative designs if closure or median separators are not implemented.	City
iii.	Replace W10-12 sign (skewed tracks crossing road), should be yellow, not orange. Refer to CAMUTCD TC-4 for placement.	City
iv.	Diagnostic team to consider traffic study for installation of traffic signal and other design elements to address traffic flow, queuing and other vehicle code violations by motoring public.	City
v.	Visibility of the existing flashers facing northbound 10 th St is obstructed by the PG&E pole. Replacing the Standard 9 with a cantilever (No. 9A) would address this. Alternatively, a queue cutter signal instead of a cantilever might be preferable; it would provide visibility and prevent northbound queues over the tracks. Diagnostic team to incorporate traffic study for final crossing configuration.	
vi.	Remove RXR marking downstream of the crossing gate on northbound N Tenth Street.	City
vii.	Add W10-4R sign on Santa Ana Ave. This is an immediate action.	City
viii.	Consider a CPUC Standard No. 8 on this since the track skew makes this a long crossing to cross, especially for a pedestrian or bicyclist; the CPUC Standard No. 8, downstream of proposed CPUC Standard No. 9 would provide additional warning to a pedestrian or bicyclist that has already passed the first railroad traffic control device prior to crossing activation	
c.	SW Quad	
i.	Diagnostic team recommended a dedicated southbound left turn lane at 10 th /Hedding signal if it would alleviate queuing back to tracks. Traffic study to provide additional information regarding ultimate design and configuration of crossing to address queues over the tracks.	
d.	NE Quad Comments:	
i.	A northbound vehicle turning right onto Horning from 10 th Street could cause a queue over the tracks at 10 th Street upon crossing activation.	
e.	NW Quad Comments:	

i.	Diagnostic team observed unsafe truck maneuver turning left out of the commercial driveway on the NW quadrant onto northbound 10 th . City can install a “Right Turn only” sign for the driveway exit, outreach to the property so that they are aware, and coordinate with SJPd for enforcement as needed. Driveway should not be located downstream of RRTCD.	
ii.	Diagnostic team recommended relocating the commercial driveway to the north side of the vehicle gate (upstream of RRTCD). Driveway is currently located in the center of the crossing and does not have any automatic warning devices.	City
iii.	If commercial driveway at northwest quad cannot be located upstream of the vehicle gate, consider a CPUC No. 8 downstream of the driveway to serve the driveway	UPRR/City
iv.	Relocate railroad traffic control device closer to the tracks and ensure there is sufficient clearance between counterweight and private fencing.	City
6. Hedding St.		
a.	General Comments:	
i.	UPRR Reported Incidents:: • 2 unsafe motorists • 2 unsafe pedestrians • 3 cars on tracks • 3 broken crossing gates. ii. UP observation: iii. Eastbound Queuing PM iv. Westbound Queuing AM	
v.	City Accident Report - Cited Violations: • 9 Speeding • 3 Run red light • 1 Unsafe lane change • 1 Failure to yield • 1 Unsafe turn movement	

vi.	UPRR Pre-diagnostic Meeting Observations: • Eastbound Queuing PM • Westbound Queuing AM • Pedestrians observed using the sidewalks on both sides of the railroad crossing. • Road lanes at this intersection were reduced to one through lane and the addition of a bike lane without CPUC approval or UPRR coordination. • Vehicles observed prematurely using the center lane prior to the start of the dedicated left turn lane at Tenth St and Hedding St	
vii.	Diagnostic team recommended evaluation of traffic signal operation with railroad activation including evaluation of preemption timing, new configuration and design vehicle elements	City
viii.	RRTCD should be moved closer to the tracks to provide more vehicle storage space outside of the track area and reduce preemption timing which will reduce the potential for queuing on the tracks.	City
ix.	The adjacent traffic signal has simultaneous preemption. Advanced preemption would help address queuing issues over tracks and reduce the potential for gate breaks. Advanced preemption would require a new bungalow and other improvements. Preemption calculation should be re-run to determine whether advance preemption would benefit crossing.	
x.	Hedding street was previously a two-lane road in each direction but a few years ago one vehicle lane in each direction was converted into a bicycle lane. This was done without going through the GO-88B process and not approved by the CPUC nor coordinated with UPRR.	
xi.	Consider converting Hedding back to 2-vehicle lanes in each direction in order to alleviate queuing over the tracks.	
xii.	Diagnostic team discussed the possibility of treating pedestrian sidewalk on the south side and not treating the pedestrian on the north side. Pedestrian treatments should be placed and operated in a uniform and consistent manner.	
xiii.	Consider a sidewalk closure on the north side of Hedding including R8-8 sign. If the City doesn't plan to close the sidewalk on the north side of Hedding, then at a minimum, an ADA path should be provided across the tracks, detectable warning strips, and R15-8 signs. Sidewalk width may need to be expanded at the back of the counterweight for the vehicle crossing gate for ADA clearance.	

xiv.	UPRR sent the interconnect assessment report prepared by CTC in January 2013 to the diagnostic team prior to the on-site meeting. The Diagnostic Team discussed that there are outstanding recommendations including increasing track clearance green time from 8 seconds to 28 seconds. When assessed by CTC in 2013, the road configuration was not modified as is shown today. City Traffic Engineer and UP Consultant to review the CTC report, current configuration, track clearance green time and preemption calculations. This is an immediate action item.	
b.	NW Quad Comments:	
i.	Pedestrians were observed walking on both sides of Hedding by Diagnostic Team.	
c.	NE Quad Comments:	
i.	Diagnostic team recommended adding a R8-8 sign (Do Not Stop On Tracks).	City
ii.	RXR marking in the westbound right turning lane for 10 th St. on Hedding east of the traffic signalized intersection should be removed.	City
iii.	Relocate the driveway away from the crossing if possible.	City
d.	SE Quad Comments:	
i.	Drivers observed driving down the bike lane on the right side of the through/right turn lane.	
e.	SW Quad Comments:	
i.	Motorist were observed by the diagnostic team driving in the center lane across the tracks. TWLTL are not allowed on crossing approaches per CAMUTCD.	
i.	Add R8-8 (Do Not Stop On Tracks) sign. to be placed in a location where it is not blocking the flashing lights and is most visible to the motorist stopped at the stop bar.	
ii.	Remove crossing stop bar from center lane and apply hatched median area. This is an immediate action item.	City
iii.	Evaluate length of left turn queueing onto N 10 th Street.	City
iv.	Look into an alternative where the RRTCD remain in place and the corners of the intersection are bulbed out.	City
7. E. Taylor		
a.	General Comments:	

i. UPRR Incident Report:	
• 4 Vehicle on track • 1 Broken Gate	
ii. City Accident Report - Cited Violations:	
• 2 Failure to Yield • 3 Speeding	
iii. UPRR Pre-diagnostic Meeting Observations:	
• Queueing observed in AM and PM from 7th Street intersection	
iv. The driveways on the west side of the crossing are emergency only access. The driveways on the east side of the crossing probably cannot be relocated from the City's perspective.	
v. Full pedestrian treatment and CPUC Standard No. 9E are proposed at this crossing.	
vi. During the field meeting, the south leg of 7 th /Taylor was closed. The westbound left turn pocket at the signal was closed. AM and PM Peak hour queueing over the tracks was observed. Evaluate queueing over tracks. Consider traffic signal preemption to reduce queueing over the tracks, see CAMUTCD 8C.09.05. This is an immediate action item.	City
vii. Consider bulbing out the curb line on both sides of the street and moving the RRTCD closer to the roadway to improve visibility. Would allow additional space to install complete pedestrian treatments.	
viii. New equipment should include provisions for existing driveways, e.g. flashers facing those driveways	
ix. This crossing's flashers have 8" incandescent lights	
b. NW Quad Comments:	
i. Paint curb red through the driveway.	City
ii. Current RRTCD have 8" flashers and must be replaced with 12" LED as part of any upgrades at this crossing. New CPUC Standard No. 9-E may be placed parallel to the track. Diagnostic team to evaluate.	
c. SW Quad Comments:	
i. W10-1 sign should be relocated adjacent to the RXR marking.	City
ii. Trim or remove trees along Taylor Street to make RRTCD visible. Evaluate full bloom condition.	City

iii.	If design iteration provides a plan where this quadrant is bulbed out the CPUC Standard No. 9-A may become a CPUC Standard No. 9 and be placed parallel to the tracks to mirror device in NW quadrant. Diagnostic Team to evaluate.	
d.	SE Quad Comments:	
i.	Proposed CPUC Standard No. 9-E may be placed parallel to the track Gate arms are required to be within 2 feet of each other when lowered. Gates parallel to the tracks allows warning devices to be placed closer to the tracks as well.	
ii.	Bushes should be trimmed in this quadrant to increase visibility of the RRTCD.	City
iii.	Railroad signal box, where replaced, will be larger than the existing. Approximate dimension is 8'x8'. The new signal box for this crossing would probably be installed in the NW quad and fenced off.	UPRR
iv.	Consider limiting driveway exit to right turn out only.	
e.	NE Quad Comments:	
i.	If the sidewalk is bulbed out, evaluate vehicular turning radius from adjacent driveway to ensure equipment is not hit by vehicles.	City
ii.	City to determine if driveway is entrance only, the diagnostic team observed vehicles using it as an exit. The diagnostic team recommended this driveway be used as entrance only.	
iii.	If design iteration provides a plan where this quadrant is bulbed out the CPUC Standard No. 9-A may become a CPUC Standard No. 9 and be placed parallel to the tracks to mirror device in SE quadrant. Diagnostic team to evaluate.	
iv.	Railroad stop bar for the RRTCD is in an incorrect location. The diagnostic team recommended that it be moved in accordance with CAMUTCD, 8ft from nearest railroad traffic control device.	City
8. Jackson/7th		
a.	General Comments:	
i.	UPRR Incident Report: 1 Unsafe motorist maneuver 1 Vehicle on track 1 Broken gate	
ii.	City Accident Report - Cited Violations: 2 Failure to yield 1 Unsafe turn movement	

iii.	UPRR Pre-diagnostic Meeting Observations - Heavy pedestrian traffic through this intersection headed NB - Vehicles stop twice while traveling NB on 7th St, first at the stop bar near the railroad traffic control device and second at the stop sign while they are on the tracks.	
iv.	Approved development under construction at NE quadrant. Show development on the next rendition of the drawings.	
v.	The diagnostic team agreed that the sidewalk bulb out geometric layout option is appealing because it separates 7 th St and Jackson St into two distinct railroad crossings and avoids pedestrians crossing the tracks within the intersection.	
vi.	Diagnostic Team agrees that the bulb out design needs to include sufficient space for RRTCD and pedestrian treatments. Placement to be determined in subsequent design iterations.	
vii.	For the bulb out design, the pedestrian crossing may become its own crossing depending on its location relative to the other two crossings. While it may have it's own railroad warning devices, the CPUC would consider the crossing as a sidewalk of 1 of the existing crossings and not a new crossing.	
viii.	With the new bulb out design, consider eliminating the southbound CPUC Standard No. 8a on 7 th St and relocating the eastbound gate on Jackson St downstream closer to the tracks. Crossing layout to be determined in subsequent design iterations.	
ix.	Pedestrian moves through these two crossings must be analyzed thoroughly to determine best method for channelizing pedestrian across the tracks.	
x.	Diagnostic Team recommend the intersection of Jackson and N. Seventh Street be signalized and interconnected with RRTCD and circuitry. Also consider a pre-signal on northbound 7 th with a clearance green to keep vehicles off track and allow them to clear the intersection. Crossing layout to be determined in subsequent design iterations.	
xi.	Consider a pedestrian scramble at the intersection. Alternatively, the bulb out design does not require pedestrians to cross any tracks within the intersection. This design iteration would require a fully signalized intersection interconnected with RRTCD and circuitry.	
xii.	A midblock pedestrian crossing should include pedestrian devices and be interconnected with railroad signals. Crossing layout to be determined in subsequent design iterations.	
xiii.	This crossing's flashers are 8" incandescent.	
b.	Jackson NE and NW Quad Comments:	

i.	Show existing driveway in this quadrant on the plans. Find out what this driveway is used for and determine if it can be closed.	City
ii.	Trees don't pose visibility issues currently since there are no leaves; however, in full bloom, they may obstruct visibility of the crossing warning devices and must be maintained.	
iii.	City can lower signs and trim bottom of trees to provide better visibility of the signs and RRTCD.	
iv.	W10-1 sign should be relocated next to or closer to the RXR marking in a location where it will be visible.	City
v.	Flashers located on the CPUC Standard No. 9 are offset into the sidewalk, probably to avoid being blocked by the adjacent stop sign. Stop sign location should be evaluated and flashers should be positioned closer to the roadway for better visibility. Crossing layout to be determined in subsequent design iterations.	
vi.	Westbound vehicles roll over the stop bar or stop over the tracks in order to see cross traffic on N. 7 th Street.	
c.	Jackson SW Quad Comments:	
i.	Consider limiting the driveway servicing the apartment community in this corner be a right in and left out only.	City
ii.	Crossing gate must be relocated if the sidewalk is bulbed out.	
iii.	Proposed median separators in this quadrant should be removed in order to allow driveway vehicles to turn left out (away from the crossing) instead of forcing them to turn right (into the crossing)	City
iv.	Consider supplementary devices for the driveway.	City
d.	Jackson SE Quad Comments:	
i.	With the new bulb out design, there is potential for a northbound vehicle turning right onto Jackson to be stopped at a down gate arm (if it's relocated to this location) and cause following vehicles to queue on the tracks at 7 th St. A traffic signal with a pre-signal on 7 th would help address this issue. Crossing layout to be determined in subsequent design iterations.	City
ii.	Diagnostic Team needs to see proposed pedestrian treatments on top of the geometric layout with the bulb outs in order to provide better feedback. Crossing layout to be determined in subsequent design iterations.	City
e.	7 th SE Quad Comments:	
i.	Crossing stop bar should be 8 feet upstream of the gate arm. Check distance.	

ii.	Relocate W10-1 sign closer to RXR marking. Reference Sec. 2. General Comments for all Crossings. Immediate Action.	City
iii.	Extend red striping on curb in this quadrant.	City
iv.	Pre-signal may be placed downstream of tracks or upstream of tracks but will require a stop bar at least 40' upstream of the pre-signal indications. Crossing layout to be determined in subsequent design iterations.	
v.	Consider "Keep Clear" markings to help keep vehicles from queueing over tracks.	City
f.	7 th NW Quad Comments:	
i.	If this crossing is modified and a larger signal house becomes required, it may be relocated to this quadrant.	UPRR
ii.	Evaluate truck turns with the proposed bulb out design.	
iii.	Evaluate eliminating the sidewalk along southbound N. 7 th Street to limit number of locations that pedestrians cross the tracks within vicinity of this crossing.	City
iv.	Remove Antique "no left turn" blank out sign.	
g.	7 th SW Quad Comments:	
i.	Full pedestrian channelization should start right at the end of the development fencing.	City
ii.	Provide full pedestrian treatment on both sides of the track.	City
9. N 6th and Empire		
a.	General Comments:	
i.	UPRR Incident Report includes: • 1 unsafe motorist maneuver • 1 illegal u-turn • 2 unsafe motorists • 3 Broken gates	
ii.	City Accident Report - Cited Violations: • 2 Failure to yield • 1 Failure to stop • 2 Unsafe turn movement	
iii.	UPRR Pre-Diagnostic Meeting Observations: • Several vehicles failed to stop • Several vehicles made U-turns in this intersection • Pedestrians including Parents and children headed northbound	

iv.	Stop bars on all legs are set back far from the intersection due to the locations of the vehicle gates. Vehicles creep over the tracks and into the intersection to see cross traffic. A traffic signal would address this issue. The diagnostic team recommends a fully signalized intersection interconnected with RRTCD and circuitry.	
v.	The diagnostic team agreed that it would be beneficial to see a geometric layout prepared for this intersection with a bulb out design like that prepared for 7 th /Jackson. City staff are working on this. Crossing layout to be determined in subsequent design iterations.	
vi.	Evaluate channelizing the pedestrian so they are more inclined to follow safe paths for crossing the roadway and tracks.	
vii.	The tracks run through the middle of the south leg crosswalk. The problem with this is that there are no pedestrian treatments or warning devices such as gates or signage close to the tracks to guide the pedestrian to a place of safety when the railroad crossing is activated. Consider signalizing this intersection and crossing. Signalization would be coordinated with the railroad so that pedestrians are not given the walk signal when a train is approaching.	
viii.	Existing RRTCD have 12" incandescent flashers.	
ix.	There is a community center on the southeast corner of the intersection. Diagnostic team observed that this center generates pedestrians from the surrounding neighborhood.	
b.	NE Quad Comments:	
i.	Bulbouts would help provide more space for pedestrian treatments; otherwise expanding sidewalk into railroad corridor may be needed to fit in pedestrian treatments. Crossing layout to be determined in subsequent design iterations.	City
ii.	If the curb line is bulbed out into the roadway, railroad traffic control device can be located closer to the roadway for better visibility. Crossing layout to be determined in subsequent design iterations.	City
c.	NW Quad Comments:	
i.	For the proposed design, the crosswalk on the north leg of 6 th St needs to be shifted further north in order to provide enough space for a pedestrian landing in between the ADA ramp and the pedestrian crossing gates. Crossing layout to be determined in subsequent design iterations.	City
ii.	Full pedestrian treatment proposed on both sides of the tracks.	
iii.	Additional ROW may be required for the proposed pedestrian treatments to cross pedestrians at a 90-degree angle.	

iv.	Look into increasing visibility of approaching trains for southbound N. 6 th Street.	City
d.	SW Quad Comments:	
i.	The stop sign for EB traffic on Empire St is obscuring the flashers located on the railroad traffic control device and needs to be relocated. This is an immediate action.	
ii.	On the west leg of Empire St, relocate W10-1 closer to RXR marking.	
iii.	If proposed crosswalk removal south of Empire is implemented it may be an issue. A pedestrian study should be prepared.	
iv.	If the crosswalk remains, then the intersection should be signalized. The diagnostic team recommends a fully signalized intersection interconnected with RRTCD and circuitry so that pedestrians are not given the walk signal when a train is approaching.	
v.	Full pedestrian treatment proposed on both sides of the tracks. It was noted to try and channelize pedestrians to cross tracks close to 90 degrees	
vi.	Visibility concern from corner house landscaping (236 Empire St), need to maintain vegetation.	City
e.	SE Quad Comments:	
i.	Evaluate truck turns for this crossing if the sidewalk is bulbed out. The diagnostic team recommends a fully signalized intersection interconnected with RRTCD and circuitry so that pedestrians are not given the walk signal when a train is approaching.	City
ii.	There is a handicap parking space on the east side of 6 th Street where a VTA paratransit shuttle was observed doing drop off or pick up in front of the community center. Check on the types of vehicles that use this curb space and consider relocation if e.g. tall buses obstruct visibility of the downstream warning devices.	
10. N 5th		
a.	General Comments:	
i.	UPRR Incident Report includes: 1 Vehicle on tracks	
ii.	City accidents report includes no accidents for this crossing.	
iii.	UPRR Pre-Diagnostic Meeting Observations: U-turns observed on the south side of the tracks; potentially fouling the track area.	
iv.	UPRR incident report reflects that a train had to stop to prevent striking a parked car at this crossing.	

v.	There is one residential unit on the east side of 5 th Street and one residential unit on the west side of 5 th Street, each of which crosses through the crossing (downstream of the vehicle gate) in order to access their respective driveways. To date, City has not been able to identify any records for these properties that would indicate whether these driveway locations were legally permitted by the City. There are no other feasible driveway locations for these properties. There is a pair of flashers aimed at each of these driveways.	
vi.	UPRR will research respective ROW maps to determine if any of the properties that are using the crossing for driveway access are encroaching on to UPRR private ROW versus the public right of way that UPRR shares with the City (roadway, sidewalk).	
vii.	The City to investigate whether these properties' driveways can be closed to vehicle access to eliminate the risk of a vehicle driving onto the tracks when a train is crossing. The City to also find out where the residents place trash bins and ensure that it is as far away from the crossing as possible to reduce the risk that a garbage pick-up vehicle is on the crossing or is blocking visibility of warning devices when a train is approaching.	
viii.	Existing flashers are all 12" LEDs.	
ix.	On the north leg of 5 th St, there is a short section of median island on the north side of the tracks followed by a 50-foot long gap before the median starts again. On the south side of the crossing, there is approximately 75 feet between the rail and the median island nose. The gaps may be provided to allow drivers from nearby residences to U-turn., Allowing drivers to U-turn ahead of the crossing could be beneficial in that it doesn't force more vehicles to cross the tracks unnecessarily. Although it increases the risk of a vehicle-vehicle conflict, e.g. a u-turning vehicle could crash with a through vehicle in the opposite lane. Extending the medians to eliminate the gaps would reduce the risk of these incidents but would force more vehicles in the direction across the tracks. Closing the median gap may also unintentionally result in more vehicles using the gap in the median at the track crossing to illegally u-turn over the tracks, which does not eliminate risk of vehicle-vehicle incident and increases the risk of vehicle-train incident. The Diagnostic team recommends providing new gaps in the medians farther away from the crossing could provide a safe alternative location for drivers to u-turn rather than at the tracks. Two uber pick-ups were observed parking in this median area to pick up scheduled passengers.	
x.	This crossing would not qualify as an SSM in its existing condition due to the gaps in the median islands, the median islands not meeting the minimum 6" height requirement, and commercial driveways within 60' of vehicle crossing gate.	

xi.	Add R8-8 "Do Not Stop On Tracks" sign in median together with UPRR crossing surface improvement work	UPRR/City
b.	NW Quad Comments (southbound approach on west side of 5 th St):	
i.	Relocate RXR marking and W10-1 sign closer to the crossing.	City
ii.	Detectable warning strip should be close enough to railroad bell so that a visibly-impaired user can hear the bell when they are standing at the dome. Add R15-8 "Look" sign in with truncated domes.	City
iii.	The back of a commercial property also fronts the crossing here. The back of the property is fenced and gated off. While the property has a main access driveway on a parallel street (4 th St), it is suspected that the property sometimes uses the railroad crossing here for access. UPRR will verify the right of way and reach out to the property about their illegal use of the tracks. UPRR may consider extending their fence line to the back of walk to prevent this vehicular movement.	UPRR/ City
c.	SW Quad Comments:	
i.	Recommend double-sided R15-8 "Look" sign upstream and downstream of the crossing with CPUC Standard No. 8 flasher in addition to detectable warning strip to provide warning to pedestrians. This would benefit a pedestrian traveling southbound in the sidewalk that already passed the vehicle gate and flashers before the crossing is activated in addition to mitigating impaired sightlines for northbound pedestrians.	City
d.	SE Quad Comments:	
i.	Relocate W10-1 and RXR marking closer to the crossing.	City
ii.	Add R8-8 "Do Not Stop On Tracks" sign in median.	City
iii.	Detectable warning strip should be place close enough to railroad bell so that a visibly impaired user can hear the bell when they are standing at the dome. Add R15-8 "Look" sign with truncated domes.	City
iv.	UPRR will evaluate if driveway access of 452 5 th Street is within the UPRR ROW.	UPRR
v.	The vehicle gate arm may not meet the required length over the roadway. Consider a striped or vertical median on Horning Street in order to bridge the gap between the gate ends and meet compliance. This is an immediate action item.	
e.	NE Quad Comments:	

i.	Recommend double-sided R15-8 “Look” sign upstream and downstream of the crossing with CPUC Standard No. 8 in addition to detectable warning strip to provide warning to pedestrians. This would benefit a pedestrian traveling northbound in the sidewalk that passes the vehicle gate and flashers before the crossing is activated.	
11. N 4th		
a.	General Comments:	
i.	UPRR Incident Report: • 3 vehicle collisions non-train related • 2 gate breaks	
ii.	City Accident Report - Cited Violations: • 1 Driving on sidewalk • 1 Unsafe lane change • 2 Speeding	
iii.	UPRR Pre-diagnostic Meeting Observations • Observed vehicle northbound on 4th street turn in between the medians and across the tracks to get into the Emmanuel House driveway. • High levels of pedestrian movement through this crossing to get to the Emmanuel House	
iv.	Add R8-8 “Do Not Stop On Tracks” sign in median. City can coordinate with UPRR to have them install this in their ROW while they perform the crossing surface improvement work	UPRR/City
v.	It was measured that the existing median is father than 10’ from CL of track. Diagnostic team recommend additional median separators.	
b.	NW Quad Comments:	
i.	W10-1 sign is not per standard. It should be 36” in diameter.	City
ii.	City to reach out to the Emmanuel House on legal and safe turning movements out of their driveway. In the field visit, a driver was observed to drive from their driveway, along the sidewalk, and from the tracks into the roadway. This is illegal and unsafe. They should have exited from the driveway cut upstream of the vehicle gate. Adding pedestrian channelization at the back of walk will also help restrict vehicles from driving along the sidewalk into the rail crossing. Diagnostic Team determined this driveway should operate as a right in and right out.	City

iii.	Diagnostic team recommends median striping up to the edge of the concrete panels in order to discourage vehicles from turning through the median gap at the rail crossing. Consider reflective markers on top of the striping as well.	City
iv.	Diagnostic team recommend adding bells on top of the CPUC Standard No. 8's in the medians for additional audible warnings, e.g. to school bus drivers.	
v.	Diagnostic team recommends double sided R15-8 "Look" sign upstream and downstream of the crossing with CPUC Standard No. 8 in the off quadrant.	City
vi.	Diagnostic team recommends R8-8 "Do not stop on tracks" signs in medians.	
c.	SE Quad Comments:	
i.	City is open to consider a vehicular closure on the east leg at Washington and 4 th but would maintain the pedestrian crosswalks.	
ii.	Recommend tree trimming in front of railroad signal.	City
iii.	W10-4R required on W. Washington Street. This is an Immediate action item.	City
iv.	City to investigate queueing potential due to pedestrian crosswalk.	
v.	UPRR will investigate car parking adjacent to the track in this quadrant. Parking area appears to encroach on UPRR's ROW and is not a safe place to park because the vehicle must enter and exit the roadway using the tracks (downstream of the vehicle gate).	UPRR
d.	NE Quad Comments:	
i.	Diagnostic team recommends double sided R15-8 "Look" sign upstream and downstream of the crossing and detectable warning strip.	City
ii.	Diagnostic team recommend CPUC Standard No. 8 flasher in the off quadrant.	City
iii.	Suggest considering "Keep Clear" markings upstream and downstream of the crossing.	City
12. N 3rd		
a.	General comments:	
i.	UPRR Incident Report includes no incident reports for this crossing.	
ii.	City accidents report includes no accidents for this crossing.	
iii.	UPRR Pre-Diagnostic Meeting Observations: High pedestrian traffic to Emmanuel House and to nearby apartment complex	

iv. Add bells to CPUC Standard No. 8's in the medians.	City
v. Full pedestrian treatment will not fit in the right of way. Consider CPUC No. 8 flasher, R15-8 "look" sign and truncated domes at all quadrants.	
b. SE Quad Comments:	
i. Full pedestrian treatment will likely not fit in the ROW. Diagnostic team recommends a CPUC Standard No. 8 double sided R15-8 upstream and downstream of the crossing and detectable warning strip.	
c. NE Quad Comments:	
i. Increase length of median past driveways adjacent to the crossing in order to force right in and right out.	City
d. NW Quad Comments:	
i. City is working with parcel management company to: - consider converting the existing driveway to right-in only or adding sign for no left turn out of the driveway. - trim or remove the vegetation for the purpose of improving line of sight between pedestrians and the rail corridor.	City
ii. Full pedestrian treatment will likely not fit in the ROW. Diagnostic team recommends a CPUC Standard No. 8 double sided R15-8 upstream and downstream of the crossing and detectable warning strip.	
e. SW Quad Comments:	
i. Diagnostic team recommends adding pipe gate per UP Standard Drawing number 0076B along back of walk to channelize pedestrians towards the sidewalk and discourage trespassing onto the rail corridor.	City
13. N 2nd	
a. General Comments:	
i. UPRR Incident Report include no incidents for this crossing.	
ii. City accidents report includes no accidents for this crossing.	
iii. UPRR Pre-Diagnostic Meeting Observations: • Pedestrian traffic to nearby apartment complexes and across ROW to 1st and 3rd St. • Parking observed in close proximity to crossing	
iv. Existing flashers are 12" LED	

v.	Due to the density of the crossings, the distance between 2 nd St and 3 rd St, and between 2 nd St and 1 st St is relatively short and line of sight between adjacent streets is fairly clear along the railroad corridor. The diagnostic team observed at least two individuals trespassing along this corridor to get to an adjacent street. At least two pedestrians were observed to do this while the team was at this crossing. Pedestrian treatments such as channelization at the back of walk influences correct pedestrian behavior and reduces trespassing. Public agencies have purchased right of way, obtained easements and/or licenses for trails parallel to the track for pedestrians in California (e.g., Los Gatos, SMART). It was acknowledged that UPRR does not allow trails parallel to the track on Railroad right of way.	
vi.	Median separators and full pedestrian treatment are proposed at this crossing.	
b.	SE Quad Comments:	
i.	Relocate RXR marking and W10-1 closer to the crossing, just north of Bassett St; otherwise Bassett St will need its own signage (W10-4L). W10-1 sign is too small and should be replaced with a 36" sign per CAMUTCD.	City
ii.	The City to also find out where the residents place trash bins and ensure that it is as far away from the crossing as possible to reduce the risk that a garbage pick-up vehicle is on the crossing or is blocking visibility of warning devices when a train is approaching. This is an immediate action item.	City
iii.	Extend the median separators past the driveway and show driveway in this quadrant to force a right in and right out. Work with property management to consider converting the driveway in this quadrant as right in and right out.	City
iv.	Add no trespassing signs on proposed fencing along back of sidewalk.	UPRR
v.	Proposed Full pedestrian treatment would be difficult to fit in the existing ROW unless the curb line is bulbed out. Crossing layout to be determined in subsequent design iterations.	
vi.	Evidence of a sag in the track alignment observed.	
c.	NE Quad Comments:	
i.	Extend red curb at this quadrant.	City
ii.	Full pedestrian treatment proposed at this crossing.	
d.	NW Quad Comments:	
i.	Relocate RXR marking and W10-1 sign closer to the crossing.	City

ii.	Proposed Full pedestrian treatment would be difficult to fit in the existing ROW unless the sidewalk is bulbed out and cantilever is replaced with a vehicle gate closer to the roadway. Crossing layout to be determined in subsequent design iterations.	City
e.	SW Quad Comments:	
i.	Full ped treatment could potentially fit in existing sidewalk. Crossing layout to be determined in subsequent design iterations.	
14. N 1st		
a.	General Comments	
i.	UPRR Incident Report include: 1 Vehicle on track	
ii.	City accidents report includes no accidents for this crossing.	
iii.	UPRR Pre-Diagnostic Meeting Observations: - Limited visibility for drivers "No Pedestrian Crosswalk" sign on east side of crossing needs to be replaced. This is an immediate action item.	
iv.	Add single yellow median lines up to edge of concrete panels along both road lanes to discourage drivers from left-turning into the rail corridor.	
v.	City could potentially provide roadway signs (R5-1) to UPRR to install during track resurfacing project with instructions on where to install signs. This would avoid City having to go through UPRR right of entry process at this crossing.	
vi.	Truncated domes proposed at this crossing. Add R15-8 "Look "signs with the truncated domes for pedestrian treatment.	
b.	SE Quad Comments:	
i.	Concrete barriers along centerline would qualify as SSM "gates with medians".	
ii.	Add R5-1 "Do not enter" sign facing perpendicular to the road and fix R9-3 and R9-3bP sign (No Ped Crossing, Use Crosswalk).	City
iii.	Add detectable warning strip and double sided R15-8 sign placed upstream and downstream of the crossing for pedestrian treatment.	
iv.	Consider bulbing out back of walk into rail corridor to provide more space for pedestrian sidewalk across the track. Crossing layout to be determined in subsequent design iterations.	UPRR/City
v.	Add supplemental R15-1 signs along left hand side of the roadway.	
c.	NE Quad Comments:	

i. Install detectable warning strip and double sided R15-8 on light pole.	City
d. NW Quad Comments:	
i. Relocate light pole obstructing visibility to railroad signal or replace vehicle gate with cantilever.	City
ii. Supplement crossing with R15-1 on the left side of the road.	
iii. Relocate W10-1 sign and RXR marking closer to the crossing.	City
iv. Evaluate trees and visibility. Also consider potential for tree growth to extend into the catenary system in the VTA tunnel below this crossing; Concern with leaning tree.	City
v. Consider bulbing out back of walk into rail corridor to provide more space for pedestrian sidewalk across the track. Crossing layout to be determined in subsequent design iterations.	City
vi. Add "Do not enter" (R5-1) sign facing perpendicular to the road and supplemental Crossbuck R15-1 "Railroad Crossing". Add R49 (No Ped Crossing, Use Crosswalk) sign along lefthand side of the roadway.	City
vii. Evaluate traffic queue due to pedestrian crossing downstream of the rail crossing	
viii. Evaluate adjacent building emergency egress path and need for channelization to prevent people from spilling directly into the railroad corridor.	City
e. SW Quad Comments:	
i. UPRR will only install concrete panels along the roadway limits. No concrete panels on the bridge over VTA would be installed as a continuous surface would potentially promote use of the bridge as a u-turn area.	
ii. Move existing R5-1 sign further to the left along the UPRR track.	City
15. Autumn Parkway	
a. General Comments:	
i. UPRR Incident Report include: 1 Unsafe motorist 1 Vehicle on track	
ii. City accidents report includes no accidents for this crossing.	

iii.	UPRR Pre-Diagnostic Meeting Observations: - Two U-turns made over the tracks and through the median. One by a FedEx truck and one by a regular vehicle. - Pedestrians, and observed crossing from the west side of the crossing over to the east side through the median area of the railroad crossing to get to the San Jose Market center. - Pedestrians are using UPRR ROW to access the East Guadalupe River Trail	
iv.	City has performed a traffic study for Autumn with new development and will provide the report to the diagnostic team for review.	City
v.	City will provide new development plans for K&W to the diagnostic team for review.	City
vi.	Proposed development will be overlaid on improvement drawings with description of the development and occupancy levels.	
vii.	Diagnostic team recommends full pedestrian treatment.	
viii.	No SSM credits can be obtained at this crossing because of the driveway within 60' of the crossing gates.	
b.	NW Quad Comments:	
i.	Relocate RXR marking closer to the tracks.	City
ii.	Remove bush blocking RRTCD.	City
iii.	Replace W10-1 sign with a 36" diameter sign.	City
iv.	There are no dedicated crosswalks for pedestrians to cross between the east side of the street and the west side (Target, etc.). Some pedestrians were observed jaywalking at or near the crossing. Consider new pedestrian crosswalk to provide access to Target.	
v.	Replace R8-8 sign with a new one downstream of the crossing and two located in the median facing approaching traffic.	City
vi.	Existing configuration of vehicle gates over sidewalk is no longer design practice except for extenuating circumstances, in which case an exit pedestrian route is provided behind the vehicle gate.	
vii.	Recommend channelizing pedestrians behind crossing gate.	City
viii.	City to work with Law enforcement to enforce no U-turn over the tracks.	City
ix.	Refresh single yellow along both sides of median.	City
x.	Extend median to 10' from track center line.	City
c.	SW Quad Comments:	

i. Show development on next plan set including - new traffic signal 400 feet south of the crossing - new driveway	JMA
ii. What is the proposed use of the new adjacent driveway? Driveways near crossings are considered modifications to the crossing and are required to be approved by CPUC through a GO88b application. The new driveway was thought to be a PG&E easement access driveway. Now, we are hearing it may serve shuttle access as well. While a PG&E easement access driveway may be acceptable, a driveway for shuttle buses needs to be evaluated for safety impacts. If the driveway is approved, it should be exit-only to minimize risk of conflicts with the tracks.	
iii. Tripping hazard from bioretention was brought to the public works department attention.	
d. NE and SE Quad Comments:	
i. City will provide new development plans for to the diagnostic team for review.	City
ii. Existing trees may block visibility of railroad signals and should be evaluated.	City
iii. Concern with queueing over tracks for people turning left towards Target. Queue analysis should be performed.	City
iv. Move crossing gates closer to the road and channelize pedestrians behind the crossing equipment.	City
v. Add "Keep Clear" marking and split them across the railroad crossing	City
vi. Relocate RXR marking and W10-1 closer to the crossing.	City
vii. Remove striping on concrete panels. UP's maintenance work will move the panels in different locations and will cause discontinuity the striping.	
viii. Follow up with the Water District on whether they required access to their facility by means of the mountable curb, else, replace the mountable with a standard curb.	City

16. Guadalupe River Pedestrian Undercrossing		
a.	City will provide UPRR with the crossing agreement for the pedestrian trail crossing underneath the UPRR bridge. This has been completed.	CPUC
b.	City to provide copy of Maintenance Agreement for the pedestrian undercrossing	City
c.	Existing fence along UPRR's ROW was vandalized. Opening in fence is allowing people access to trespass onto UPRR's ROW. Requested the City to mitigate the trespassing issue. Consider removing existing pathway leading up to the UPRR ROW and channelize pedestrian to use the trail.	City
d.	Homeless encampment was observed along the pedestrian trail.	City
e.	UPRR does not have any plans at this time to expand a second track on the existing bridge.	UPRR
17. Montgomery		
a.	General Comments:	
i.	UPRR Incident Report: 1 vehicle on track	
ii.	City Accident Report - Cited Violations: 1 Failure to yield from driveways 1 Unsafe backing 1 Unsafe turning maneuvers.	
iii.	UPRR Pre-Diagnostic Meeting Observations: - High levels of pedestrians in PM. Traffic generated by Pitco Foods - High levels of semi-trucks using this crossing - Crossing is not illuminated	
iv.	City explained that there is a proposed high density development on the triangular parcels inside the wye (Pitco Foods and Storage Solutions). However, the development timeline is uncertain; it may not come for a decade or more, and it may just choose not to develop here. Because of this uncertainty, the City suggested that the diagnostic team provide comments separately (1) assuming today's existing land uses and crossing, and (2) assuming a high density development on the north side of the crossing. That way, City can scope improvements for today's condition, and require additional improvements on the developer.	

v. It's important to note that Montgomery St is the only existing public access into the proposed development area. High density development presumably will generate increased traffic across the tracks and should be studied for queuing potential on the tracks. If no other accesses are introduced, a grade separation at this crossing and/or at other new access points to the site should be seriously considered. Trains can block an at-grade crossing for hours, days... and government cannot force them to move. People in the site could be trapped and/or unable to have emergency personnel access them. This happened in Richmond and the City ended up having to build a grade separation Currently there is not enough information on the proposed development, including site layout, land use, occupancy, points of access, and projected volumes using the crossing. A Draft EIR is expected to be published in April 2020. When more specific information is provided, the diagnostic team can provide more specific recommended treatments to accommodate the new development.	
vi. City, VTA, HSR and Caltrain formed a public agency partnership to develop a vision for a new and expanded Diridon Station call Diridon Integrated Station Concept (DISC) Plan. The City recently approved the elevated station platforms concept layout that would raise the tracks at Diridon station approximately 25' and elevate tracks on the station approaches. This would result in a grade separation at this crossing. Since it is only a concept plan at this point and there is no identified funding yet, expect project construction to be more than a decade out. Project website: https://www.diridonsj.org/disc	

vii.	Diagnostic team recommended evaluation for grade separating this crossing due to the proposed Google improvements. Development inside a wye track area is discouraged given the extreme limitation to access. Rail operations through wye tracks occupy significant amounts of time given the speed and switching operations. Team is concerned with future ADT count. Any increase in traffic expected at this crossing presents considerable public safety, traffic functionality and circulation concerns, particularly as presented, is the only public access. Limited access is also an issue for emergency situations, i.e. emergency vehicles or in an event of a necessary evacuation. In addition, the United States Department of Transportation has a goal of reducing the number of at-grade crossings through consolidation, grade separation , elimination, and restriction on the number of new crossings constructed. In line with this goal, UP, other railroads, the Federal Railroad Administration and most states encourage communities to carefully consider all alternatives, including grade separations, as opposed to simply adding additional vehicles through existing at-grade rail crossings that were not designed for that type of volume.	
viii.	Consider bulb outs, with railroad gate moved closer to the roadway, and roadway width is reduced. Bulb-out will also provide clear visibility of the gate arms, provide more space on the sidewalk for pedestrian access and treatments and provide traffic calming. Bulb out does not receive SSM credit. City noted that Fire trucks require minimum 20' clear roadway width to operate in an emergency.	
ix.	Existing RRTCD are 12" LEDs.	
x.	City noted that Montgomery may include a shared bike lane in the future. Design iterations to be evaluated by diagnostic team.	
xi.	There are no planned signalization of Cinnabar and Montgomery.	
xii.	City to evaluate Pitco permit and entitlement regarding their main access for their facility	
xiii.	City to count pedestrian traffic across the crossing to determine best treatments for pedestrians and median.	
xiv.	City would like to prioritize costs for crossings needing pedestrian improvements.	
b.	NW Quad Comments:	
i.	Diagnostic team recommended this quadrant is bulbed out, railroad gate is moved in, and crossing width is reduced.	City
ii.	Existing intersection will become 4 legs instead of 3 legs as it exists.	

iii.	Evaluate placing railroad signals either parallel to track or perpendicular to road. Perpendicular to roadway is preferred for this intersection.	
iv.	Replace W10-1 sign with larger sign.	
c.	SW Quad Comments:	
i.	Provide full pedestrian treatment along the sidewalk in this quadrant.	City
d.	SE Quad Comments:	
i.	Pavement marking and signage are placed correctly in this quadrant.	
ii.	Existing tree should be trimmed to not obscure the RRTCD.	City
iii.	Bulb out sidewalk and move RRTCD closer to the road.	City
iv.	There is a driveway cut with a concrete barrier at the back of walk. Even if the driveway is not being used, it's better to replace driveway cuts with sidewalk when possible to eliminate possibility of the driveway becoming an access point. Extend red curb limits through the existing driveway.	City
e.	NE Quad Comments:	
i.	Add detectable warning strip with R15-8 (Look) sign if pedestrian supports the design. Sight visibility is good in this quadrant.	City
ii.	UPRR vehicles jump the curb to access their maintenance facilities. Sidewalk appears deteriorated. By City ordinance, property owners are responsible for sidewalk maintenance in front of their property. Recommend UPRR vehicles access the site from Cinnabar where there is no existing sidewalk so that they don't deteriorate the sidewalk on Montgomery.	UPRR

PART 8

TRAFFIC CONTROL FOR RAILROAD AND LIGHT RAIL TRANSIT GRADE CROSSINGS

CHAPTER 8A. GENERAL

Section 8A.01 Introduction

Support:

⁰¹ Whenever the acronym “LRT” is used in Part 8, it refers to “light rail transit.”

⁰² Part 8 describes the traffic control devices that are used at highway-rail and highway-LRT grade crossings. Unless otherwise provided in the text or on a figure or table, the provisions of Part 8 are applicable to both highway-rail and highway-LRT grade crossings. When the phrase “grade crossing” is used by itself without the prefix “highway-rail” or “highway-LRT,” it refers to both highway-rail and highway-LRT grade crossings.

⁰³ Traffic control for grade crossings includes all signs, signals, markings, other warning devices, and their supports along highways approaching and at grade crossings. The function of this traffic control is to promote safety and provide effective operation of rail and/or LRT and highway traffic at grade crossings.

⁰⁴ For purposes of design, installation, operation, and maintenance of traffic control devices at grade crossings, it is recognized that the crossing of the highway and rail tracks is situated on a right-of-way available for the joint use of both highway traffic and railroad or LRT traffic.

~~⁰⁵ The highway agency or authority with jurisdiction and the regulatory agency with statutory authority, if applicable, jointly determine the need and selection of devices at a grade crossing.~~

^{05a} A diagnostic team, consisting of knowledgeable representatives of parties of interest in a highway-rail or highway-LRT grade crossing, using crossing safety management principles, evaluates conditions at a grade crossing to make determinations or recommendations concerning safety needs at the grade crossing. The diagnostic team needs to, at a minimum, include representatives of the highway agency or authority with jurisdiction over the roadway, the railroad or LRT agency with responsibility for the track and signals, and the California Public Utilities Commission (CPUC), which is the state regulatory agency with statutory authority over grade crossings. The removal, reduction, addition, or change in the type of warning devices at each public grade crossing, or publicly-used private grade crossing (as determined by CPUC or a court competent jurisdiction), must be authorized by CPUC. This includes any changes that can affect interconnections with adjacent traffic signals, or any other modification that may impact the safety of the grade crossing. Refer to Public Utilities Code Sections 1201 through 1205, 7537, 99152 and CPUC General Orders 75 and 88, as amended.

⁰⁶ In Part 8, the combination of devices selected or installed at a specific grade crossing is referred to as a “traffic control system.”

Standard:

⁰⁷ **The traffic control devices, systems, and practices described in this Manual shall be used at all grade crossings open to public travel (see definition in Section 1A.13), consistent with Federal, State, and local laws and regulations.**

Support:

⁰⁸ Part 8 also describes the traffic control devices that are used in locations where light rail LRT vehicles are operating along streets and highways in mixed traffic with automotive vehicles.

⁰⁹ LRT is a mode of metropolitan transportation that employs LRT vehicles (commonly known as light rail vehicles, streetcars, or trolleys) that operate on rails in streets in mixed traffic, and LRT traffic that operates in semi-exclusive rights-of-way, or in exclusive rights-of-way. Grade crossings with LRT can occur at intersections or at midblock locations, including public and private driveways.

¹⁰ An initial educational campaign along with an ongoing program to continue to educate new drivers is beneficial when introducing LRT operations to an area and, hence, new traffic control devices.

¹¹ LRT alignments can be grouped into one of the following three types:

A. Exclusive: An LRT right-of-way that is grade-separated or protected by a fence or traffic barrier. Motor vehicles, pedestrians, and bicycles are prohibited within the right-of-way. Subways and aerial structures are



U.S. Department
of Transportation

Federal Railroad
Administration

Region VII

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FRA – Region 7

Diagnostic Meeting Opening Statement

(to be included in meeting minutes.)

The FRA Region 7 opinion, in general, provides a **strong** endorsement of the practice of crossing closures and consolidations where feasible, while maintaining essential, alternate and safe access for local communities. The optimal safety improvement for an at-grade highway-rail crossing is the complete separation of the railroad tracks from the roadway through construction of a grade-separation structure or closure. We encourage ALL local Authorities, Railroads and Stakeholders work together to provide good planning to achieve this goal.

Exceptions to the proposed federal rule mandating whistle sounding at all highway rail-grade crossings can only be made by showing that appropriate safety measures have been taken to mitigate the additional risk otherwise presented by trains not sounding their horns.

FRA Region 7 strongly recommends that any public authority desiring to establish quiet zones take the opportunity to review all aspects of safety along its rail corridor. Particular attention should be given to measures that prevent trespassing on railroad Right-of-way since investments made to establish a quiet zone may be negated if the horn has to be routinely sounded to warn trespassers.

SIGN-IN SHEET



City of San Jose Warm Spring Quiet Zone Project
City of San Jose

Tuesday February 25, 2020

Warm Springs Quiet Zone Site Diagnostic Meeting

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SIGN-IN SHEET



City of San Jose Warm Spring Quiet Zone Project
City of San Jose

Tuesday February 25, 2020

Warm Springs Quiet Zone Site Diagnostic Meeting

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Chelsea Overly	Engineering Intern	Union Pacific	1400 Douglas St Omaha, NE	402.544.9003	cmoverly@up.com	CO CO
Gabbie Schwaner	Project Manager	UPRR/ Bensch		916 3177768	gcschwan@upcontractor.up.com	GS GS

SIGN-IN SHEET



City of San Jose Warm Spring Quiet Zone Project
City of San Jose

Tuesday February 25, 2020

Warm Springs Quiet Zone Site Diagnostic Meeting

Name	Title	Agency/ Company	Address	Telephone	Email	Initial
Jason Hu	Associate Eng.	CSJ/ DOT	GH		jason.hu@sanjose.ca.gov	JH
Jason Field	Crossing Safety Program Manager	Moffatt + Nichol	NC	919-271-3986	jfield@moffattnichol.com	JF
TIM BARRON	CONSTRUCTION SUPER	UPRR		916-759-9206	TRBARRON@UP.COM	TB
Mark Fergues	IPP Project Coordinator	UPRR		916-769-6220	mafergues@up.com	MF
Melinda Dubay	Public Projects Mgr	UPRR	1400 Douglas St ms910 Omaha, NE 68179	402-544-3992	msdubay@up.com	MD
JONATHAN TURNER	RAIL/HIGHWAY SPECIALIST	MOFFATT + NICHOL	NC	603-622-7204	JTURNER@MOFFATTNICHOL.COM	JT
JOSEPH PETITO	RAILROAD SAFETY SPECIALIST	FRA		619-550-9858	JOSEPH.PETITO@DOT.GOV	JP
Felix Ko	Senior Utilities Engineer	CPUC	505 Van Ness Ave San Francisco	415-703-3722	Felix.Ko@cpuc.ca.gov	FK
Rick Bartholomew	Manager Signals/Crossings	JTB			bartholomewr@santrans.com	RB
MINDY NGUYEN	Council Assistant	CSJ DISTRICT 3	200 E SANTA CLARA ST, CA		mindy.nguyen@sanjose.ca.gov	

Ade Sobbesan Engr CPUC 505 Van Ness - 415-703- ES3@CPUC.CA.GOV Ade
Robert Mendoza MEM UPRR Ave., San Francisco 703-1869
Ronnie Cremons FRA SRTC, SDC. 209-471-3123

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City of San Jose Warm Spring Quiet Zone Project
City of San Jose

Wednesday February 26, 2020

Warm Springs Quiet Zone Site Diagnostic Meeting

Name	Title	Agency/ Company	Address	Telephone	Email	Initial
Stacey Lu		City of San Jose			stacey.lu@sanjoseca.gov	SL
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Eric. S. Walker		City of San Jose, Department of Transportation FRA			eric.s.walker@dot.gov	EW
Joseph Petito		City of San Jose, Department of Transportation FRA			joseph.petito@dot.gov	JP
David Stewart		CPUC			david.stewart@cpuc.ca.gov	DS
Felix. Ko		CPUC			felix.ko@cpuc.ca.gov	FK
Anthony Mata		City of San Jose			anthony.mata@sanjoseca.gov	

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City of San Jose Warm Spring Quiet Zone Project
City of San Jose

Wednesday February 26, 2020

Warm Springs Quiet Zone Site Diagnostic Meeting

Name	Title	Agency/ Company	Address	Telephone	Email	Initial
Renee Zhou		City of San Jose			renee.zhou@sanjoseca.gov	
Vu Dao		City of San Jose			vu.dao@sanjoseca.gov	
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Mindy Nguyen		City of San Jose			mindy.nguyen@sanjoseca.gov	M
Shu Su		City of San Jose			shu.su@sanjoseca.gov	
David Tran		City of San Jose			david.tran@sanjoseca.gov	
Lam Cruz		City of San Jose			lam.cruz@sanjoseca.gov	
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Mohammed Abushaban	Civil Engineer	JMA Civil, Inc.	3930 Pacheco Blvd. Martinez, CA 94553	925.400.4356 xt. 103	mabushaban@jmacivil.com	MA MA
DAVE ANAYA	POLICE LEUTENANT	SJPD	201 W. MESSIDOR ST SAN JOSE	408 712-3332	3206@SANJOSECA.GOV	DA
Jason Field	Crossing Safety Program Manager	Moffatt & Nichol	Raleigh, NC	919-271- 3986	jfield@moffattnichol.com	JF JF

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City of San Jose Warm Spring Quiet Zone Project
City of San Jose



Wednesday February 26, 2020

Warm Springs Quiet Zone Site Diagnostic Meeting

Name	Title	Agency/ Company	Address	Telephone	Email	Initial
Gobbie Sfrackel	PM	UPRR/ Parsons		916 817 7768	gsfrackel@up.com	GS
Mark Fergues	Project Coordinator	UPRR		916-769-6220	mfergues@up.com	MR
Peggy Yabuhay	Mgr Industry & Public Projects	UPRR		916-789-5033	pyabuhay@up.com	PY
Juanita Turon	RAC/ Highway Specialist	MOFFATT & NECHER		800-622-7204	JTURON@MOFFATTNECHER.COM	JT
Melinda Dubay	Mgr Ind + Pub Proj	UP		402-544-3992	msdubay@up.com	MD
Joseph Petito	RAILROAD SAFETY SPECIALIST	FRA		617 550-9858	JOSEPH.PETITO@DOT.GOV	JP
Tim Barr						TB

SIGN-IN SHEET



City of San Jose Warm Spring Quiet Zone Project
City of San Jose

Thursday February 27, 2020

Warm Springs Quiet Zone Site Diagnostic Meeting

Name	Title	Agency/ Company	Address	Telephone	Email	Initial
Stacey Lu		City of San Jose			stacey.lu@sanjoseca.gov	SL
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Jessica Zenk		City of San Jose			jessica.zenk@sanjoseca.gov	
Peggy Ygbuhay		UPRR			pygbuhay@up.com	PY
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Joseph Petito		City of San Jose, Department of Transportation FRA			joseph.petito@dot.gov	JP
David Stewart		CPUC			david.stewart@cpuc.ca.gov	
Felix. Ko		CPUC			felix.ko@cpuc.ca.gov	FK
Anthony Mata		City of San Jose			anthony.mata@sanjoseca.gov	

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City of San Jose Warm Spring Quiet Zone Project
City of San Jose

Thursday February 27, 2020

Warm Springs Quiet Zone Site Diagnostic Meeting

Name	Title	Agency/ Company	Address	Telephone	Email	Initial
Renee Zhou		City of San Jose			renee.zhou@sanjoseca.gov	
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Mindy Nguyen		City of San Jose			mindy.nguyen@sanjoseca.gov	
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David Tran		City of San Jose			david.tran@sanjoseca.gov	
Lam Cruz		City of San Jose			lam.cruz@sanjoseca.gov	
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Mohammed Abushaban	Civil Engineer	JMA Civil, Inc.	3930 Pacheco Blvd. Martinez, CA 94553	925.400.4356 xt. 103	mabushaban@jmacivil.com	MA
Jason Field						JF
Jonathan Turner						JT

SIGN-IN SHEET



City of San Jose Warm Spring Quiet Zone Project
City of San Jose

Thursday February 27, 2020

Warm Springs Quiet Zone Site Diagnostic Meeting

Name	Title	Agency/ Company	Address	Telephone	Email	Initial
Melinda DuBay						MD
Gabbie Sefton						GS
Mark Forsius						MF
TIM BARRON						TB
Ade Sogbesan	Engg	CPUC	505 Van Ness			AS
TIFFANY PONG						TP
TISON TANO						TT
MARLA WEINSTEIN						MW
Florin Lapustea						FL



APPENDIX E

FRA Risk Index Calculator for Existing Crossings

Risk Calculation Without SSM Improvements

[Home](#) | [Help](#) | [Contact](#) | [logoff](#) whong@jmacivil.com[Cancel](#)

Change Scenario: SanJose_WA_60516 ▼

[Continue](#)[Create New Zone](#)[Manage Existing Zones](#)[Log Off](#)**Step by Step Instructions:**

Step 1: To specify New Warning Device (For Pre-Rule Quiet Zone Only) and/or SSM, click the [MODIFY](#) Button

Step 2: Select proposed warning device or SSM. Then click the [UPDATE](#) button. To generate a spreadsheet of the values on this page, click on [ASM](#) button—This spreadsheet can then be used for ASM calculations.

Step 3: Repeat Step (2) until the SELECT button is shown at the bottom right side of this page. Note that the SELECT button is shown ONLY when the Quiet Zone Risk Index falls below the NSRT or the Risk Index with Horn.

Step 4: To save the scenario and continue, click the SELECT button

Crossing	Street	Traffic	Warning Device	Pre-SSM	SSM	Risk	
750117C	HORNING STREET	3824	Gates	0	0	11,231.20	MODIFY
750118J	NORTH 10TH STREET	15317	Gates	0	0	19,589.95	MODIFY
750121S	HEDDING STREET	15539	Gates	0	0	17,646.57	MODIFY
750127H	East Taylor Street	12842	Gates	0	0	15,097.25	MODIFY
750128P	Jackson Street	2900	Gates	0	0	10,472.88	MODIFY
750129W	NORTH 7TH STREET	3620	Gates	0	0	11,077.36	MODIFY
750131X	North 6th Street	3100	Gates	0	0	10,651.69	MODIFY
750132E	NORTH 5TH STREET	2227	Gates	0	0	9,789.62	MODIFY
750133L	North 4th Street	5709	Gates	0	0	12,410.06	MODIFY
750134T	North 3rd Street	3992	Gates	0	0	11,353.09	MODIFY
750135A	NORTH 2ND STREET	5974	Gates	0	0	12,549.65	MODIFY
750136G	North 1st Street	7836	Gates	0	0	13,410.80	MODIFY
750151J	North Montgomery Street	1792	Gates	0	0	4,460.67	MODIFY
924191R	Autumn Parkway	11430	Gates	0	0	18,358.90	MODIFY

* Only Public At Grade Crossings are listed.

[Click](#) for [Supplementary Safety Measures \[SSM\]](#)

[Click](#) for ASM spreadsheet: [ASM](#) * Note: The use of ASMs requires an application to and approval from the FRA.

Summary	
Proposed Quiet Zone:	SanJose_WA
Type:	New 24-hour QZ
Scenario:	SanJose_WA_60516
Estimated Total Cost:	\$0.00
Nationwide Significant Risk Threshold:	13811 .00
Risk Index with Horns:	7626.74
Quiet Zone Risk Index:	12721.41
Select	



Civil Engineering Design & Consulting Firm
Specializing in Transportation and Multidisciplinary
Project Design

CONTACT

T: 925.400.4356

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3930 Pacheco Blvd.
Martinez, CA 94553
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Oakland, CA 94607

JMA Civil

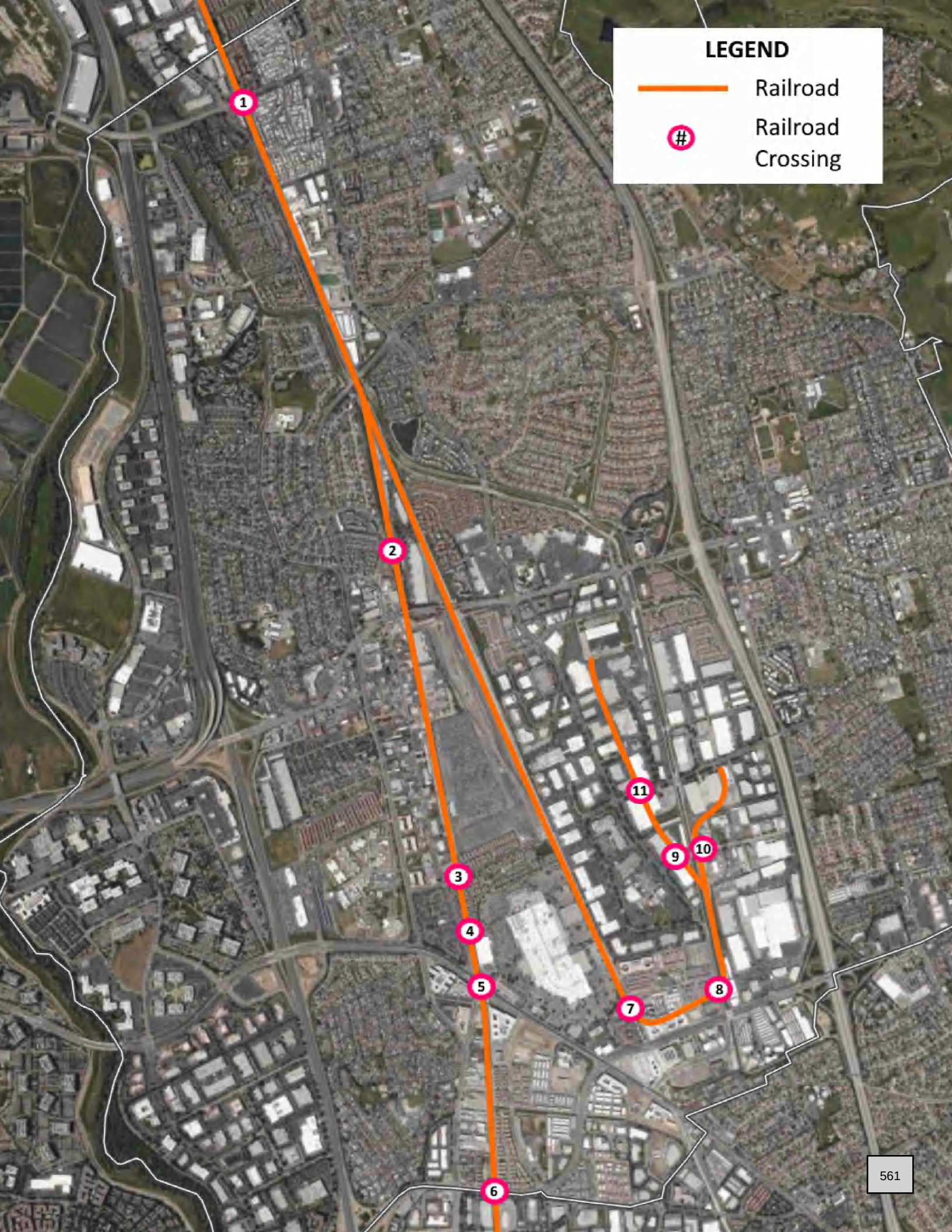
520 9th Street, Ste. 101.
Sacramento, CA 95814

JMA Civil

1087 Beacon Street, Ste. 303.
Newton, MA 02459

LEGEND

-  Railroad
-  Railroad Crossing





CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Introduce Ordinance No. 23.15 for Updates to Milpitas Municipal Code on Purchasing
Category:	Leadership and Support Services
Meeting Date:	11/10/2020
Staff Contact:	Walter C. Rossmann, Deputy City Manager, 408-586-3111
Recommendations:	1. Receive presentation from staff. 2. Following the City Attorney reading the title, move to waive the first reading beyond the title of Ordinance No. 23.15. 3. Introduce Ordinance No. 23.15 to update the municipal code section on purchasing.

Background:

The City's Purchasing Division (Division), housed in the Finance Department, is responsible for the centralized purchasing of goods and services governed by City's Purchasing Ordinance (Ordinance) except for capital improvement related contracting which is handled by the Engineering Department as well as small dollar purchases which are delegated to City Departments consistent with the Municipal Code.

The Division is headed by the Purchasing Agent, who is responsible for implementing the Ordinance, and supported by 1.0 Buyer and 0.5 Temporary Buyer. Annually, the Purchasing Division develops and processes over 200 contracts in support of City operations consistent with the Ordinance.

In FY 2019-20, the City substantially completed the implementation of ProcureNow, its e-procurement and contract management system and underwent a procurement study involving stakeholders across all departments. The study identified 39 recommendations. During the last six months, staff completed 11 recommendations and has been working on addressing the remaining recommendations.

The County of Santa Clara Shelter-in-Place order in response to the COVID-19 Pandemic accelerated the implementation of identified recommendations and forced streamlining operations through online approval of contracts using DocuSign, implementation of the contract management database for Purchasing originated contracts including automatic notification for renewal of contracts and insurance, and online payment for Procurement Card (P-Card) purchases. Further streamlining while ensuring fair and open competition and competitive pricing is dependent on updating the Ordinance.

On September 1, 2020, the City Council approved the COVID-19 Fiscal Response Strategies and Guidelines to be implemented by the City Manager. These fiscal strategies and guidelines were designed to ensure an effective response to the economic crisis and related impact on the City's finances caused by COVID-19, while minimizing service cuts to our community. One of these fiscal strategies and guidelines directs the City Manager to identify and bring forward for the Council's consideration City policy and ordinance changes, as applicable, that would enable/facilitate service delivery improvements.

Analysis:

The recommended changes to the Ordinance are based on a thorough review by the City Attorney, staff, and the consultant who studied the City's procurement function. The primary recommended changes include updates to Procurement Methods and Procedures, increased bidding thresholds and related contract

amendment authority, annual reporting requirements and deadlines for sole source purchases and standardization of equipment, changes of definitions, and alignment to existing practices.

Procurement Methods and Procedures

This section of the Ordinance was primarily restructured for better understanding and transparency. For example, a new paragraph providing an overview of the section was added which outlines the various procurement methods and bidding thresholds, the public agency procurement paragraph was simplified, common procurement procedures of various solicitation methods were made consistent, and the requirements for bonds and insurance was expanded. Additionally, staff recommends adding the Request for Qualifications solicitation method, an "or equals" process, and criteria for standardization of supplies, material or equipment.

The current ordinance defines the Request for Quotes, the Invitation for Bids, and the Request for Proposals solicitation methods. Staff recommends adding the Request for Qualifications (RFQ) solicitation method which may be used only for competitively selecting professional services under one or more of the following considerations:

1. For establishing a pool of qualified bidders;
2. The ability of the firms to provide the service promptly, or within the time specified, without delay or interference;
3. The character, integrity, reputation, judgment, experience, and efficiency of the firm;
4. The quality of performance of previous services;
5. Quality, availability, or capability is overriding in relation to price in procurement of research, development, technical services;
6. The sufficiency of the financial resources and ability of the firm to provide the service;
7. The need to evaluate whether the marketplace will respond better to a solicitation permitting a range of alternative proposals or evaluation and discussions of them before entering the contract;
8. The number and scope of conditions attached to the Solicitation.

With the RFQ method price is not a consideration initially. However, price will be determined through a competitive Best and Final Offer process and/or negotiations with finalists.

With the acquisition of supplies, material and equipment, staff may develop specifications. With the "or equals" process, staff may reference a product by its brand name in solicitation documents and add the words "or equals." Any reference to a specific brand name followed by the term "or equal" in specifications is illustrative only and describes a product best meeting the specific operational, design, performance, maintenance, quality, and reliability requirements of the City. A bidder may offer an equivalent ("or equal") in response to a brand name or equal reference.

When an "or equal" is offered, the City may test and evaluate the product prior to award of the contract and the City determines if "an equal" offered meets the specification. At bidder's expense, bidder bears sole responsibility for providing any information, test data or document required by the City to fully evaluate the acceptability of the "or equal." at bidder's expense, this full evaluation may require independent testing, including destructive testing, at qualified test facilities. If the City rejects a response or part of a response containing any "or equal," the Purchasing Agent shall determine the decision in writing.

The current ordinance provides guidance for standardizing supplies, material or equipment including technology products and services. However, such guidance is not based on quantifying cost savings. Standardization shall be considered if the Purchasing Agent has determined that it is required for the health, safety or welfare of the people or employees of the City, or that repair or maintenance costs would be minimized; training of user and/or repair and maintenance personnel would be simplified; supplies or spare parts would be readily available; modifications to existing equipment would not be necessary; or matching existing supplies, materials or equipment is required for proper operation of a particular piece of equipment or City program. The City Council currently approves standardizations for supplies, material or equipment including technology products and services.

In contrast, the recommended changes to the standardization section of the Ordinance outlines more detailed criteria requiring staff to quantify cost savings for the Purchasing Agent's review and approval of standardizing on supplies, material, equipment or technology products and services with a focus on cost savings. These criteria are as follows:

1. In order to acquire a specific product(s) for the purpose of conducting a field test or experiment to determine the product's suitability for use by the City.
2. When it is required for proper operation or function to match other products with respect to the repair or expansion or completion of a system or program already in use by the City, including, but not limited to, technology purchases required to achieve interoperability with existing hardware, software, systems or programs.
3. In order to achieve significant cost savings based upon consideration of the following cost factors:
 - a. Timeliness and quality of installation, repair and maintenance;
 - b. Quality of user training;
 - c. Supplies and replacement parts;
 - d. Modification of existing equipment, materials or systems;
 - e. Future upgrades and updates;
 - f. Estimated amount and cost of reasonably foreseeable future purchases of equipment that would be required to be compatible or functional with the product which is the subject of the standardization determination.
 - g. Administrative costs.

Based on the detailed criteria focusing on cost savings related to standardization, staff recommends that, consistent with sole source purchase approvals, the Purchasing Agent is authorized to review and approve standardizations and submit annually a report to the City Council listing all standardizations approved during the past fiscal year including the product, manufacturer, and reasons for the standardization as authorized in the Ordinance and detailed above.

Bidding thresholds and related contract amendment authority

Consistent with the Council approved COVID-19 Fiscal Response Strategies and Guidelines, staff recommends increasing the thresholds for informal to formal competition based on estimated pricing. As the table below shows, currently for purchases of \$5,000 or less, the Ordinance requires for staff to obtain three quotations whenever possible; for purchases over \$5,000 and less than \$20,000, the Ordinance requires staff to get at least three quotations in writing; and for purchases above \$20,000 to engage in a formal competitive process such as an Invitation for Bid or a Request for Proposals process.

Staff recommends increasing the solicitation method thresholds based on the estimated cost of purchase as outlined in the table below. For estimated purchases not to exceed \$10,000, the updated Ordinance would require staff to obtain three quotations whenever possible. Increasing this threshold from \$5,000 to \$10,000 is consistent with similar sized cities in Santa Clara County. The cities of Mountain View and Palo Alto require that quotes be obtained for estimated purchases of \$10,000 and higher. For the City of Santa Clara, the threshold is \$15,000 and for the City of Cupertino the threshold is \$60,000. Only the City of Sunnyvale requires quotes for estimated purchases of \$5,000 or higher.

For an estimated cost of purchase of more than \$10,000 and less than \$50,000, the Ordinance would require staff to issue a Request for Quotes indicating the basis of award through the City's e-procurement system and vendors known to be able to provide the supplies and services and base the award of the contract, whenever possible, on at least three quotations. For an estimated cost of purchase of more than \$50,000, the updated ordinance requires formal solicitation methods such as Invitation for Bid, Request for Proposals, etc. unless exempted by the Ordinance. This change increases the requirement for a formal solicitation method from \$20,000 to \$50,000 which is consistent with similar sized cities in our county. For the cities of Mountain View and Palo Alto the formal solicitation threshold starts with estimated purchases of more than \$50,000. For the City of Santa Clara and Mountain View the threshold is \$100,000 and for the City of Cupertino the threshold is \$200,000.

Solicitation Method	Current Thresholds (Based on actual cost of purchase)	Recommended Thresholds (Based on estimated cost of purchase)
No mandatory competition	\$5,000 or less	Not to exceed \$10,000
Informal Solicitation Method - Request for Quotes (supplies and services)	Over \$5,000 and less than \$20,000	More than \$10,000 and no more than \$50,000
Formal Solicitation Method - Invitation for Bid (primarily for supplies, material and equipment) - Request for Proposal (primarily for services) - Request for Qualifications (professional services only)	\$20,000 or more	More than \$50,000

The City Manager is authorized to award contracts up to a contract amount of \$100,000 and any contract with a value greater than \$100,000 requires Council approval. This Ordinance clarifies that the City Manager is authorized to award California Uniform Public Construction Cost Accounting Act (CUPCCA) up to a contract amount of \$100,000.

Per the current Ordinance, the Purchasing Agent has certain contract amendment authority which is based on the previous City Manager contract approval authority of \$50,000 and to extend a contract without increase in compensation for up to six months. As shown in the table below, the Purchasing Agent may amend a contract based on certain conditions and up to a certain amount for individual amendments and cumulative contract amendments.

Contract Amount	Individual Contract Amendment Authority	Cumulative Contract Amendment Authority
No more than \$50,000	10% of Award or \$5,000 whichever is less	15% of Award or \$7,500 whichever is less
More than \$50,000	10% of Award or \$10,000 whichever is less	15% of Award or \$20,000 whichever is less

Staff recommends aligning the contract amounts from \$50,000 to \$100,000 with the City Manager contract authority with similar conditions as shown in the table below. Additionally, staff recommends changing the Purchasing Agent's authority to extend a contract without increase in compensation from up to six months to up to 12 months. These changes in authority will streamline City operations.

Contract Amount	Individual Contract Amendment Authority	Cumulative Contract Amendment Authority
No more than \$100,000	10% of Award or \$10,000 whichever is less	15% of Award or \$15,000 whichever is less
More than \$100,000	10% of Award or \$20,000 whichever is less	15% of Award or \$40,000 whichever is less

Annual reporting requirements and deadlines for sole source purchases and standardization of supplies, material or equipment

Currently, Municipal Code section I-310-3.70 (c) (4) requires that not later than July 15th annually, each City department shall provide to the City Council a list of all sole source contracts entered into or renewed during the past fiscal year. In praxis, this reporting requirement has been assumed by the Purchasing Agent because the Purchasing Agent per the Ordinance (Section I-2-3.09, titled "Sole Source Procurement"), prior to award of a sole source contract, is required to determine in writing, after conducting a good faith review of available

sources, that only one viable source exists for the required supplies, material, equipment, or general service, or that there is a compelling reason for using only one source. Since the deadline for reporting all sole source purchases occurs during the annual Council recess, staff is required to submit the report twice. First, the report is provided as an Information Memorandum to the City Council by July 15 and then as a staff report after the recess on an August Council agenda so that the public can review the information as well.

With this ordinance change, staff recommends moving the reporting requirement from the current Chapter to the Ordinance, requiring the Purchasing Agent to submit the annual report, and extending the reporting deadline to August 31 to provide additional time to compile the data after the end of the fiscal year and avoid having to submit the report twice.

Additionally, with the annual sole source report, staff recommends adding the requirement to report on approved standardizations of supplies, material or equipment by August 31 for prior fiscal year actions.

Changes of definitions

Changes of definitions include clarifying additions such as including Purchase Orders (POs) in the definition of contracts. A PO has potentially two functions. It serves as a payment vehicle and as a contract. Unlike an agreement, a PO does not have to be signed by a vendor. Therefore, purchases of goods, supplies, and equipment, governmental agencies can be expedited by attaching standard terms and conditions to a PO.

The definition for professional services is recommended to be expanded to include information technology services such as installation and implementation of information technology projects, software licensing and maintenance, and Software as a Service (SaaS). Currently, contracts for information technology are not addressed in the ordinance. With this change, the exception for not issuing Purchase Orders related to technology services is recommended to be removed.

The definition of Purchasing Agent is clarified to include the Purchasing Agent, the Director of Finance or his or her designee, or such position designated by the City Manager to administer this Chapter. This change provides clarity in the absence of the Purchasing Agent.

The definition of Signature is aligned with electronic signatures as established by law and current practice of accepting scanned signatures.

The overarching term of Solicitation is introduced which includes an invitation for bids or request for proposals, qualifications, quotes, or other document including all documents, whether attached or incorporated by reference, utilized in furtherance of a City procurement of goods or services.

Alignment to existing practices

In addition to aligning the sole source reporting requirement, staff recommends authorizing the disposition of firearms in the Municipal Code consistent with the current Memorandum of Understanding (MOU) with the Milpitas Police Officer Association. Per MOU, a sworn officer who has served satisfactorily in the Department for at least five years may purchase a service weapon based on its depreciated value upon satisfactory separation from City service. Further upon retirement, the City shall give an officer his/her service weapon and holsters without charge under certain conditions.

Other alignments to existing practices include adding contract management to the Department Heads' list of responsibilities.

Policy Alternative:

Alternative: Do not approve the Ordinance changes.

Pros: Staff will continue procuring goods and services within the existing framework of rules and regulations.

Cons: The Ordinance changes are modernizing the existing Ordinance consistent with best practices.

Reason not recommended: Our City would not streamline the City's purchasing system to reduce the administrative burden and cost while ensuring open and fair competition and competitive pricing.

Fiscal Impact:

With Council approval of the recommended Ordinance amendments, the citywide purchasing system will be streamlined freeing up staff time to work on other high priority projects.

California Environmental Quality Act:

Not applicable

Recommendations:

1. Receive presentation from staff.
2. Following the City Attorney reading the title, move to waive the first reading beyond the title of Ordinance No. 23.15.
3. Introduce Ordinance No. 23.15 to update the municipal code section on purchasing.

Attachment:

Draft Ordinance No. 23.15

PLEASE NOTE:

This copy of Ordinance No. 23.15 is a “redlined” version for your convenience. Text additions are designated by an underline and text deletions are designated with a strikethrough.

REGULAR

NUMBER: 23.15

TITLE: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING CHAPTERS 2 (PURCHASING) AND 310 (OPEN GOVERNMENT ORDINANCE) OF TITLE I (ADMINISTRATION) OF THE MILPITAS MUNICIPAL CODE RELATING TO PURCHASING

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of _____, upon motion by _____ and was adopted (second reading) by the City Council at its meeting of _____, upon motion by _____. The Ordinance was duly passed and ordered published in accordance with 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 AND FINDINGS:

WHEREAS, the City’s Purchasing Division in the Finance Department supports all City Departments to procure and contract for goods and services while ensuring fair and open competition consistent with the Municipal Code; and

WHEREAS, the City studied its procurement function including process mapping to streamline procurement processes and reducing administrative costs while ensuring competitive pricing; and

WHEREAS, on March 16, 2020, the County of Santa Clara ordered residents to shelter-in-place (“Shelter-In-Place Order”) in response to the COVID-19 pandemic; and

WHEREAS, the Shelter-in-Place Order accelerated the streamlining of operations through online approval of contracts using DocuSign, implementation of the contract management database for contracts originating from the Purchasing Division including automatic notification for renewal of contracts and insurance, and online payment for Procurement Card (P-Card) purchases; and

WHEREAS, further streamlining while ensuring fair and open competition and competitive pricing is dependent on updating the Purchasing Ordinance; and

WHEREAS, on September 1, 2020, the City Council approved the COVID-19 Fiscal Response Strategies and Guidelines; and

WHEREAS, the City Manager was directed to follow these fiscal strategies and guidelines to ensure an effective response to the economic crisis and related impact on the City’s finances caused by COVID-19, while minimizing service cuts to our community; and

WHEREAS, one of these fiscal strategies and guidelines directs the City Manager to identify and bring forward for Council consideration City policy and ordinance changes, as applicable, that would enable/facilitate service delivery improvements; and

WHEREAS, the primary recommended changes to the City’s Purchasing Ordinance include updating procurement methods and procedures, increasing bidding thresholds and related contract amendment authority, establishing annual reporting requirements and deadlines for sole source purchases and standardization of equipment, changing definitions, and aligning the Purchasing Ordinance with existing practices.

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 I, CHAPTER 310

Title I (Administration), Chapter 310 (Open Government Ordinance), Section 3.70 (Public Information that Must be Disclosed) of the Milpitas Municipal Code is hereby amended to read as follows:

I-310-3.70 - Public Information that Must be Disclosed

Notwithstanding a department's legal discretion to withhold certain information under the California Public Records Act, the following policies shall govern specific types of documents and information and shall provide enhanced rights of public access to information and records:

- (a) Drafts and Memoranda. No preliminary draft or memorandum shall be exempt from disclosure under Government Code section 6254, subdivision (a) if it is normally kept on file. Preliminary drafts and memoranda concerning contracts, memoranda of understanding, or other matters subject to negotiation or pending Council approval shall not be subject to disclosure to this provision until final action has been taken.
- (b) Litigation Material.
 - (1) Notwithstanding any exemptions otherwise provided by law, the following are public records subject to disclosure under this chapter:
 - (i) A pre-litigation claim against the City;
 - (ii) A record previously received or created by a department in the ordinary course of business that was not attorney/client privileged when it was previously received or created;
 - (iii) Advice on compliance with, analysis of, an opinion concerning liability under, or any communication otherwise concerning the California Public Records Act, the Ralph M. Brown Act, the Political Reform Act, any Milpitas governmental ethics code, or this [Chapter](#).
 - (2) Unless otherwise privileged under California law, when litigation is adjudicated or otherwise settled, records of all communications between the department and the adverse party shall be subject to disclosure, including the text and terms of any settlement.
- (c) Contracts, Bids and Proposals.
 - (1) All initial City Requests for Proposals ("RFP's") shall be kept in a central repository and shall be made available for public inspection. In addition, RFP's shall be placed on the City's website for a period from the date the RFP was issued to the date that the RFP is due.
 - (2) Contracts, contractors' bids, responses to requests for proposals and all other records of communication between the department and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit. All bidders and contractors shall be advised that information provided which is covered by this subdivision will be made available to the public upon request. Immediately after any review or evaluation or rating of responses to an RFP has been completed, evaluation forms and score sheets and any other documents used by persons in the RFP evaluation or contractor selection process shall be available for public inspection. The names of scorers, graders or evaluators, along with their individual ratings, comments, and score sheets or comments on related documents, shall be made immediately available after the review or evaluation of an RFP has been completed.
 - (3) During the course of negotiations for:
 - (i) Personal, professional, or other contractual services not subject to a competitive process or where such a process has arrived at a stage where there is only one qualified or responsive bidder;
 - (ii) Leases or permits having total anticipated revenue or expense to the City;
 - (iii) Any franchise agreements, all documents exchanged and related to the position of the parties, including draft contracts, shall be made available for public inspection and copying upon request. In the event that no records are prepared or exchanged during negotiations in the above-mentioned categories, or the records exchanged do not provide a meaningful representation of the respective positions, the City Attorney or city representative familiar with the negotiations shall, upon a written request by a member of the public, prepare written summaries of the respective positions within five (5) working days following the final day of negotiation of any given week. The summaries will be available for public inspection and copying. Upon completion of negotiations, the executed contract, including the dollar amount of said contract, shall be made available for inspection and copying.

~~(4) — Not later than July 15th annually, each City department shall provide to the City Council a list of all sole source contracts entered into or renewed during the past fiscal year. This list shall be made available for inspection and copying as provided for elsewhere in this Section.~~

(d) Budgets and Other Financial Information. Budgets, whether tentative, proposed or adopted, for the City or any of its departments, programs, projects or other categories, and all bills, claims, invoices, vouchers or other records of payment obligations as well as records of actual disbursements showing the amount paid, the payee and the purpose for which payment is made, other than payments for social or other services whose records are confidential by law, shall not be exempt from disclosure under any circumstances.

(e) Appraisals, offers and counteroffers relating to the City's purchase of real property are exempt until an agreement is executed. If an agreement for purchase is not submitted to the Council for approval then this exemption expires 1 year after negotiations are terminated.

(f) ~~—Reserved.~~

~~(g) —~~Neither the City nor any officer, employee, or agent thereof may assert an exemption for withholding for any document or information based on a "deliberative process" exemption, either as provided by California Public Records Act Section 6255 or any other provision of law that does not prohibit disclosure.

~~(h) —Reserved.~~

SECTION 3. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE I, CHAPTER 2

Title I (Administration), Chapter 2 (Purchasing) of the Milpitas Municipal Code is hereby amended to read as follows:

Chapter 2 - PURCHASING

Sections:

Section 1 - Purpose and Application: Definitions

I-2-1.01 - Purpose

The purpose of this Purchasing Ordinance is to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity.

I-2-1.02 - Application

Except as otherwise provided herein, this ~~C~~chapter applies to contracts for the procurement of supplies and services; entered into by the City. When the procurement involves the expenditure of federal assistance, contract, or grant funds, the procurement shall be conducted in accordance with mandatory applicable federal law and regulations. Nothing in this ~~e~~Chapter shall prevent ~~the City and any public~~City affiliated agency from complying with the terms and conditions of any grant, gift or bequest that is otherwise consistent with law.

I-2-1.03 - Definitions

The words defined in this section shall have the meanings set forth below whenever they appear in the Purchasing Ordinance, unless the context in which they are used clearly requires a different meaning; or, a different definition is prescribed for a particular section or provision.

1. ~~BIDDER. Any person who submits a response to a competitive City solicitation—~~~~BRAND NAME OR EQUAL SPECIFICATION. A specification limited to one (1) or more items by manufacturers' names or catalogue numbers to describe the standard of quality, performance, and other salient characteristics needed to meet City requirements, and which provides for the submission of equivalent products.~~

~~2. 2—BIDDER. Any person who submits a response to a competitive City solicitation.~~

3. BUSINESS. Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

~~43.~~ CITY. The City of Milpitas—~~and City affiliated agency.~~

54. CONTRACT. All types of City contracts ~~or~~, agreements, or purchase orders with the exception of public works contracts ~~which shall be governed by 1-2-3-20~~, for the procurement of supplies and services or the disposal of surplus supplies.
65. CONTRACT MODIFICATION. Any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract ~~accomplished by mutual action of the parties to the contract.~~
76. CONTRACTOR. Any person having a contract with ~~a governmental body~~ the City.
87. DATA. Any recorded information, regardless of form or characteristic.
98. ELECTRONIC. Any electrical, digital, magnetic, optical, electromagnetic, or any other similar technology.
109. ELIGIBLE LOCAL PROVIDER. Any local provider who is an otherwise responsible bidder and otherwise responsive to ~~the~~ a City's ~~invitation for bids~~ competitive solicitation.
11. ~~10.~~ ENVIRONMENTALLY PREFERABLE PRODUCTS OR MATERIALS. Any products or materials contained in the products that have a reduced negative effect on human health and the environment when compared with competing products that serve the same purpose. This comparison may consider raw materials' acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance or disposal of the product.
1211. GENERAL SERVICES. The furnishing of goods and services by a vendor that does not typically require a license, certification or other professional criteria to perform the work. This includes services such as equipment maintenance, janitorial, printing, landscaping and refuse disposal. ~~This term shall not include employment agreements or collective bargaining agreements.~~
1312. GRANT. Any furnishing of funds by an outside agency or other organization to support a program authorized by law.
14. ~~INVITATION FOR BIDS. All documents, whether attached or incorporated by reference, utilized for soliciting bids.~~
1513. LOCAL PROVIDER. A supplier or provider of equipment, materials, supplies or services which has an established place of business within the City of Milpitas, which has a City of Milpitas business license, which has paid all currently due business license fees and taxes, and which began doing business within the City of Milpitas at least one (1) year prior to the City's inviting bids or quotations for the respective purchase.
1614. PERSON. Any business, individual, union, committee, club, other organization, or group of individuals.
1715. POST-CONSUMER MATERIAL OR PRODUCT. Any material or finished product that has served its intended use and has been discarded for disposal or recovery, having completed its life as a consumer item, including any waste material and by-products which have been recovered or diverted from solid waste.
1816. PROCUREMENT. The buying, purchasing, renting, leasing, or otherwise acquiring of any supplies or services. It also includes all functions that pertain to the obtaining of any supply or service, including description of requirements, selection, and solicitation of sources, preparation and award of contract and contract administration.
1917. PROFESSIONAL SERVICES. ~~Those services~~ Services, generally of an intangible nature that typically require a license, certification, and/or other professional criteria to perform the work as defined by the laws of the State of California including, but not limited to, Architect, Engineer, Land Surveyor, Attorney, Public Accountant, ~~as well as information technology services such as installation and implementation of information technology projects, software licensing and maintenance, and Software as a Service (SaaS).~~
2018. PROVIDER. The terms bidder, supplier, contractor, vendor or provider, may be used interchangeably and shall refer to the person, company, or corporation from whom the City of Milpitas purchases supplies or services or with whom the City enters into a contract.
2119. PUBLIC AGENCY. A public agency is defined as any school district, ~~city~~ City, state, federal agency, U.S. Communities program or other nonprofit association or group consisting of governmental entities.
2220. PUBLIC NOTICE. The distribution or dissemination of information to interested parties using methods that are reasonably available. Such methods shall often include, but are not limited to, publication in newspapers of general circulation, posting in public places, electronic or paper notices to prospective bidders, and posting on web pages designated by the City for that purpose.
2321. PUBLIC WORKS CONTRACT. Any City contract for the performance of a "public project" as defined in Public Contract Code ~~Section~~ section 22002, as it may be amended from time to time.
24. ~~RECYCLED PRODUCT PREFERENCE. A price preference, equal to ten percent (10%) of the lowest cost bid, given to bidders offering recycled products over those offering nonrecycled products.~~

- ~~25.~~ 22. PURCHASING AGENT. The Purchasing Agent, the Director of Finance or his or her designee, or such position designated by the City Manager to administer this Chapter.
23. ~~REQUESTING DEPARTMENT.~~ Any organizational unit of the City of Milpitas that utilizes any supplies or services procured under this Ordinance.
- ~~24.~~ ~~26~~ RESPONSE. means a bid, proposal, quote, statement of qualification or other communication offered in response to a competitive City solicitation.
25. RESPONSIBLE BIDDER. A bidder who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the work.
- ~~27~~ 26. RESPONSIVE BIDDER. A bidder who has complied with the instructions and requirements established by the City and set forth in the ~~contract, purchase order or request for quotations~~ City's solicitation documents.
- ~~28~~ 27. SIGNATURE. Shall be defined as a manual signature affixed in ink, ~~or provided through other acceptable means established by law.~~ A faxed or scanned signature is acceptable ~~so long as it is followed up within ten (10) calendar days by the original document.~~
- ~~29~~ 28. SPECIFICATION. Any description of the physical or functional characteristics or of the nature of a supply or service. It may include a description of any requirement for inspecting, testing, or preparing a supply or service for delivery.
- ~~30~~ 29. SOLICITATION. An invitation for bids or request for proposals, qualifications, quotes, or other document including all documents, whether attached or incorporated by reference, utilized in furtherance of a City procurement of goods or services.
30. SUPPLIES. All property (including, but not limited to, equipment, goods and materials) except as otherwise provided herein.
31. SURPLUS SUPPLIES. Supplies which are worn out, obsolete or unsuitable for City use.
32. WRITING OR IN WRITING. The product of any method of forming characters on paper, or other materials, or viewable screens, which can be read, retrieved, and reproduced, including information that is electronically transmitted and stored.

Section 2 - Division of Purchasing

I-2-2.01 - Establishment

There is hereby established for the City a Division of Purchasing, headed by a Purchasing Agent, who shall report to the Director of the ~~Financial Services~~ Finance Department.

I-2-2.02 - Responsibilities

In accordance with this Cchapter, the Purchasing Agent shall:

1. Procure or supervise the procurement of all supplies and services needed by the City, except as otherwise provided herein;
- ~~2. Exercise direct supervision over the City central stores and general supervision over all other inventories of supplies belonging to the City;~~ Award contracts for Fifty Thousand Dollars (\$50,000) or less;
- ~~3. Amend contracts or purchase orders awarded for amounts of Fifty Thousand Dollars (\$50,000) or less as necessary, as long as the total amount of the amended contract does not exceed Fifty Thousand Dollars (\$50,000).~~
4. Sell, trade or otherwise dispose of surplus supplies belonging to the City;
- ~~45.~~ Establish and maintain programs for specification development, contract administration and inspection and acceptance, in cooperation with the departments using the supplies and services;
- ~~56.~~ Provide ongoing training and support to the City departments pertaining to procurement of supplies or services ~~under Five Thousand Dollars (\$5,000);~~
- ~~6. Execute and administer~~ 7. Administer contracts with vendors for the purchase of citywide services and supplies such as paper, office supplies, janitorial services and office equipment;
- ~~78.~~ Establish and maintain a central vendor database categorized by goods and services;
- ~~89.~~ Provide management of the Procurement Card and Single Merchant Credit Card Programs;
- ~~910.~~ Adopt operational procedures relating to the execution of any of the above duties and responsibilities.

I-2-2.03 - Purchases made by Departments

Each Department has the authority to purchase supplies, materials, equipment and services not to exceed Ten Thousand Dollars (\$10,000) or less. For supplies, materials, and equipment, the department shall use a Procurement Card or submit a Purchase Requisition to Finance for issuance of a Purchase Order. For services with a value greater than One Thousand Dollars (\$1,000), the department shall submit a Purchase Requisition to Finance for issuance of a contract and ensure compliance with insurance requirements as promulgated by the Risk Manager.

I-2-2.04 - Delegation

The Purchasing Agent may delegate authority to purchase supplies, or services, and to dispose of surplus supplies, to other City officials, if such delegation is deemed necessary for the effective procurement or disposal of those items.

Section 3 - Procurement ~~Authority~~—Methods and Procedures

~~I-2-3.01 —Purchases—~~ Selection of Five Thousand Dollars (\$5,000) or Less Solicitation Method

~~Each Requesting Department has the authority to purchase supplies and services for Five Thousand Dollars (\$5,000) or less, but must obtain three (3) quotations whenever possible to determine the best value. The Purchasing Agent shall be available to provide ongoing training and support for purchases at the Five Thousand Dollars (\$5,000) or less dollar level.~~

~~I-2-3.02 —Purchases Over Five Thousand Dollars (\$5,000) and Less Than Twenty Thousand Dollars (\$20,000)~~

~~The purchase of supplies and services in an amount over Five Thousand Dollars (\$5,000) and less than Twenty Thousand Dollars (\$20,000) may be made by the Purchasing Agent through competitive bid, using the following procedures:~~

- ~~(a) —Whenever possible, competitive bid in the open market shall be based on at least three (3) quotations.~~
- ~~(b) —The Purchasing Agent may solicit quotations from prospective vendors both on and off the vendor database. Quotations must be written and may include facsimile and electronic mail.~~
- ~~(c) —The Purchasing Agent shall keep a record of all open market orders and quotes for a period of one (1) year after the submission of quotes or placing of orders.~~
- ~~(d) —The Purchasing Agent is authorized to award a contract for less than Twenty Thousand Dollars (\$20,000) to the lowest responsive and responsible bidder.~~
- ~~(e) —If no responsive bid is received after soliciting quotations, the Purchasing Agent may proceed to purchase the supplies, hire or have services performed in the open market.~~
- ~~(f) —The provisions of Section I-2-3.02 shall not apply to purchases that do not exceed Five Thousand Dollars (\$5,000).~~
- ~~(g) —The Purchasing Agent may amend contracts or purchase orders awarded for amounts under Twenty Thousand Dollars (\$20,000) as necessary, as long as the total amount of the amended contract does not exceed Twenty Thousand Dollars (\$20,000).~~

~~I-2-3.03 —Purchases of \$20,000.00 or More~~

~~3.03-1 Formal Bid Procedures. The Purchasing Agent shall solicit bids for supplies, equipment or services of a value of \$20,000.00 or more using the following formal sealed bid procedures. The purchase of supplies, equipment or services for a value less than or equal to \$100,000.00 may be approved by the City Manager. The purchase of supplies, equipment or services for a value in excess of \$100,000.00 must be approved by the City Council.~~

- ~~(a) —A notice of invitation for bid shall include a general description of the supplies, equipment or services to be purchased, state where the bid forms and specifications may be secured, and state the final deadline and method for submitting bids. Notice shall be given as provided in Section I-2-3.05. The Purchasing Agent may also solicit sealed bids from responsible prospective suppliers and contractors whose names are not in the vendor database.~~
- ~~(b) —Bidders shall submit electronic bids through the City's eProcurement System per the instructions in the bid documents.~~

~~The Bids shall be opened at the time and date indicated in the bid document. A tabulation of all bids received shall be delivered by electronic mail to all registered bidders via the eProcurement System within 72 hours after the bid opening. A tabulation of all bids received shall be posted on the City's website for a period of not less than 30 calendar days after the bid opening.~~

~~(c) The Purchasing Agent or City Council shall have the discretion to reject any and all bids presented, and readvertise for bids.~~

~~(d) The bid shall be awarded to the lowest responsive and responsible bidder.~~

~~(e) If no responsive bid is received after soliciting bids under this section, the Purchasing Agent may proceed to purchase the supplies, equipment hire or have services performed in the open market.~~

~~3.03-2 Exceptions. The bidding procedures under Sections I-2-3.02 and I-2-3.03 may be dispensed with:~~

~~(a) In an emergency as defined in Section I-2-3.10;~~

~~(b) Where it is determined that the supply or service is available from only one source, as defined in Section I-2-3.09, Sole source procurement. The basis upon which this determination is made shall be in writing;~~

~~(c) Where supplies and services are purchased through a piggyback arrangement pursuant to Section I-2-3.07 or a cooperative purchasing arrangement pursuant to Section I-2-3.08;~~

~~(d) Where, in the best interests of the City, supplies and services are purchased through the Request for Sealed Proposals method pursuant to Section I-2-3.06.~~

~~3.03-3~~ City shall where practicable engage in competitive procurement. The Purchasing Agent shall use the following solicitation methods under the circumstances described below:

(a) Purchases which are estimated not to exceed ten thousand dollars may be made without a competitive procurement method.

(b) Request for quotes process shall be used for purchases with an estimated value of more than ten thousand dollars and no more than fifty thousand dollars.

(c) Request for proposals process shall be used for purchases of services with an estimated value of more than fifty thousand dollars and for supplies, materials and equipment when the Purchasing Agent determines that it is in the best interest of the City to do so.

(d) Request for qualifications process may only be used for purchases of professional services with an estimated value of more than fifty thousand dollars.

(e) Formal bidding process shall be used for purchases of supplies, materials and equipment with an estimated value of more than fifty thousand dollars or for services when the Purchasing Agent determines that it is in the best interest of the City to do so.

I-2-3.02 - Split Orders-

It is a violation of the Ordinance to divide the purchase of supplies or general services ~~in the amount of \$20,000.00 or more~~ into smaller orders for the purpose of evading the competitive ~~bidding~~ solicitation requirements of this ~~section~~ Chapter.

~~I-2-3.04 - Competitive Bids~~

~~Where~~

I-2-3.03 - Procurements where competitive methods are not practicable-

The City is not required to engage in competitive procurement under the following circumstances:

(a) Emergency authority of Purchasing Agent pursuant to Section I-2-3.04

(b) Public agency purchases pursuant to Section I-2-3.05

(c) Sole source procurements pursuant to Section I-2-3.06

(d) As authorized by the City Council to be in the best interest of the City

I-2-3.04 - Emergency Authority of Purchasing Agent

3.04-1 Precluding action by the City Council, the Purchasing Agent may authorize emergency purchases without observing the bidding procedures set forth in this Chapter upon a finding that such purchases are required to prevent or mitigate the loss or impairment of life, health, property, or essential public services and that there is sudden, unexpected occurrence that poses a clear and imminent danger. The Purchasing Agent may purchase supplies or services, even though the amount thereof may exceed Fifty Thousand Dollars (\$50,000), without competitive bids upon notice.

3.04-2 Not later than seven (7) days after the emergency action, or at the next succeeding City Council meeting if that meeting will occur not later than 14 days after the action, the Purchasing Agent shall submit to the City Council a written statement of the circumstances of such emergency purchase over Fifty Thousand Dollars (\$50,000), a description of the supplies or services purchased, and the prices thereof.

3.04-3 The City Council shall continue to review the emergency action at every subsequent regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless the Purchasing Agent has terminated the action prior to the City Council reviewing the emergency action.

I-2-3.05 – Public Agency Purchases

The Purchasing Agent may without observing the competitive procurement requirements prescribed by this Chapter:

- (a) Purchase or acquire any supplies, materials or equipment or services from any public or governmental body or agency; or
- (b) Joint purchasing agreements entered into by the City and one or more public agencies wherein the City is included as a potential purchaser under a competitive procurement process engaged in pursuant to the joint agreement; or
- (c) The Purchasing Agent may arrange for the City to enter into purchase contracts with a supplier or contractor for the purchase of supplies or general services, the pricing and terms of which have been previously established by another public agency or improved pricing and terms, provided that the Purchasing Agent determines that such purchase contracts are in the City's best interest; or
- (d) The Purchasing Agent may purchase supplies and services without complying with the quotation or bidding requirements of this Chapter, if such purchases are based on an agreement or entered into by any public agency or cooperative purchasing program utilizing public agency procurements as the basis for contracts offered, regardless of whether the City is a named party to the agreement or an actual participant in such a program, provided that:
 - i. The underlying purchase was made using competitive negotiation or procurement procedures, and may include a nationally bid cooperative contract; and
 - ii. The public agency is a "public agency" as defined in Government Code section 6500.

I-2-3.06 - Sole Source Procurement

A contract may be awarded without competition when the Purchasing Agent determines in writing, after conducting a good faith review of available sources, that only one viable source exists for the required supplies, material, equipment, or general service, or that there is a compelling reason for using only one source. The Purchasing Agent shall conduct negotiations, as appropriate, as to price, delivery and terms. A written statement of the basis for the sole source determination and the period of the sole source approval shall be placed in the contract file.

Not later than August 31st annually, the Purchasing Agent shall provide to the City Council a list of all sole source contracts entered into or renewed during the past fiscal year including the name of the department, description of the product or general service, vendor, and dollar amount.

~~are required, they shall be submitted electronically~~

I-2-3.07 – Request for Quotes (RFQ) Procedure

- (a) The Purchasing Agent shall issue a Request for Quotes indicating the basis of award through the City's e-procurement system and vendors known to be able to provide the supplies and services and base the award of the contract, whenever possible, on at least three (3) quotations.
- (b) Responses must be in writing as instructed in the Request for Quotes.
- (c) If no responsive quote is received after issuance of a Request for Quotes, the Purchasing Agent may proceed to purchase the supplies, hire or have services performed in the open market provided that negotiations are conducted as appropriate as to price, terms and conditions of contract award.

I-2-3.08 - Formal Bid Procedures:

- (a) A notice of invitation for bid shall include a general description of the supplies, equipment or services to be purchased, state where the bid forms and specifications may be secured and state the final deadline and method for submitting bids. Notice shall be given as provided in Section I-2-3.10.
- (b) Bidders shall submit electronic bids through the City's eProcurement System per the instructions in the bid documents. Any bid may be withdrawn by a written request signed by the bidder and received by the Purchasing Agent prior to the final time and date for the receipt of bids. ~~City's eProcurement System per the instructions in the bid documents.~~
- (c) Bids shall be opened at the time and date indicated in the bid document. A tabulation of all bids received shall be delivered by electronic mail to all registered bidders via the eProcurement System within 72 business hours after the bid opening. A tabulation of all bids received shall be made available on the City's eProcurement System or website for a period of not less than 30 calendar days after the award of the bid.
~~Where competitive bids are required, the purchase or disposal shall be made on the basis of three or more of said bids, unless the Purchasing Agent shall certify in writing that less than three prospective bidders have submitted bids or that, to the best of the Agent's knowledge, there are less than three prospective vendors from whom the supplies or services are available and that bids were invited from all of said vendors. Any bid may be withdrawn by a written request signed by the bidder and received by the Purchasing Agent prior to the final time and date for the receipt of bids.~~
- (d) The Purchasing Agent or City Council shall have the discretion to reject any and all bids presented and re-advertise for bids.
- (e) The bid shall be awarded to the lowest responsive and responsible bidder.
- (f) If no responsive bid is received after soliciting bids under this section, the Purchasing Agent may proceed to purchase the supplies, hire, or have services performed in the open market provided that negotiations are conducted as appropriate as to price, terms and conditions of contract award.

~~I-2-3.05 Competitive Bids (Notice)~~

~~For purchases under Sections I-2-3.03, Purchases of \$20,000.00 or More, and I-2-3.06,09 - Request for Sealed Proposals (RFP), where notice is required, notice shall be given by one or more of the following methods:~~

- ~~(1) Publishing notice in a newspaper of general circulation within the City on at least one occasion at least five days prior to the date set for the final receipt of bids. Provided, that publication may be made in any newspaper of general circulation in Santa Clara County which the Purchasing Agent shall select if the publication schedule of all newspapers of general circulation in the City are such that notice by publication cannot be given in time.~~
- ~~(2) Posting on the City of Milpitas website at least five days prior to the date set for the final receipt of bids.~~
- ~~(3) Through direct electronic notification via the City's eProcurement System.~~
- ~~(4) Any other manner of notice required by law for the particular goods or services to be purchased.~~

~~Nothing in this subsection shall prohibit the City from notifying suppliers and contractors of solicitations by electronic means, and nothing in this subsection shall prohibit the City from notifying suppliers and contractors who are not in the City's Vendor Database.~~

~~The notice shall include a general description of the supplies or services to be purchased or City property to be disposed; date, time and place of bid opening; and whether bonds will be required. The notice shall also include such information as to the proposed purchase or disposal as the Purchasing Agent deems sufficient to comply with relevant State law, regulation or City ordinance.~~

~~(Ord. No. 289.1, § 2, 11/7/17; Ord. No. 23.12, § 2, 5/5/09; Ord. 23.10 (part), 1/3/06)~~

~~I-2-3.06 Request for Sealed Proposals (RFP)~~

3.06) Procedure

3.09-1 The Purchasing Agent shall be authorized to utilize the request for ~~sealed~~ proposal method for purchase of supplies or services upon a determination by the Purchasing Agent that the use of competitive bidding is not practical or advantageous to the City because of one (1) or more of the following considerations:

- (a) Price is not a primary consideration;
- (b) The ability of the bidder to perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- (c) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
- (d) The quality of performance of previous contracts or services;
- (e) Quality, availability, or capability is overriding in relation to price in procurement of research, development, technical supplies or services;

- (f) Delivery and installation, post-sale service or maintenance, reliability, warranties or availability of replacements, are overriding in relation to price or need to be evaluated in relation to prices;
- (g) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- (h) The need to evaluate the utilization of a fixed-price or cost-type contract;
- (i) The need to evaluate whether the ~~market place~~ marketplace will respond better to a solicitation permitting a range of alternative proposals or evaluation and discussions of them before entering the contract;
- (j) The number and scope of conditions attached to the Solicitation.

3.0609-2 Receipt of Proposals.

No proposals shall be handled so as to permit disclosure of ~~the identity of any bidder or~~ the contents of any proposal to competing bidders during the process of negotiation. A register of proposals shall be prepared containing the name of each bidder ~~and a description sufficient to identify the item offered.~~ The register of proposals shall be open for public inspection only after contract award.

3.0609-3 Evaluation Factors.

The request for proposals shall state evaluation factors, which shall be considered the primary basis for evaluating the proposals.

3.0609-4 Discussion with Responsible Bidders and Revisions to Proposals.

Discussions may be conducted with responsible bidders who submit proposals determined to be reasonably possible of being selected for award, for the purpose of clarification to assure full understanding of, and conformance to, the solicitation requirements. All bidders shall be accorded equal treatment. Revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of the identity of the bidder or any information contained in competing offers.

3.0609-5 Award.

Award shall be made to the responsible bidder whose proposal is determined in writing to be the most advantageous to the City, taking into consideration, price, value and the evaluation factors set forth in the request for proposals.

3.0609-6 Rejection.

Without limitation to the applicability of any other provisions of this Cchapter, the Purchasing Agent or City Council may reject any and all proposals.

I-2-3.07 ~~Piggyback Procurement~~ 10 - Request for Qualifications (RFQa) Procedure

3.10-1 The Purchasing Agent ~~may arrange for the City to enter into purchase contracts with a supplier or contractor~~ shall be authorized to utilize the request for the qualification method for purchase of supplies or general professional services, the pricing and terms of which have been previously established upon a determination by another public agency, provided that the Purchasing Agent ~~determines that a "piggyback" purchase is in the City's best interest. The Purchasing Agent is required to determine and apply all of the following, prior to entering into the purchase:~~

- (1) ~~There are no local suppliers or contractors who could provide the product or service at~~ that the use of competitive rates;
- (2) ~~A copy of the solicitation has been obtained from the originating agency and reviewed for compliance with the City's Purchasing Ordinance;~~
- (3) ~~The specifications of the item or service required by the City are not materially different from those specified in the originating agency's solicitation;~~
- (4) ~~The price of the purchase is lower than that estimated for the purchase if made directly by the City pursuant to this Ordinance;~~
- (5) ~~The contract resulting from the original solicitation is current or the solicitation is within two (2) years from the date of the City's order, or written justification is provided justifying use of an older solicitation;~~

- (6) ~~No more than a ten percent (10%) variation is allowed for customizing the order or for desirable options. In addition, a cost of living adjustment (using San Francisco Oakland San Jose Consumer Price Index—All Urban Consumers) can be added for up to two (2) years; and~~
- (7) ~~The City enters into a separate contract with the vendor selected by the originating agency, and incorporates by reference the original solicitation, terms, conditions and prices.~~

~~1-2 3.08 Cooperative Procurement~~

~~3.08 1 The Purchasing Agent may purchase supplies and general services without complying with the quotation or bidding requirements of this Chapter, if such purchases are based on an agreement or cooperative purchasing program entered into by any public agency, regardless of whether the City is a named party to the agreement or an actual participant in such a program, provided that~~is not practical or advantageous to the City because of one (1) or more of the following considerations:

- (a) ~~The underlying purchase was made using competitive negotiation or bidding procedures at least as restrictive as the City's, and may include a nationally bid cooperative contract; and~~
- (b) ~~The public agency is a "public agency" as defined in Government Code section 6500.~~

~~3.08 2 In all such cases, the supplies or general~~(a) Price is not part of the scoring criteria;

(b) For establishing a pool of qualified bidders;

(c) The ability of the bidder to provide the service promptly, or within the time specified, without delay or interference;

(d) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;

(e) The quality of performance of previous services;

(f) Quality, availability, or capability is overriding in relation to price in procurement of research, development, technical services~~purchased must;~~

(g) The sufficiency of the financial resources and ability of the bidder to provide the service;

(h) The need to evaluate whether the marketplace will respond better to a solicitation permitting a range of alternative proposals or evaluation and discussions of them before entering the contract;

(j) The number and scope of conditions attached to the Solicitation.

3.10-2 Receipt of Statements of Qualifications.

No statements of qualifications ("SOQs") shall be the same handled so as to permit disclosure of the contents of any SOQs to competing bidders during the process of negotiation. A register of SOQs shall be prepared containing the name of each bidder. The register of SOQs shall be open for public inspection only after contract award.

3.10-3 Evaluation Factors.

The request for qualifications shall state evaluation factors, which shall be considered the primary basis for evaluating the SOQs.

3.10-4 Discussion with Responsible Bidders and Revisions to SOQs.

Discussions may be conducted with responsible bidders who submit SOQs determined to be reasonably possible of being selected for award, for the purpose of cost, clarification to assure full understanding of, and conformance to, the solicitation requirements. All bidders shall be accorded equal treatment. Revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of the identity of the bidder or any information contained in competing offers.

3.10-5 Award.

Award shall be made to the responsible bidder whose SOQ is determined in writing to be the most advantageous to the City, taking into consideration value and the evaluation factors set forth in the request for qualifications.

3.10-6 Rejection.

Without limitation to the applicability of any other provisions of this Chapter, the Purchasing Agent or City Council may reject any and all SOQs.

I-2-3.11 – Noticing of Solicitations for estimated Purchase of more than \$50,000

For purchases with an estimated value of more than \$50,000, where notice is required, notice shall be given by one or more of the following methods:

- (1) Publishing notice in a newspaper of general circulation within the City on at least one occasion at least five days prior to the date set for the final receipt of bids. Provided, that publication may be made in any newspaper of general circulation in Santa Clara County which the Purchasing Agent shall select if the publication schedule of all newspapers of general circulation in the City are such that notice by publication cannot be given in time.
- (2) Posting on the City of Milpitas website at least five days prior to the date set for the final receipt of bids.
- (3) Through direct electronic notification via the City's eProcurement System.
- (4) Any other manner of notice required by law for the particular goods or services to be purchased.

~~be offered at the same price as the supplies~~Nothing in this section shall prohibit the City from notifying prospective firms of solicitations by electronic means, and nothing in this section shall prohibit the City from notifying prospective firms who are not in the City's Vendor Database.

The notice shall include a general description of the goods or services to be purchased or City property to be disposed; date, time and place of bid opening; and whether bonds will be required. The notice shall also include such information as to the proposed purchase or disposal as the Purchasing Agent deems sufficient to comply with relevant State law, regulation or City ordinance.

~~services subject to the agreement or program.~~

I-2-3.12 – Use of "or equals" in specifications and testing of "equals:"

- (a) Any reference to a specific brand name followed by the term "or equal" in specifications is illustrative only. A reference to a brand name or equal describes a component best meeting the specific operational, design, performance, maintenance, quality, and reliability requirements of the City.
- (b) A bidder may offer an equivalent ("or equal") in response to a brand name or equal reference. When an "or equal" is offered, the City may test and evaluate the product prior to award of the contract and the City determines if "an equal" offered meets the specification.
- (c) At bidder's expense, bidder bears sole responsibility for providing any information, test data or document required by the City to fully evaluate the acceptability of the "or equal;" at bidder's expense, this full evaluation may require independent testing, including destructive testing, at qualified test facilities.
- (d) If the City rejects a response or part of a response containing any "or equal," the Purchasing Agent shall determine the decision in writing.

~~I-2-3.09 – Sole Source Procurement~~

~~A contract may be awarded without competition when the Purchasing Agent determines in writing, after conducting a good faith review of available sources, that there is only one (1) source for the required supply or service. The Purchasing Agent shall conduct negotiations, as appropriate, as to price, delivery and terms. A written statement of the basis for the sole source determination shall be placed in the contract file. The sole source designation shall remain effective for five (5) years unless the Purchasing Agent determines the classification is no longer warranted.~~

~~I-2-3.10 – Emergency Authority of Purchasing Agent~~

~~3.10-1 Precluding action by the City Council, the Purchasing Agent may authorize emergency purchases without observing the bidding procedures set forth in this chapter upon a finding that such purchases are required for the immediate preservation of the public health, safety, or welfare and that there is an immediate or imminent emergency. The Purchasing Agent may purchase supplies or services, even though the amount thereof may exceed Twenty Thousand Dollars (\$20,000), without competitive bids upon notice.~~

~~3.10-2 At the next succeeding City Council meeting, the Purchasing Agent shall submit to the City Council a written statement of the circumstances of such emergency purchase over Twenty Thousand Dollars (\$20,000), a description of the supplies or services purchased, and the prices thereof.~~

~~I-2-3.11 – Authority to Modify Contracts Awarded by City Council~~

The Purchasing Agent is authorized to enter into and execute for and on behalf of the City, without the prior approval of the City Council, any amendment or change order to a supply or general service contract previously approved by the Council within the following guidelines:

- (1) To extend the term of the contract, at the recommendation of the Requesting Department, for a period not to exceed six (6) consecutive months from the last Council approved expiration date;
- (a) (2) To make minor revisions to the scope of services or schedule;
- (b) (3) To make clerical corrections; or
- (c) (4) The Purchasing Agent may also approve and sign assignments of contracts previously approved by the City Council when he or she has determined that the proposed assignee has the ability, capacity, experience and skill and is otherwise qualified to perform the contract.

All modifications to contracts, including, but not limited to, changes to the scope of the work, quantity of goods, price or term shall be made in writing and approved by the Requesting Department. Amendments or change orders are permitted only if the modification would not cause the contract to exceed the monetary limits defined below:

Individual Change Order Authority	Cumulative Change Order Authority
10% of Award or \$5,000 whichever is less	15% of Award or \$7,500 whichever is less
10% of Award or \$10,000 whichever is less	15% of Award or \$20,000 whichever is less

All contract changes must be reflected on the Purchase Order and/or contract amendment. All other changes outside the parameters defined in this section must be approved by the City Council.

- (5) This subsection does not apply to contracts for professional services.

I-2-3.12 - Contracting for Consultants

~~3.12-1 The City Council finds and declares that the competitive bid process is ill suited for the selection of consultants.~~ 3.12-1 Consultants are required for professional or technical expertise and for matters requiring specialized abilities or a high degree of skill. Their numbers (in relation to a particular skill or expertise required) are comparatively limited. Where consultants are involved, the bidding process is not likely to result in a lower price to the City or eliminate unnecessary expense or delay. However, the request for proposals (RFP) process established in I-2-3.08, the request for qualifications (RFQa) process established in I-2-3.09, or a similar process based on evaluating consultant qualifications, is better suited.

~~3.12-2 The requesting department shall be empowered to engage a consultant (including, but not limited to, material testing services and construction inspection services) without the necessity of competitive bidding or notice thereof:~~

- ~~(a) Without City Council approval if the consultant's total fee for materials and services under the contract by which the consultant is engaged does not exceed \$100,000.00.~~
- ~~(b) With City Council approval if the consultant's total fee for materials and services under the contract by which the consultant is engaged exceeds \$100,000.00.~~

~~3.12-3~~ Architects, Engineers and Land Surveyors.

In addition to the provisions of ~~paragraphs~~paragraph ~~3.12-1 and 3.12-2~~ of this ~~subsection~~section, the following requirements shall be applicable to the selection of architects, engineers and land surveyors.

- (a) The requesting department or division head shall negotiate a contract with the ~~best qualified firm for~~firm that possesses the demonstrated competence and professional qualifications for the required architectural, engineering and land-surveying services.
- (b) Should the requesting department or division head be unable to negotiate a satisfactory contract with the firm considered to be ~~the most~~competent and qualified, at a price determined to be fair and reasonable, negotiations with that firm shall be formally terminated. The requesting department or division head shall then undertake negotiations with the second most qualified firm. Failing accord with the second

most qualified firm, the requesting department or division head shall formally terminate negotiations. The requesting department or division head shall then undertake negotiations with the third most qualified firm.

- (c) Should the requesting department or division head be unable to negotiate a satisfactory contract with any of the selected firms, the requesting department or division head shall select additional firms in order of their competence and ~~qualification~~, qualifications and continue negotiation until an agreement is reached.

I-2-3.13 - Standardization

3.13-1 Where the Purchasing Agent has determined that it is required for the health, safety or welfare of the people or employees of the ~~city~~City, or that ~~significant~~ cost savings have been demonstrated, standardization of supplies, materials or equipment, including information and communication technology products and services, for purchase or to be used in a public works project, shall be considered. The specifications may stipulate a single brand or trade name. Among the factors that may be considered in determining to standardize on a single brand or trade name are that:

- ~~i. (a) — Repair or maintenance costs would be minimized;~~
- ~~(a) (b) — Training of user~~ In order to acquire a specific product(s) for the purpose of conducting a field test or experiment to determine the product's suitability for use by the City.
- ~~(b) When it is required for proper operation or function to match other products with respect to the repair or expansion or completion of a system or program already in use by the City, including, but not limited to, technology purchases required to achieve interoperability with existing hardware, software, systems or programs.~~
- ~~(c) In order to achieve significant cost savings based upon consideration of the following cost factors:~~
 - ~~1. Timeliness and/or quality of installation, repair and maintenance personnel would be simplified; ;~~
 - ~~2. (e) — Quality of user training;~~
 - ~~2.3. Supplies or spare and replacement parts would be readily available; ;~~
 - ~~4. (d) — Modifications to Modification of existing equipment would not, materials or systems;~~
 - ~~5. Future upgrades and updates;~~
 - ~~6. Estimated amount and cost of reasonably foreseeable future purchases of equipment that would be required to be compatible or functional with the product which is the subject of the standardization determination.~~
 - ~~7. Administrative costs.~~

3.13-2 The Purchasing Agent's written decision shall state the facts reviewed in arriving at the decision, the reasons for the decision, the period of time for which it is valid for making purchases and under what conditions it must be reviewed for possible revision. A copy of the Purchasing Agent's decision shall be ~~necessary~~; attached to any report to the City council seeking approval of a purchase under this section.

- ~~(e) — Matching existing supplies, materials or equipment is required for proper operation of a particular piece of equipment or City program.~~

3.13-~~23~~ Available Competition.

When there is more than one (1) source for the standardized supply or service, competitive ~~bidding~~procurement in accordance with Sections I-2-3.~~02 Purchases of Over Five Thousand Dollars (\$5,000) and Less than Twenty Thousand Dollars (\$20,000) and~~06, I-2-3.~~03 Purchases of Twenty Thousand Dollars (\$20,000) or More~~07 and I-2-3.08 is required.

3.13-~~3~~ Approval. ~~The 4 Annual Report.~~

Not later than August 31st annually, the Purchasing Agent shall provide to the City Council ~~has the final authority to approve~~ a list of all standardizations approved during the past fiscal year including the product, manufacturer, and reasons for the standardization of supplies or services based on the recommendation of staff. ~~The standardization shall be valid for no more than ten (10) years, but may be revised sooner if the Purchasing Agent or requesting department can show substantial justification for an earlier revision. (Ord. 23.10 (part), 1/3/06)~~ as authorized in this section.

I-2-3.14 - Local Purchasing Preference

3.14-1 Application of Local Preference.

The provisions of this section and the local preference established pursuant to this section shall be applicable to the following types of purchases or contracts executed in excess of ~~Five~~Ten Thousand Dollars (\$~~5~~10,000) and pursuant to either a formal or an informal bid:

- (a) Purchases or contracts for the purchase of supplies, materials and equipment; and
- (b) Purchases or contracts for ~~nonprofessional~~ services that are not otherwise of the kind contemplated by Section I-2-3.~~12~~11.

3.14-2 Exceptions to the Application of Local Preference.

The provisions of this section and the local preference established pursuant to this section shall not be applicable to the following types of purchases or contracts:

- (a) Purchases or contracts for professional services of the kind contemplated by Section I-2-3.~~12~~11;
- (b) Public works contracts;
- (c) Emergency purchases made pursuant to Section I-2-3.~~10~~03;
- (d) Sole source purchases made by the Purchasing Agent pursuant to Section I-2-3.~~09~~05;
- (e) ~~Piggyback~~Public Agency purchases made by the Purchasing Agent pursuant to Section I-2-3.~~07~~04;
- ~~(f) Cooperative purchases made by the Purchasing Agent pursuant to Section I-2-3.08;~~
- ~~(g)~~ Purchases or contracts where legal constraints on the expenditure of funds prohibit the application of the local preference or those contracts funded by the federal or state government, including federal or state grant funding, when such funding would be jeopardized by application of the local preference.

3.14-3 Reduction of Bid by Eligible Local Provider; Procedure for Applying the Local Preference.

In contracting for ~~equipment, materials~~, supplies or services as specifically set forth in this section, the City shall grant preference to a local provider who submits a bid within ten percent (10%) of the lowest responsible bidder and who is otherwise responsive and responsible to the invitation for bids, which preference shall allow the local provider the opportunity to reduce its bid to an amount equal to the amount of the lowest responsible bid, if the lowest responsible bid is submitted by other than an Eligible Local Provider. In the event an Eligible Local Provider reduces its bid to the amount of the lowest responsible bid, the Eligible Local Provider shall be deemed to have provided the lowest responsible bid and shall be awarded the contract.

- (a) The preference and opportunity to reduce the amount of the bid shall be provided first to the lowest Eligible Local Provider and, if not accepted by such Eligible Local Provider within five (5) business days of the opening of the bids, then to each successive Eligible Local Provider who is within ten percent (10%) of the lowest responsible bid, in ascending order of the amount of the bids.
- (b) The local provider shall certify under penalty of perjury, as a part of its bid and in a form and manner as required by the City, that the bidder qualifies as a local provider. The preference established in this section shall be waived if the certification does not appear on the respective bid.

3.14-4 No Exemption from Local Sales Tax.

The application of a local preference as set forth in this section shall not exempt any Eligible Local Provider to which a contract is executed or awarded from having to pay all applicable federal, state or local sales tax.

I-2-3.15 - Recycled Product Procurement

3.15-1 The City of Milpitas is committed to the conservation and protection of state and local resources; therefore, bidders able to supply recycled products and products containing recycled and environmentally preferable materials that meet performance requirements are encouraged to offer them in bids and proposals. The Purchasing Agent shall purchase recycled products whenever they are available at the same total cost and the fitness and quality are equal to or better than that of ~~nonrecycled~~non-recycled products.

- ~~(a) The City shall require all businesses doing business with the City to certify in writing the minimum, if not exact, percentage of postconsumer materials in the products or supplies offered or sold to the City. All contract provisions impeding the consideration of recycled products shall be deleted in favor of performance standards.~~

~~(b) With respect to printer or duplication cartridges, a certification from the vendor is required to specify that the cartridges are remanufactured and are in compliance with the requirements of Section 12156 (e) of the Public Contract Code.~~

~~(e)(a)~~ The City shall require contractors and consultants to use environmentally preferable products, and use products manufactured with the maximum practicable amount of post-consumer material, whenever cost effective and to the extent practicable.

~~(d) The City shall ensure that they and their contractors use recycled paper in printed material that bears an imprint identifying the recycled content of the paper, whenever practicable.~~

~~(e)(b)~~ The City shall ensure that they and their contractors use both sides of paper sheets whenever practicable.

~~(f)(c)~~ To the extent possible, the recycled product preference cost shall apply to the bids where the City has made multiple awards, so as to maximize the dollar participation of firms offering recycled products.

~~(b)(d) (g) All~~ To the extent possible, all printing contracts made by the City shall specify that the paper used shall meet the recycled content requirement of thirty percent (30%) postconsumer fiber ~~as specified in Section 12209 of the Public Contract Code.~~

~~(h)(e)~~ The City may specify recycled content at levels higher than the minimum content standards.

3.15-2 ~~The~~ Where the use of recycled products is designated, the Purchasing Agent ~~s~~ shall:

(a) Maintain a list of designated recycled products that contain ~~the maximum~~ a practicable amount of recovered material and are consistent with State and Federal guidelines and ~~shall~~ coordinate with all departments to purchase environmentally preferable products whenever practicable.

(b) ~~Grant~~ Where the contract is competitively solicited, grant the supplier of recycled products with a minimum of 10% recycled content in its product(s) a preference of ten percent (10%) based on the bid or price quoted by supplier of recycled products when determining the lowest responsive and responsible ~~bidder~~ or highest ranked bidder depending upon procurement process used.

~~(e)(b)~~ Inform Departments of processes and procedures that are environmentally preferable in order to facilitate their evaluation and use by the Departments whenever practicable.

~~(e)(c)~~ Monitor contracting procedures to ensure that they do not discriminate against recycled products without justification, and that they maximize the specification of designated recycled products whenever practicable.

I-2-3.15 – Testing and Inspection of Samples

3.15-1 The Purchasing Agent may require vendors to provide samples to be tested and inspected as part of the applicable procurement process. The Purchasing Agent shall have the authority to require chemical, physical, or other tests of samples submitted with bids which are necessary to determine quality and conformance to the specifications. In the performance of such tests, the Purchasing Agent shall have the authority to make use of laboratory facilities of any department of the City or any outside laboratory at the bidder's expense.

I-2-3.16 - Brand Names or Equal Specification

~~3.16-1 Purpose and Use. Brand name or equal specifications may be used when the Purchasing Agent determines that:~~

~~(a) No other design or performance specification or qualified products list is available;~~

~~(b) Time does not permit the preparation of another form of purchase description, not including a brand name specification;~~

~~(c) The nature of the product or the nature of the City's requirements makes use of a brand name or equal specification suitable for the procurement; or~~

~~(d) Use of a brand name or equal specification is in the City's best interests.~~

~~3.16-2 Designation of Brand Names.~~

~~(a) Brand name or equal specifications shall state that substantially equivalent products to those designated will be considered for award.~~

~~(b) Where a brand name or equal specification is used in a solicitation, the solicitation shall contain explanatory language that the use of a brand name is for the purpose of describing the standard of quality, performance and characteristics desired and is not intended to limit or restrict competition.~~

I-2-3.17 – Waiver of Informalities: Rejection of Bids Responses

Where the Purchasing Agent or City Council are required to make purchases upon competitive ~~bids~~solicitations, said Purchasing Agent or City Council may waive any informalities or minor irregularities related to the procurement process, solicitation documents or responses or may reject any and all ~~bids~~responses (anything herein contained to the contrary notwithstanding) if said Purchasing Agent or City Council deems said rejection to be in the best interests of the City. Said rejection shall be at the sole discretion of the Purchasing Agent or City Council, as the case may be. Upon rejection of ~~bids~~responses, the Purchasing Agent or the City Council, as the case may be, may:

- (1) Give subsequent notice for a new competitive ~~bids~~solicitation;
- (2) Postpone said purchase or disposal definitely or indefinitely; or
- (3) Elect to make the purchase without competitive ~~bids~~solicitation, upon notice (and as if a competitive ~~bids~~solicitation, upon notice, had not been required in the first instance) in accordance with the authority granted by the various subsections of this sSection.

I-2-3.17 – Insurance and Bonds

- (a) The Purchasing Agent is authorized to require vendors to provide insurance and surety bonds for contracts. Where required, the bidder shall submit insurance or surety bonds, or both, acceptable to the City.
- (b) Where required by the Purchasing Agent, all responses to solicitations shall include such bidders' security as is required by the solicitation documents and shall be presented under sealed cover. If the successful bidder fails to execute the contract within the time specified in the notice inviting bids or in the specifications referred to therein, the bidders' security may be declared forfeited by the Purchasing Agent to the City, and any bonds so forfeited may be prosecuted and collected and the amount of the security paid into the general fund. Unsuccessful bidders shall be entitled to return of their bidders' security. The form and amount of such security shall be described in the notice inviting responses or in the specifications referred to therein.
- (c) To secure faithful performance of the contract, the Purchasing Agent is authorized to require security in the form of cash, cashier's check, certified checks, or corporate faithful performance bonds, in such amount as the Purchasing Agent shall deem reasonably necessary to protect the best interests of the City. If the Purchasing Agent requires such security, the form and amount thereof shall be described in the notice inviting responses or in the specifications referred to therein. Unless otherwise required by law or the funding source, the Purchasing Agent need not require such security if the Purchasing Agent does not deem such to be reasonably necessary to protect the best interest of the City, or if the Purchasing Agent believes the interests of the City are best served by not requiring the same.

I-2-3.18 –~~Bonds~~

~~When deemed necessary by the Purchasing Agent or City Attorney, any person entering into a contract with the City may be required to furnish bid, labor and materials, and/or performance bonds for supply or service contracts as required by law or as deemed advisable to protect the City's interests. All bond requirements shall be set forth in the solicitation. Bonds shall not be used as a substitute for a determination of a bidder's responsibility. Said person (and his surety, if a bond is furnished) shall be liable for any damages upon said bidder's failure to faithfully perform the terms of his contract.~~

I-2-3.19 –~~Bid~~ Protest Procedure

~~3.19~~18-1 Any interested party may file a protest to ~~an~~ a proposed award of ~~bid~~a contract in an amount over Five~~Ten~~ Thousand Dollars (\$5~~10~~,000). The protest shall be filed with the Purchasing Agent in writing no later than ~~ten~~(10~~seven~~ 7) calendar days after the posting of the intent to award and shall set forth the basis for the protest and any proposed remedy. ~~The time to file a protest shall commence when the award is posted on the City's website.~~

~~3.19-2~~ If a protest is filed, the award shall be suspended until the Purchasing Agent determines the validity of the protest, unless the Purchasing Agent determines that the purchase or services of the award must proceed prior to the protest hearing in order to protect the public health, safety and welfare.

~~3.19-3 The Purchasing Agent shall hear~~3.21-2 The Purchasing Agent will review the protest as soon as possible and ~~shall notify interested parties of the date, time and place for the protest hearing. Notice may be provided in writing by fax, email, or mail.~~

~~3.19-4 The Purchasing Agent shall hear such evidence as the Purchasing Agent deems relevant. The protest hearing shall be voice recorded. The decision of the Purchasing Agent shall be made as soon as possible. Notice of the decision shall be provided in any manner that the original notice of hearing may be given.~~will provide a written response to the protestor. The Purchasing Agent's decision on a bid protest for a procurement in an amount ~~lessno more~~ than ~~TwentyFifty~~ Thousand Dollars (\$~~2050~~,000) shall be final.

~~3.19-518-3 For procurements having a value of Twenty~~more than Fifty Thousand Dollars (\$~~2050~~,000)~~or more, an appeal of the Purchasing Agent's decision may be filed with~~, the City Council.~~All such appeals must be in writing, and shall be filed with the City Clerk within ten (10) calendar days of serving the Purchasing Agent's decision~~will consider the protest and take action thereupon, which action shall be final.

I-2-3.2019 - Public Works Contract Purchasing Procedures

3.2019-1 Definitions.

For the purposes of this Section I-2-3.2019 the following words and phrases shall have the following meanings:

1. Act means the Uniform Public Construction Cost Accounting Act (California Public Contracts Code ~~Section~~section 22000 et seq.).
2. Commission means the California Uniform Construction Cost Accounting Commission.
3. Facility means any plant, building, structure, ground facility, utility system, subject to the limitation of subsection 4 of the definition for public project below, real property, streets and highways, or other public works improvement.
4. Public project has the meaning assigned to it under Public Contract Code ~~Section~~section 22002, as it may be amended from time to time.

3.2019-2 Public Project Contracting Procedures.

The City shall follow the contracting procedures set forth in Article 3 of Act (Public Contract Code ~~Section~~section 22030 et seq.). The City shall procure public projects by force account, negotiated contract, purchase order, informal bidding or formal bidding as required in accordance with the applicable dollar amount limitations under Section 22032 of the Act, as it may be amended from time to time.

3.2019-3 Contractors List.

The Directors of Engineering and Public Works, in coordination with the City's Purchasing Agent, shall compile and maintain a list of qualified contractors identified according to categories of work. This list shall comply with the requirements of Section 22034 of the Act and the criteria promulgated, from time to time, by the Commission.

3.2019-4 Informal Bidding - Notice.

- (a) When a public project is to be performed which qualifies for informal bidding, notice of such project shall be given as follows unless an exception to competitive bidding applies:
 - (1) Mailed notice shall be sent to all contractors on the contractors list for the category of work being bid; and
 - (2) Mailed notice shall be given to all construction trade journals specified by the Commission for the receipt of such notice for Santa Clara County; and
 - (3) Additional notice to other contractors and/or trade journals may, in the discretion of the City, be given.
- (b) If the product or service to be acquired is proprietary in nature such that it can only be obtained from a certain contractor or contractors, notice inviting bids may be sent only to such contractor or contractors.

- (c) All mailing of notices to contractors and construction trade journals shall be completed not less than ten days before bids are due.
- (d) The notice shall describe the project in general terms, how to obtain more detailed information about the project and shall state the time and place for submission of bids.

3.2019-5 Formal Bidding—Notice.

- (a) When a public project is to be performed that requires formal bidding, notice of such project shall be given as follows unless an exception to competitive bidding applies:
 - (1) The notice shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project.
 - (2) The notice shall be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the City; or, if there is no newspaper printed and published within the jurisdiction of the City, in a newspaper of general circulation which is circulated within the City.
 - (3) The notice inviting formal bids shall also be mailed to all construction trade journals specified by the Commission for the receipt of such notice for Santa Clara County. The notice shall be mailed at least 15 calendar days before the date of opening the bids.

3.2019-6 Award of Contracts.

The City Manager is authorized to award contracts for public projects ~~consistent with the contract authority under I-4 2.00:~~ of less than or equal to one-hundred thousand dollars.

3.2019-7 Rejection of Bids.

The City Manager or the City Council, as the case may be, may, in the Manager's or Council's discretion, reject all bids and proceed as authorized by the Act.

3.2019-8 Approval of Plans and Designs.

The City Engineer, or designee, is authorized to approve plans and designs, and all amendments and addenda thereto, for performance of a public project of the City.

I-2-3.20 - Authority to Modify Contracts Awarded by City Council

The Purchasing Agent is authorized to enter into and execute for and on behalf of the City, without the prior approval of the City Council, any amendment or change order to a supply or service contract previously approved by the Council within the following guidelines:

- (a) To extend the term of the contract, at the recommendation of the Requesting Department, for a period not to exceed twelve (12) consecutive months from the last Council-approved expiration date;
- (b) To make minor revisions to the scope of services or schedule;
- (c) To make clerical corrections; or
- (d) The Purchasing Agent may also approve and sign assignments of contracts previously approved by the City Council when he or she has determined that the proposed assignee has the ability, capacity, experience and skill and is otherwise qualified to perform the contract.

All modifications to contracts, including, but not limited to, changes to the scope of the work, quantity of goods, price or term shall be made in writing and approved by the Requesting Department. Amendments or change orders are permitted only if the modification would not cause the contract to exceed the monetary limits defined below:

<u>Contract Amount</u>	<u>Individual Change Order Authority</u>	<u>Cumulative Change Order Authority</u>
<u>Under \$100,000</u>	<u>10% of Award or \$10,000 whichever is less</u>	<u>15% of Award or \$15,000 whichever is less</u>
<u>Over \$100,000</u>	<u>10% of Award or \$20,000 whichever is less</u>	<u>15% of Award or \$40,000 whichever is less</u>

All contract changes must be reflected on the Purchase Order and/or contract amendment. All other changes outside the parameters defined in this section must be approved by the City Council.

Section 4 - Purchase Orders

~~I-2-4.01 - Purchases Over Five Thousand Dollars (\$5,000) Must Be in Writing~~ No I-2-4.01 – Purchase Order Requirement.

Except as otherwise approved by the Purchasing Agent or pursuant to Section I-2-2.03, no contract award for supplies or services ~~or the disposal of City property where the total expenditure or value is over Five Thousand Dollars (\$5,000) shall be deemed to be an acceptance of any offer or bid unless and until the same is reduced to writing and signed by the Purchasing Agent and dispatched~~ authorization to the vendor or purchaser. It is a violation of the ordinance to divide the purchase of supplies or ~~general services or the disposal of City property in an amount over Five Thousand Dollars (\$5,000) into smaller orders for the purpose of evading the~~ proceed with provision of the ~~requirements of this section~~ is appropriately authorized and issued.

~~I-2-4.02 - Preparation~~ Issuance of Purchase Orders.

Upon ascertaining the price to be paid for supplies or services, the Purchasing Agent shall ~~prepare~~ issue a purchase order. The Purchasing Agent shall forward the original purchase order to the vendor, retaining one (1) copy for his purchase order file. He shall likewise forward one (1) copy of the purchase order to the requesting department to be used as a receiving report.

~~I-2-4.03 - Sufficient Funds Must be Available.~~

No purchase order shall be issued until it has been ascertained that there is to the credit of the requesting department a sufficient unencumbered appropriated balance in excess of all unpaid obligations to defray the amount of such order.

~~I-2-4.04 - Exceptions to Purchase Orders~~

~~Payments for annual maintenance, upgrades or subscriptions for computer hardware and/or software that has already been purchased pursuant to this chapter shall not require a purchase order for the payment to be issued.~~

Section 5 - Receipt of Goods and Services

~~I-2-5.01 - Department Head Responsible for Checking Quality~~ and Contract Management.

Upon receipt by any Department of supplies or services, the Department head or designee, shall be responsible for the making of a careful check of the quality, condition, and quantity of goods received against a copy of the purchase order and the packing list, when applicable, or services rendered as specified in the contract.

~~I-2-5.02 - Department Head Responsible for Checking Invoice.~~

The Department head or designee, upon receipt of a vendor's invoice, shall check the invoice for correctness of quantities, unit prices, price extensions, discounts, transportation, allowances, ~~etc.~~ services rendered, hourly rates etc. When applicable, the Department head or designee shall compare the same with the purchase order and packing list. Approved invoices shall be forwarded to Accounts Payable for payment processing.

Section 6 - Inspections

~~I-2-6.01 - Department Head's Inspection.~~

The Department head or designee shall inspect, or cause to be inspected, all deliveries of supplies or services to determine their conformance to specifications. The Department head or designee shall have the authority to require chemical, physical, or other tests of samples ~~submitted with bids and samples~~ of deliveries which are necessary to determine quality and conformance to the specifications. In the performance of such tests, the Department head or designee shall have the authority to make use of laboratory facilities of any department of the City or any outside laboratory at the vendor's expense.

Section 7 - ~~Storing of Materials~~

~~I-2-7.01—Storerooms and Warehouses~~

~~The Purchasing Agent shall control and supervise the Purchasing warehouses of the City of Milpitas. The Purchasing Agent shall be responsible and accountable for all supplies in his or her custody and shall maintain a suitable inventory record thereof. (Ord. 23.10 (part), 1/3/06)~~

~~Section 8—Disposal of City Property~~

~~I-2-87.01 - Disposal of Property with an Estimated Value of Five Thousand Dollars (\$5,000) or Less.~~

Except as otherwise provided by State law or City ordinance, the Purchasing Agent or designee shall be empowered to dispose of property of the City, including abandoned property, which cannot be used by any department of the City, at public or private sale or by renting or destroying the same, (all with or without notice, competitive bid or necessity of posting bid bonds, at the Purchasing ~~Agent's~~Agent or designee's discretion, and upon such terms as he or she deems best) provided any single item of property involved does not exceed Five Thousand Dollars (\$5,000) in estimated current market value.

~~I-2-87.02 — Deposit.~~

The Purchasing Agent or designee may, in his or her discretion, require that a deposit in the amount of the bid or any fraction thereof accompany each bid upon the disposal of City property.

~~I-2-87.03 - Disposal of Property with an Estimated Value of More Than Five Thousand Dollars \$5,000.~~

In the event that the estimated value of any single item of property exceeds Five Thousand Dollars (\$5,000) in current market value, the City Council may, upon notice, empower the Purchasing Agent to dispose of it (in accordance with the same terms and conditions and subject to the same discretion and limitations as if it were estimated at Five Thousand Dollars (\$5,000) or less in value). Alternatively, the City Council may elect to sell, rent or destroy the same in accordance with whatever provisions, terms and conditions the City Council may elect.

~~I-2-87.04 - Retired K-9 Units and Firearms.~~

~~Council finds that retired police dogs of the Police Department's K-9 unit have no value to the City of Milpitas and are a financial liability and detriment. Accordingly, said police dogs may be returned to the original supplier, the animal's handler or former handler without compensation. This subsection constitutes an exception to this Section.~~

Notwithstanding the other provisions of this Chapter, the City Manager or designee is authorized to determine the disposition of:

(a) police service dogs including:

- (1) sale or donation of the police service dog to the assigned police officer when the officer leaves the canine unit or if the police service dog can no longer perform its required duties;
- (2) the original supplier; or
- (3) any other method that best serves the interests of the City; and

(b) surplus firearms including:

- (1) sale or donation to a law enforcement agency;
- (2) sale to an authorized firearms retailer;
- (3) sale or donation to an active or retired sworn member of the police department consistent with the Memorandum of Understanding between the City and the Milpitas Police Officers Association; or
- (4) destruction if no safe alternative is available.

Section ~~98~~ – Claims

~~I-2-98.01 - Filing of Claims.~~

Claims for loss, damage, breakage, shortage or otherwise, claims for refund, claims for adjustment, and claims for insurance or other indemnity shall be made promptly by the Purchasing Agent.

Section ~~109~~ - Ethics in Public Purchasing

I-2-~~109~~.01 - Ethics in Public Purchasing.

Every employee participating in the procurement, management, storage, and use of supplies or services purchased by the City for its benefit shall adhere to the following principles:

- (1) ~~___~~ — City employees shall not obligate the City, financially or otherwise, by any means, including, but not limited to, purchase orders and contracts, when the employee has a personal, material, financial, or other interest in the obligation.
- (2) ~~___~~ — City employees shall not accept any form of gratuities.
- (3) ~~___~~ — City employees may not accept discounts, reward points, sales, reduced prices, or other benefits offered for personal purchases by suppliers because of employee's relationship with the City.
- (4) ~~___~~ — City employees shall be personally liable for any unauthorized procurements.

Section ~~110~~ - Severability

I-2-~~110~~.01 ~~—~~ Severability.

If any provisions of this ~~C~~chapter or any application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or application of this ~~C~~chapter that can be given effect without the invalid provisions or application, and to this end, the provisions of this ~~C~~chapter are declared to be severable.

Section ~~1211~~ - Exclusions from Chapter

I-2-~~1211~~.01 - Exclusions from Chapter.

The provisions of this Chapter shall not apply to items that typically cannot be bid or that the City Council has chosen to exclude from bidding. The following list is exemplary of these types of items and/or services, but is not intended to be all inclusive.

~~12.01-1 To public projects (separately governed by the provisions of the California Public Contract Code);~~

~~12.01-2~~11.01-1 To franchises governed by the provisions of the California Public Utilities Code or other statute of the State of California;

~~1211.01-3~~ Where State or Federal law requires a different procedure;

~~1211.01-4~~ To franchises, rights, privileges, licenses and permits granted by the City of Milpitas (including, but not limited to, franchises, rights and privileges granted for refuse disposal under Title V, Chapter 200 of the Milpitas Municipal Code and the Cable Franchise under Title III, Chapter 22 of the Milpitas Municipal Code;

~~1211.01-4~~ To the purchase of insurance;

11.01-5 To the purchase of ~~insurance~~art;

~~1211.01-6~~ To the ~~purchase of art~~;

~~12.01-7~~ To the leasing, purchase or sale of land or any interest therein;

~~1211.01-8~~ To the hiring of or contracting for personnel (whether as temporary, seasonal or permanent employees, agents or independent contractors);

~~1211.01-9~~ To the purchase of utilities, including, but not limited to telephone service, gas, electricity or water;

~~1211.01-10~~ To the purchase of securities for the City's investment portfolio subject to the City's investment policy.

~~1211.01-1110~~ To the payments of debt service and bond indebtedness; arbitrage compliance; refunds of deposits; payments and/or pass through of collections on behalf of other governmental agencies; budget approved memberships and dues; authorized Community Development Block Grants (CDBG); memorandum of understanding obligations; budget approved contributions to not-for-profit organizations; United States Postal Service postage; City Council approved ~~recreation grants~~grant programs; employee travel expenses.

SECTION 4. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance shall take effect thirty (30) days from and after the date of its passage. 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:	Introduce Ordinance No. 65.150 Regarding Responsible Construction
Category:	Leadership and Support Services
Meeting Date:	11/17/2020
Staff Contacts:	Christopher J. Diaz, City Attorney 408-586-3040 Steve McHarris, City Manager 408-586-3059
Recommendation:	Following the reading of the title by the City Attorney, move to waive the first reading beyond the title and introduce Ordinance No. 65.150, adding Chapter 32 (Responsible Construction) to Title III of the Milpitas Municipal Code.

Background:

At the August 4, 2020, City Council meeting, the City Council unanimously agreed to direct staff to return with a draft Responsible Construction Ordinance as requested by Mayor Rich Tran and Councilmember Anthony Phan. In general, the draft Responsible Construction Ordinance would impose certain provisions requiring private developers receiving financial assistance from the City involved in construction, alteration, and/or demolition work within the City, valued in excess of \$500,000, to file disclosure forms with the City confirming their contractors and subcontractors have no unpaid wage theft or other judgments or outstanding violations.

Analysis:

The Responsible Construction Ordinance would impose on any "Covered Party," as defined in the Ordinance to include any private developer or building permit holder receiving financial assistance from the City (with the exception of any owner working on their own residence), the requirement that it ensure that any contractor or subcontractor performing work in excess of \$500,000 on a "Major Construction Project," as defined in the Ordinance, disclose:

- any wage theft violations in the five years prior;
- any citations or penalties imposed by the U.S. Department of Labor, the California Department of Industrial Relations, the California Labor Commissioner's Office, or the California Division of Occupational Safety and Health in the five years prior;
- any cause findings by the California Department of Fair Employment and Housing or the U.S. Equal Employment Opportunity Commission for the laws enforced by those agencies during the five years prior;
- any liability for failing to maintain worker's compensation insurance, or any fraudulent activity related to worker's compensation insurance, in the five years prior;
- any liability for retaliating or discriminating against a worker for making a complaint about a violation of laws enforced by the U.S. Department of Labor, the California Department of Industrial Relations, the California Department of Fair Employment and Housing, or the U.S. Equal Employment Opportunity Commission during the five years prior;
- any liability for failing to pay any payroll taxes during the five years prior;
- any liability for violating any laws relating to human trafficking during the five years prior;
- whether the contractor or subcontractor has been found by the Contractors State License Board to have performed covered work without a contractor's license or to have performed work without the appropriate license for the classification of work during the five years prior;

- whether any judgments, decisions, determinations, orders, or citations have been issued against the contractor or subcontractor by a court of law, an administrative agency authorized to enforce applicable federal, state and local labor standards laws, including but not limited to, the Federal Fair Labor Standards Act, the California Labor Code, the City of Milpitas minimum wage ordinance or prevailing wage requirements, an arbitrator, or an arbitration panel that a) require the payment of money by the contractor or subcontractor, b) have not been fully satisfied, and c) are no longer subject to appeal; and
- whether enforcement of any unsatisfied judgments, decisions, determinations, orders, or citations issued against the contractor or subcontractor have been stayed by court order or operation of law.

In addition to the disclosure requirements detailed above, a “Covered Party” and its contractors are also required to provide access to the project site, project records, and the workers to ensure compliance with the Ordinance.

In order to enforce the Ordinance, it imposes a fine of up to \$1,000 for each violation. The City could also enforce the Ordinance through the existing Administrative Citation provisions in the City’s Municipal Code. Finally, the City has the right to require the Covered Party to re-pay any City financial assistance provided if they are found to have an unsatisfied judgment.

It is important to note that staff is currently not trained in investigating potential complaints of non-compliance and the disclosure requirements outlined in the ordinance nor is staff time dedicated to handle potential complaints. It would require extensive resources to learn and understand the body of work related to the Ordinance. Therefore, prior to adoption of the Ordinance, staff had intended to contract with the City of San Jose for responding to complaints of non-compliance, which may require funding. The City of San Jose Office of Equality Assurance has over 20 years of experience with various construction-related wage compliance issues. However, at this time San Jose has not adopted a similar ordinance nor does it have an anticipated date of adoption so staff will need to explore other contractual options for enforcement. Staff has also not conducted robust outreach on this ordinance. Thus, staff is recommending bringing back additional information related to enforcement program and costs and community outreach, prior to ordinance adoption.

Policy Alternatives:

Alternative 1: The City Council could choose not to introduce the Ordinance.

Pros: The City will not need to develop an enforcement program and incur associated costs for enforcement.

Cons: If the City Council does not introduce the Ordinance, the Responsible Construction Ordinance provisions will not become law in Milpitas in the future.

Reason not recommended: The City Council directed that the Ordinance return at a future City Council meeting, and staff is bringing this Ordinance forward per the City Council’s request.

Alternative 2: Do not require additional information about enforcement and outreach efforts prior to adoption of the Ordinance.

Pros: The City will be able to move forward on this Ordinance in an expeditious manner.

Cons: The enforcement program and associated costs have not been determined. The City has also not engaged in stakeholder outreach.

Reason not recommended: Staff still needs to explore enforcement options, determine associated costs as well as conduct stakeholder outreach which may inform the Ordinance as currently written and prompt additional staff recommendations for effective enforcement of the Ordinance upon adoption.

Fiscal Impact:

Introduction and adoption of the Ordinance in itself would not lead to any financial impact; however, enforcement of the Ordinance would lead to a financial impact on the City in terms of staff time or other costs if the City opts to delegate enforcement to a neighboring agency pursuant to a contractual arrangement.

California Environmental Quality Act:

The introduction and adoption of this Ordinance is not a project subject to the California Environmental Quality Act (CEQA) as it can be seen with certainty that the project does not have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and is more akin to a administrative activity of the government intended to ensure wage laws are followed in the City pursuant to CEQA Guideline 15378.

Recommendation:

Following the reading of the title by the City Attorney, move to waive the first reading beyond the title and introduce Ordinance No. 65.150 adding Chapter 32 (Responsible Construction) to Title III of the Milpitas Municipal Code.

Attachment:

Ordinance No. 65.150 for introduction

REGULAR

NUMBER: 65.150

TITLE: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADDING CHAPTER 32 (RESPONSIBLE CONSTRUCTION) TO TITLE III OF THE MILPITAS MUNICIPAL CODE

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of _____, 2020, upon motion by _____ and was adopted (second reading) by the City Council at its meeting of _____, upon motion by _____. The Ordinance was duly passed and ordered published in accordance with 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 AND FINDINGS:

WHEREAS, pursuant to Article XI, Section 7 of the California Constitution, the City of Milpitas may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its citizens; and

WHEREAS, the City Council of the City of Milpitas desires to adopt certain provisions requiring certain types of private developers receiving financial assistance from the City and involved in construction, alteration, and/or demolition work within the City, valued in excess of \$500,000, to file disclosure forms with the City confirming their contractors and subcontractors have no unpaid judgments or outstanding violations; and

WHEREAS, the City Council finds that such provisions shall serve the best interests of the citizens of Milpitas by requiring that any work being performed on certain private construction projects in the City be made by responsible construction contractors; and

WHEREAS, this Ordinance is intended to combat wage theft and protect vulnerable worker populations in the City by establishing safeguards for responsible construction practices.

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 ADDING A NEW CHAPTER 32 TO TITLE III

Title III of the Milpitas Municipal Code is hereby amended by adding a new Chapter 32, “Responsible Construction,” to read as follows:

Chapter 32 - RESPONSIBLE CONSTRUCTION

III-32-1.00 - Title

This Chapter shall be known as the “Responsible Construction Ordinance.”

III-32-2.00 - Authority

This Chapter is adopted pursuant to the powers vested in the City of Milpitas under the laws and Constitution of the State of California, including, but not limited to, the police powers vested in the City pursuant to Article XI, Section 7 of the California Constitution.

III-32-3.00 - Definitions

The following words and phrases, whenever used in this Chapter, shall be construed as defined in this Section:

- (a) “Building permit holder” means a person or entity that has obtained a building permit from the City to undertake a major construction project that has been granted any Financial Assistance. A building permit holder does not include an owner self-performing work on the owner’s residence.
- (b) “City” means the City of Milpitas, California or any agency designated by the City to administer the terms of this Chapter.
- (c) “Covered party” means a developer or building permit holder as defined in this Chapter.

- (d) “Developer” means an entity or person who owns or controls a major construction project that has been granted any Financial Assistance. Developer does not include an owner undertaking work on the owner’s residence.
- (e) “Final judgment” means a judgment, decision, determination, order, or citation, for which there is no pending appeal and the time for filing an appeal has passed, that was issued by:
 - (1) a court of law, an administrative agency authorized to enforce applicable federal, state and local labor standards laws, including but not limited to, the Federal Fair Labor Standards Act, the California Labor Code, the City of Milpitas minimum wage ordinance, and prevailing wage requirements, or
 - (2) an arbitrator, or an arbitration panel.
- (f) “Financial Assistance” means any financial incentive or investment provided by the City or a City-controlled entity or political subdivision to facilitate or support a major construction project, including:
 - (1) Taxes, fees, costs, rents, insurance or bond premiums, loans, interest rates, inclusionary housing obligations, inclusionary housing in-lieu fees, or other obligations that would normally be required, that are paid, reduced, charged at less than fair market value, waived, rebated, granted an exception to, or forgiven by the City, as well as any other City tax or fee break programs available to new developments or to a particular sub-category of developments, unless required by state law.
 - (2) The payment of money or the equivalent of money for the design, development, construction, financing or any other component related to development of the project, including, but not limited to, infrastructure costs, preconstruction costs, demolition costs, construction costs, financing costs, equipment costs, design costs, environmental review costs, and environmental mitigation costs; and
 - (3) Any loan or loan guarantee.
- (g) “Major construction project” means a project that will involve construction, alteration, and/or demolition work in excess of \$500,000 within the City.

III-32-4.00 - Bidding and Contracting Requirements

- (a) A covered party shall require, in all solicitations or invitations for bids to perform work on a major construction project that has been granted or will be granted Financial Assistance, and prior to awarding any contract to perform work on a major construction project that has been granted or will be granted Financial Assistance, that every contractor and subcontractor performing work on the project in excess of \$50,000 complete and return to the covered party the disclosure form required by this Chapter.
- (b) A covered party shall disqualify a contractor or subcontractor from entering into a contract to perform work, and from performing such work for a covered party, if the required disclosure form has not been submitted, if the disclosure form is materially false or incomplete, or if the disclosure form reports that the contractor or subcontractor has an unsatisfied final judgment. Nothing in this Chapter shall preclude a covered party from disqualifying the contractor or subcontractor for additional reasons.
- (c) A covered party shall file a copy of the completed disclosure form required by this Chapter with the City prior to the contractor or subcontractor performing work on the project.
- (d) A contractor or subcontractor performing work for a covered party for which a disclosure form is required must complete the disclosure form prior to entering into a contract to perform the work.
- (e) Upon notification from the City to a covered party that a contractor or subcontractor performing work for a covered party for which a disclosure form is required has not completed a disclosure form, or has submitted a

disclosure form that is incomplete, the covered party shall remove the contractor or subcontractor from the project within 48 hours and bar the contractor or subcontractor from performing further work on the project until such time the contractor submits a complete disclosure form.

(f) Upon notification from the City to a covered party that a contractor or subcontractor performing work for a covered party for which a disclosure form is required has submitted a disclosure form that is materially false, or has submitted a disclosure form that reports an unsatisfied final judgment, the covered party shall remove the contractor or subcontractor from the project within 48 hours and bar the contractor or subcontractor from performing further work on the project.

III-32-5.00 - Disclosure Form

(a) The disclosure form required by this Chapter shall be completed by each contractor and subcontractor, as specified in Section III-32-4.00(a), on a form provided by the City. The completed disclosure form shall be verified by a representative of the contractor or subcontractor under penalty of perjury.

(b) In the disclosure form, the contractor or subcontractor shall confirm the following facts regarding its past performance and work history and its current qualifications:

- (1) Name, address, and telephone number
- (2) Responsible managing officer
- (3) Contractor state license number
- (4) Name and location of the project
- (5) Project owner or developer
- (6) Party who retained the contractor or subcontractor to perform work on the project
- (7) Approximate date the contractor or subcontractor is scheduled to commence work on the project
- (8) Whether the contractor or subcontractor has been found liable by any court or administrative agency for failing to pay wages or benefits to an employee or for violating any wage and hour provisions of the California Labor Code or the Fair Labor Standards Act during the five years prior to completion of the disclosure form.
- (9) Whether the contractor or subcontractor has been subject to any citations or penalties imposed by the U.S. Department of Labor, the California Department of Industrial Relations, the California Labor Commissioner's Office, or the California Division of Occupational Safety and Health during the five years prior to completion of the disclosure form.
- (10) Whether the contractor or subcontractor has been subject to any cause findings by the California Department of Fair Employment and Housing or the U.S. Equal Employment Opportunity Commission for the laws enforced by those agencies during the five years prior to completion of the disclosure form.
- (11) Whether the contractor or subcontractor has been found liable for failing to maintain worker's compensation insurance or for engaging in fraudulent activity related to worker's compensation insurance during the five years prior to completion of the disclosure form.
- (12) Whether the contractor or subcontractor has been found liable by any court or administrative agency for retaliating or discriminating against a worker for making a complaint about a violation of laws enforced by the U.S. Department of Labor, the California Department of Industrial Relations, the California Department of Fair Employment and Housing, or the U.S. Equal

Employment Opportunity Commission during the five years prior to completion of the disclosure form.

- (13) Whether the contractor or subcontractor has been found liable by any court or administrative agency for failing to pay any payroll taxes during the five years prior to completion of the disclosure form.
- (14) Whether the contractor or subcontractor has been found liable, admitted guilt, or been found guilty by any court or administrative agency for violating any laws relating to human trafficking during the five years prior to completion of the disclosure form.
- (15) Whether the contractor or subcontractor has been found by the Contractors State License Board to have performed covered work without a contractor's license or to have performed work without the appropriate license for the classification of work during the five years prior to completion of the disclosure form.
- (16) Whether any judgments, decisions, determinations, orders, or citations, that a) require the payment of money by the contractor or subcontractor, b) have not been fully satisfied, and c) are no longer subject to appeal, have been issued against the contractor or subcontractor by:
 - (1) a court of law, an administrative agency authorized to enforce applicable federal, state and local labor standards laws, including but not limited to, the Federal Fair Labor Standards Act, the California Labor Code, the City of Milpitas minimum wage ordinance, and prevailing wage requirements, or
 - (2) an arbitrator, or an arbitration panel.
- (17) Whether enforcement of any unsatisfied judgments, decisions, determinations, orders, or citations issued against the contractor or subcontractor have been stayed by court order or operation of law.

III-32-6.00 - Access Requirements

- (a) A covered party shall provide investigators for the City with access to the project jobsite upon request, and with the right to inspect payroll records and interview workers upon request, for the purpose of verifying compliance with any labor standards laws applicable to workers on the project.
- (b) A covered party shall require its contractors and subcontractors to provide investigators for the City with access to the project jobsite upon request, and with the right to inspect payroll records and interview workers upon request, for the purpose of verifying compliance with any labor standards laws applicable to workers on the project.
- (c) A contractor or subcontractor performing work on a project subject to this Chapter shall provide investigators for the City with access to the project jobsite upon request, and with the right to inspect payroll records and interview workers upon request, for the purpose of verifying compliance with any labor standards laws applicable to workers on the project.
- (d) The City may contract with a non-profit organization to conduct investigations on behalf of the City for purposes of this Chapter and such investigators shall be provided with jobsite access and the right to inspect payroll records and interview workers upon request, for the purpose of verifying compliance with any labor standards laws applicable to workers on the project.
- (e) Upon notification from the City to a covered party that a contractor or subcontractor refuses to provide the City with jobsite access and the right to inspect payroll records and interview workers that are required by this Chapter, the covered party shall remove the contractor or subcontractor from the project within 48 hours and bar the contractor or subcontractor from performing further work on the project.

III-32-7.00 - Retaliation Prohibited

No covered party, or contractor or subcontractor performing work for a covered party, shall discriminate or retaliate against any person or entity for cooperating with an investigation under this Chapter or for making a complaint concerning an alleged violation of this Chapter.

III-32-8.00 - Guarantee Against Wage Theft

(a) A covered party shall be jointly responsible for satisfying any final judgment issued against a contractor or subcontractor on its project to the extent it awards wages, benefits, penalties, interest, and attorneys' fees to a worker on account of the worker's performance of work on the project.

(b) Upon notice from the City of an unsatisfied final judgment, the covered party shall provide the City, within 30 days of the City's notice, with proof that the final judgment has been satisfied. If the covered party fails to provide such proof, the City may, in addition to pursuing any other remedies, and after first consulting with the City Attorney's Office, suspend or revoke any building permit issued to the covered party, pursuant to, and in compliance with, Section II-1-8.05 of the Milpitas Municipal Code.

(c) A covered party whose building permit has been suspended or revoked due to failure to satisfy a final judgment may request an appeal pursuant to the provisions of Section 5 of Chapter 20 of Title I (Standard Procedures) of the Milpitas Municipal Code.

III-32-9.00 - Enforcement

(a) A covered party, or contractor or subcontractor performing work for a covered party, shall be subject to a civil fine payable to the City of up to \$1,000 for each violation of this Chapter.

(b) Any person injured by a violation of this Chapter may bring a civil action against a covered party, or contractor or subcontractor performing work for a covered party, for damages in any court of competent jurisdiction.

(c) Any person who contends that a contractor or subcontractor is performing work for a covered party for which a disclosure form is required by this Chapter and that no such disclosure form was filed with the City may file a complaint with the City supported by evidence to show the violation. The City shall promptly provide a copy of the complaint to the contractor or subcontractor and to the covered party and request a response within seven days. Unless the contractor or subcontractor provides a completed disclosure form within seven days, or establishes to the satisfaction of the City that no violation occurred, the City shall give notice to the covered party that the contractor or subcontractor must be removed from the project within 48 hours and barred from performing further work on the project.

(d) Any person who contends that a contractor or subcontractor performing work for a covered party for which a disclosure form is required by this Chapter has provided a disclosure form that is materially false or incomplete may file a complaint with the City supported by evidence to show the violation. The City shall promptly provide a copy of the complaint to the contractor or subcontractor and to the covered party and request a response within seven days. Unless the contractor or subcontractor establishes to the satisfaction of the City that no violation occurred, the City shall give notice to the covered party that the contractor or subcontractor must be removed from the project within 48 hours and barred from performing further work on the project.

(f) If a covered party is found to have an unsatisfied final judgment, then in addition to any other penalties, the City may require the covered party to repay the full amount of the Financial Assistance provided for that project, including but not limited to the full amount of any tax and fees that were reduced, suspended, or waived as part of an economic incentive program. Any such repayments shall be deposited in the fund which was the source of the incentive, or in the case of tax and fee breaks, in the fund to which the tax or fee would have been directed.

SECTION 3. SEVERABILITY

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision or part shall not affect the validity of the remainder.

SECTION 4. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance shall take effect thirty (30) days from and after the date of its passage. 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:	Discuss and provide direction to staff on negotiating a citywide Project Labor Agreement and/or adopt a resolution committing to negotiate and execute a Project Labor Agreement per project
Category:	Leadership and Support Services
Meeting Date:	11/10/2020
Staff Contact:	Christopher J. Diaz, 408-586-3040 Steve McHarris, 408-586-3059
<u>Recommendation:</u>	Discuss and provide direction to staff on negotiating a citywide Project Labor Agreement with the Building and Construction Trades Council and/or consider adopting a resolution committing to negotiate and execute a Project Labor Agreement per project.

Background:

At the August 4, 2020 City Council meeting, the City Council directed the City Attorney to return to Council with more information on a Project Labor Agreement or Community Workforce Agreement. Specifically, the City Attorney was asked to come back with more information on where such an agreement would work, either on one project or for a list of potential projects, as determined by staff. The City Attorney was to develop a draft agreement and begin negotiations with construction labor organizations.

A project labor agreement ("PLA") ensures that City projects covered by the PLA are performed by union-represented workers. A PLA requires that all contractors performing work typically within the jurisdiction of the trade unions on the covered projects, whether they are normally signatories to a collective bargaining agreement or not, submit to union representation, at least for the duration of the PLA projects.

Analysis:

As a general matter, a PLA is an agreement entered prior to the beginning of a project or group of construction projects that (1) necessitates worker representation by labor unions determined per trade on the covered projects and (2) sets forth basic terms and conditions of employment by relevant contractors. PLAs typically require workers membership in certain trade unions, at least for the time relevant to the project. Therefore, by requiring adherence to various union collective bargaining agreements, PLAs also specify wages, fringe benefits, and overtime pay, as well as working conditions and work rules for the workers employed on the relevant construction project(s). A PLA may also include no-strike and no lock out provisions and procedures for resolving disputes. These agreements also sometimes include local hiring goals and targets for hiring disadvantaged demographic groups and those traditionally underrepresented in the construction industry.

California Public Contract Code section 2500, *et seq.*, governs a public entity's use of PLAs. A public entity may only utilize such an agreement if it includes all of the taxpayer protection provisions set forth in Section 2500(a). A public agency enters into a PLA with local labor unions before seeking bids from contractors. While both union and non-union contractors may bid on projects governed by a PLA, all workers covered by the PLA are dispatched through local union hiring halls and subject to the various requirements of the collective bargaining agreements associated with those various trade unions.

Pursuant to Public Contract Code section 2500, the PLA must include, at a minimum, all of the following:

- Prohibition on discrimination based on race, national origin, religion, sex, sexual orientation, political affiliation, or membership in a labor organization in hiring and dispatching workers for the project.
- Permission for all qualified contractors and subcontractors to bid for and be awarded work on the project without regard to whether they are otherwise parties to collective bargaining agreements (i.e., whether they are union or non-union).
- Agreed-upon protocol concerning drug testing for workers who will be employed on the project.
- Guarantees against work stoppages, strikes, lockouts, and similar disruptions of the project
- Requirement that disputes arising from the PLA shall be resolved by a neutral arbitrator.

A PLA may cover one project, a particular classification of projects or all projects in the City's discretion. The City Council must adopt the PLA by majority vote and must also act by majority vote in each instance it wishes to allocate funding for any project covered by the PLA. (Pub. Contract Code, § 2501.)

Benchmarking Analysis

Staff reached out to other cities, counties, and school districts with current PLAs or CWAs and gathered information about agreement terms, eligible projects, administrative and construction costs, construction bids, and availability of labor. Detailed information is included in Attachment C.

1. Term of Agreement – Although this varied across jurisdictions, several cities and districts had 3 year terms, some had 5 year terms and only one entity that has a ten-year term with a five-year off-ramp. Some agreements were specific to projects and thus lasted through the completion of each specific project.
2. Eligible projects – All agreements included exclusions for certain types of projects. Several agreements have a dollar threshold of \$1 million for eligible projects, the County of Santa Clara has a threshold of \$2 million, while San Jose and certain projects in the County of Alameda have a dollar threshold of \$3 million.
3. Costs – Almost all jurisdictions indicated that they have incurred additional administrative costs. These ranged from 3%-15% of the project construction costs. The County of Alameda has a consultant contract of \$1.2 million for 3 years while the City of Anaheim has two on-call consultants with administrative costs being about 2%-3% of the engineer's estimate for each project. Some jurisdictions use in-house staff however, they were unable to quantify the additional costs. There was no specific information about any changes to the construction costs.
4. Construction bids – Most entities did not notice a significant impact in the number of bids; however, some did note that the smaller construction firms were not submitting bids.
5. Labor- In tight labor markets the availability of labor through union halls was noted as a common issue. With regards to meeting goals of local labor, many jurisdictions were unable to meet their goals, however the City of Anaheim has been able to meet and exceed their 35% local hire goal.

Stakeholder Outreach

Staff has been working with the Executive Director of the Santa Clara and San Benito Building and Construction Trades Council on the draft agreement. The Executive Director had provided the City with their preferred template agreement. Staff has made some revisions to the template agreement and is seeking Council feedback on the agreement terms. The Executive Director has asked expressed concerns about three key areas – term of agreement, dollar threshold of eligible projects, and project exclusions. Although staff understand the concerns from the Executive Director, since this is the City's first citywide PLA, staff recommendations are based on input from other agencies with experience in implementing PLAs, the City's prior experience in implementing a PLA for the Library project, as well as on the analysis of the types of projects in the City's CIP and existing staff capacity and expertise.

Staff has shared the draft PLA with the developer and construction community; however, additional outreach is envisioned to occur after preliminary feedback from the Council.

Key Terms of draft PLA

Staff is seeking input from the City Council on the draft PLA. The draft PLA is intended to be an agreement between the City of Milpitas and the Santa Clara and San Benito Building and Construction Trades Councils

(Building Trades Council) and its affiliated Unions. The purpose of this Agreement is to promote the efficiency of construction operations through the use of skilled labor resulting in quality construction outcomes, and to provide for the peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of the Project(s) covered by this Agreement

Term of agreement

Staff is proposing an Agreement term of three years. Council approval will be required to continue the agreement after the three-year term.

Eligible Projects

Eligible projects include all projects for which the City sends out the initial solicitation of a bid or proposal after the effective date of the Agreement, and that meets all three of the following requirements:

1. It is a public works project (subject to certain exemptions) for construction awarded by the City,
2. It is paid for in whole or in part out of City funds, and
3. The City's engineer's estimate of the total cost of the Construction Contract(s) to construct it exceeds three million dollars.

In determining the \$3 million threshold, the City will consider all Construction Contracts required to complete an integrated construction project and will include design costs for a design-build Construction Contract but will not include costs covered by design consultants or other technical consultants.

Each year on the anniversary date of the day this Agreement became effective, the parties will adjust up or down the \$3 million threshold based on the Consumer Price Index for All Urban Consumers — U.S. city average. The adjusted threshold amount will apply to Construction Contracts in which the City solicits bids or proposals after the effective date of the adjusted amount.

This Agreement does not apply to the following:

1. Any Project in which a federal, state, or other public entity with jurisdiction over, or with authority to approve, all or some portion of the Project prohibits the use of project labor agreements on the Project.
2. Renovation, assessment, repair, and rehabilitation projects and programs such as projects for street resurfacing and re-striping; bridge and soundwall repair and renovation; curb, gutter, & sidewalk repair program; park renovations; building repairs; water meter replacement program; hydrant replacement program; sewer pump station rehabilitation program; and sanitary sewer assessment program.
3. Work required to complete emergency repairs such as water, storm, and sanitary sewer pipeline breaks.
4. On-call contracts for various repairs and minor projects.

Based on an evaluation of recently completed, current, and upcoming capital projects, the City anticipates that approximately 39 projects in the City's Capital Improvement Program (CIP) will be subject to the proposed PLA. It is important to note that not all of these projects are currently fully funded.

Pre-Job Conferences

The City's Project Manager shall convene and conduct, at a location and time mutually agreeable to the Building Trades Council, a pre-job conference with the Unions and the representatives of all involved Contractors/Employers, who shall be prepared to announce craft assignments and discuss in detail the scope of work and the other issues, at least fourteen (14) calendar days prior to the commencement of any Project work, and the commencement of Project work on any subsequently awarded Construction Contract. The pre-job conference shall include but not be limited to the following subjects: a listing of each Contractor's scope of work; the craft assignments; the estimated number of craft workers required to perform the work; transportation arrangements; the estimated start and completion dates of the work; and discussion of pre-fabricated materials.

Referral

Contractor(s)/Employer(s) performing construction work on the Project shall, in filling craft job requirements, utilize and be bound by the registration facilities and referral systems established or authorized by the Unions signatory to the PLA.

a. Core Workers

Core Workers are defined as a worker who the Contractor proposes to use for Project work who the Contractor has employed for at least ninety (90) out of the one hundred and twenty (120) working days prior to award of a construction contract and meets the minimum experience and licensure requirements to do the work in question. Core Workers will be dispatched in the following manner: The first one (1) worker will be referred from the applicable Union hiring hall out-of-work list, then one (1) Core Worker shall be selected and referred from the hiring hall, followed by one (1) worker from the hiring hall out-of-work list, and this process shall repeat until such Contractor/Employer's requirements are met or until such Contractor/Employer has hired five (5) such Core Workers for that trade or craft, whichever occurs first. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the applicable hiring hall out-of-work list. In the event the Contractor/Employer reduces the workforce, such reduction will take place in the reverse order starting with a Core Worker and in the same ratios as was applied in hiring. In addition, at the request of the Building Trades Council or Union, Contractor/Employer shall submit a Core Worker list to the requesting party and shall provide payroll records evidencing the worker's qualifications as a Core Worker.

b. Local Area Preference

The Agreement strives to facilitate employment of Local Area residents and to use resources in the Local Area in construction of the Project. It is the objective of the parties that not less than twenty percent (20%) of all hours worked on the Project will be worked by residents of the Local Area, defined as the City of Milpitas. However, if a Contractor/Employer does not have a sufficient number of City of Milpitas residents to satisfy the goal, the Contractor/Employer may count residents of Santa Clara County toward the goal. The Unions will exert their utmost efforts to recruit sufficient numbers of craft persons to fulfill the referral requirements of the Contractor(s)/Employer(s). To the extent allowed by law, and consistent with the Unions' hiring hall provisions, and as long as they possess the requisite skills and qualifications, residents of the Local Area, including journeymen and apprentices, shall be referred for Project work covered by this Agreement.

Apprenticeships

Recognizing the need to develop adequate numbers of competent workers in the construction industry, including on public works projects, the Contractors/Employers shall employ apprentices from a California state-approved Joint Apprenticeship Training Program in their respective crafts, to perform such work as is within their capabilities and that is customarily performed by the craft in which they are indentured. In order to increase apprenticeship opportunities for traditionally underrepresented and targeted workers, the parties shall comply with the Targeted Hire Addendum (Addendum B) in the Agreement.

Compliance

It shall be the responsibility of the Contractors/Employers and Unions to investigate and monitor compliance with the provisions of Article IX of this Agreement.

Dispute Resolution

All disputes involving the application or interpretation of the proposed Agreement to which a Contractor/Employer and a Union are parties shall be resolved pursuant to the resolution procedures of the Agreement. All disputes relating to the interpretation or application of this Agreement, other than disputes under Article IV and Article XIV, shall be subject to resolution by the grievance arbitration procedures set forth in Article XIII of the Agreement.

All jurisdictional disputes on this Project between or among the Unions and the Employers parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Employers and Unions parties to this Agreement.

All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Employer's assignment shall be adhered to until the dispute is resolved. Individual employees violating this section shall be subject to immediate discharge.

Joint Administrative Committee

In order to ensure the terms of this Agreement are being fulfilled and concerns pertaining to the operation of this Agreement are addressed, the City and the Building Trades Council shall establish a Joint Administrative Committee comprised of an equal number of representatives from the City and the Council. The Joint Administrative Committee shall meet on a periodic basis during the term of construction, at least semi-annually, to assess the implementation of this Agreement, review the progress of the Projects, and facilitate harmonious relations between the parties. Both the City and the Council shall have the right to call a meeting of the Joint Administrative Committee

Next Steps

Based on Council input and direction, staff will negotiate Agreement with the Building Trades Council and bring back to Council for approval.

Policy Alternative:

Alternative: Adopt a Resolution committing the City to negotiate and enter into PLAs for specific future projects, as outlined in the draft Resolution.

Pros: Enables the City to focus staff time and effort towards a limited number of large projects that would benefit from PLAs. This policy alternative could also result in a higher number of competitive bids and lower construction costs for projects not subject to PLAs.

Cons: Does not align with prior Council direction.

Reason not recommended: Does not align with prior Council direction, but Council could provide new direction through adoption of a resolution.

Fiscal Impact:

At this time, although staff anticipates the need for additional resources and staff training to implement and enforce the PLA as well as potential additional construction and project administration costs to account for the additional time, consultants, and effort required from contractors, staff is unable to accurately determine the potential fiscal impacts of this policy at this time. If Council provides direction to move forward with the policy, staff will need to evaluate the impact of the policy on staff and/or consultant costs, number of competitive bids, and construction costs and return to Council with the information.

California Environmental Quality Act:

This action(s), and any potential adoption of a resolution, is not a project subject to the California Environmental Quality Act (CEQA) as it can be seen with certainty that the project does not have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and is more akin to a administrative activity of the government intended to working conditions on public projects in the City pursuant to CEQA Guideline 15378.

Recommendation:

Discuss and provide direction to staff on negotiating a citywide Project Labor Agreement with the Building and Construction Trades Council or consider adopting a resolution committing to negotiate and execute a Project Labor Agreement per project.

Attachments:

Draft Agreement

Draft Resolution

Benchmarking Data

PROJECT LABOR AGREEMENT FOR THE CITY OF MILPITAS

INTRODUCTION/FINDINGS

This Project Labor Agreement is entered into this ____ day of _____, 20____, by and between the City of Milpitas (hereinafter the “City”), together with its contractors and subcontractors of all tiers, who shall become signatory to this Agreement by signing the **“Agreement to be Bound” (Addendum A)** (hereinafter the “Contractor(s)/ Employer(s)”), and the Santa Clara & San Benito Counties Building and Construction Trades Council (hereinafter the “Council”) and its affiliated local Unions that have executed this Agreement (referred to collectively herein as the “Union(s)”).

WHEREAS, the City's purpose in entering this Agreement is to efficiently procure public works contracts awarded by the City where the City engineer's estimate of the total cost of the contract to construct the project exceeds \$3 million, as adjusted for inflation;

WHEREAS, this Agreement applies only to those qualifying public works contracts in which the initial bid or proposal solicitation occurs during the term of the Agreement;

WHEREAS, the purpose of this Agreement is to promote the efficiency of construction operations through the use of skilled labor resulting in quality construction outcomes, and to provide for the peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of the Project(s) covered by this Agreement.

WHEREAS, the timely and successful completion of the Project is of the utmost importance to meet the needs of the City and avoid increased costs resulting from delays in construction; and

WHEREAS, large numbers of workers of various skills will be required in the performance of construction work on the Project and will be represented by the Unions who are signatory to this Agreement and employed by the Contractors and subcontractors who are also signatory to this Agreement; and

WHEREAS, the use of skilled labor on construction work increases the safety of construction projects as well as the quality of completed work; and

WHEREAS, it is recognized that on a Project of this magnitude with multiple contractors and bargaining units on the job site at the same time over an extended period of time, the potential for work disruption may be substantial without an overriding commitment to maintain continuity of work; and

WHEREAS, the interests of the general public, the City, the Unions, and the Contractors/Employers would be best served if the construction work proceeded in an orderly manner without disruption because of strikes, sympathy strikes, work stoppages, picketing, lockouts, slowdowns or other interferences with work; and

WHEREAS, the Contractors/Employers and the Unions desire to mutually establish and stabilize wages, hours and working conditions for the workers employed on the Project and to encourage close cooperation among the Contractors/Employers and the Unions so that a satisfactory, continuous and harmonious relationship will exist; and

WHEREAS, the parties agree that one of the primary purposes of this Agreement is to avoid the tensions that might arise on the Project if Union and non-union workers of different employers were to work side by side on the Project, potentially leading to labor disputes that could delay completion of the Project; and

WHEREAS, this Agreement is not intended to replace, interfere with, abrogate, diminish or modify existing local or national collective bargaining agreements in effect during the duration of the Project, insofar as a legally binding agreement exists between the Contractors/Employers and the Unions, except to the extent that the provisions of this Agreement are inconsistent with said collective bargaining agreements, in which event the provisions of this Agreement shall prevail; and

WHEREAS, the City places high priority upon the development of comprehensive programs for the recruitment, training and employment of local area residents and military veterans, and recognizes the ability of local pre-apprenticeship and apprenticeship programs to provide meaningful and sustainable career pathways in the construction industry; and

WHEREAS, the contract(s) for construction work on the Project will be awarded in accordance with the applicable provisions of the Public Contract Code, the City's applicable ordinances, and all state, local and federal laws; and

WHEREAS, the City has the right to select the lowest responsive and responsible bidder for the award of public works contracts to which this Agreement is applicable; and

WHEREAS, the parties to this Agreement pledge their full good faith and trust to work toward the mutually satisfactory completion of the Project;

NOW, THEREFORE, IT IS AGREED BETWEEN AND AMONG THE PARTIES
HERETO, AS FOLLOWS:

ARTICLE I **DEFINITIONS**

1.1 "Agreement" means this City-wide Project Labor Agreement .

1.2 "Agreement to be Bound" means the agreement (attached hereto as Addendum A) that shall be executed by each and every Contractor/Employer as a condition of working on the Project.

1.3 "City" means the City of Milpitas, California and its governing board, officers, agents and employees, including managerial personnel.

1.4 "Completion" means that point at which there is Final Acceptance by the City of a Construction Contract and the City has filed a Notice of Completion. For purposes of this definition, "Final Acceptance" means that point in time at which the City has determined upon

final inspection that the work has been completed in all respects and all required contract documents, contract drawings, warranties, certificates, manuals and data have been submitted and training completed in accordance with the contract documents and the City has executed a written acceptance of the work.

1.5 “Construction Contract” means a public works contract awarded by the City for the construction of the Project, as defined in Section 1.9. It includes design-build contracts, lease-leaseback contracts or other contracts for construction work on a Project. Construction Contracts do not include design, engineering, or other design related professional services agreements separately entered into by the City.

1.6 "Contractor(s)/Employer(s)" or "Contractor(s)" or "Employer(s)" means any individual, firm, partnership or corporation (including the prime contractor, general contractor, construction manager, project manager, design-build entity, lease-leaseback entity or equivalent entity), or combination thereof, including joint ventures, and their successors and assigns, that is an independent business enterprise and enters into a contract with the City with respect to the construction of any part of the Project, and all contractors and subcontractors of any tier.

1.7 “Core Worker” means a worker who the Contractor proposes to use for Project Work pursuant to Section 8.5 below, who has been employed by the Contractor for at least ninety (90) out of the one hundred and twenty (120) working days prior to award of a Construction Contract and meets the minimum experience and licensure requirements described in Section 8.5(a)-(c).

1.8 “Council” means the Santa Clara & San Benito Counties Building and Construction Trades Council.

1.9 “Master Agreement” or “Schedule A” means the Master Collective Bargaining Agreement of each craft Union signatory hereto.

1.10 “Project” means a project for which the City sends out the initial solicitation of a bid or proposal after the effective date of the Agreement, and that meets all three of the following requirements: (1) it is a public works project for construction awarded by the City (subject to section (c) below), (2) it is paid for in whole or in part out of City funds, and (3) the City's engineer's estimate of the total cost of the Construction Contract(s) to construct it exceeds three million dollars (\$3,000,000).

- (a) In determining the three million-dollar (\$3,000,000) threshold, the City will consider all Construction Contracts required to complete an integrated construction project and will include design costs for a design-build Construction Contract.
- (b) Each year on the anniversary date of the day this Agreement became effective, the parties will adjust up or down the three million-dollar (\$3,000,000) threshold based on the Consumer Price Index for All Urban Consumers — U.S. city average. The adjusted threshold amount will apply to Construction Contracts in which the City solicits bids or proposals after the effective date of the adjusted amount.

- (c) The City and the Building Trades Council may mutually agree in writing to add additional projects to be covered by this Agreement. The term Project applies to all projects as defined in this section, whether used in the singular or plural herein.

1.11 “Project Manager” means the person(s) or entity(ies) designated by the City to oversee all phases of construction on the Project and the implementation of this Agreement.

1.12 “Rehabilitation Work” means rehabilitation projects and programs undertaken by the City to maintain and update existing public improvements, such as projects for street resurfacing program; bridge rehabilitation; street pavement re-striping; Americans with Disabilities (ADA) transition program; soundwall & barrier repair and renovation program; curb, gutter, & sidewalk repair program; park renovation and rehabilitation programs sports field and sports court rehabilitation and renovation programs; building repairs, replacement, renovation, and rehabilitation projects; water meter replacement program; hydrant replacement program; sewer pump station rehabilitation program; sanitary sewer assessment program

1.13 “Union” or “Unions” means the Santa Clara & San Benito Counties Building and Construction Trades Council and its affiliated Unions signatory to this Agreement, acting on their own behalf and on behalf of their respective affiliates and member organizations whose names are subscribed hereto and who have through their officers executed this Agreement.

ARTICLE II

SCOPE OF AGREEMENT

2.1 Parties: This Agreement applies to and is limited to all Contractors/Employers performing work under a Construction Contract on the Project (including subcontractors at any tier), and their successors and assigns, the City, the Building Trades Council, and its affiliated Unions signatory to this Agreement.

2.2 Applicability: This Agreement governs all Construction Contracts awarded on the Project. For purposes of this Agreement, Construction Contracts shall be considered Completed as set forth in Section 1.4, except when the City directs a Contractor to engage in repairs, warranty work, modifications, or punch list work under a Construction Contract or when a Contractor performs work under a change order for a Construction Contract.

2.3 Covered Work: This Agreement covers all construction work, not including design phase work, performed under the Project Construction Contract(s), without limitation, all site preparation, construction, alteration, demolition, installation, improvement, remediation, retrofit, painting or repair of buildings, structures and other works, and related activities for the Project that is within the craft jurisdiction of one of the Unions and that is directly or indirectly part of the Project Construction Contract(s), including, without limitation to the following examples, landscaping and temporary HVAC, exploratory drilling, soils and materials testing and inspection, pipelines (including those in linear corridors built to serve the Project), pumps, pump stations, start-up, modular furniture installation, and final clean-up. This Agreement covers work done for the Project in temporary yards, dedicated sites, or areas adjacent to the Project, and at any on-site or off-site batch plant constructed to supply materials to the Project.

2.3.1 This Agreement covers all on-site fabrication work over which the City, Contractor(s)/Employer(s) or subcontractor(s) possess the right of control (including work done for the Project in any temporary yard or area established solely for the Project). This Agreement also covers any off-site work, including fabrication, that is traditionally performed by the Unions and is directly or indirectly part of the Project, provided such work is covered by a Master Agreement or local addenda to a national agreement of the applicable Union(s).

2.3.2 Except for the delivery of supplies, equipment or materials that are stockpiled for later use, this Agreement covers all Project related construction trucking work, including the hauling and delivery of ready-mix, asphalt, aggregate, sand, soil or other fill or similar material that is directly incorporated into the construction process as well as the off-hauling of soil, sand, gravel, rocks, concrete, asphalt, excavation materials, construction debris and excess fill, material and/or mud. Contractor(s)/Employer(s), including brokers, of persons providing construction trucking work shall provide certified payroll records in accordance with applicable law, within ten (10) days of written request or as required by the bid specifications.

2.3.4 Work covered by this Agreement within the following craft jurisdictions shall be performed under the terms of their National Agreements as follows: the National Transient Lodge (NTL) Articles of Agreement, the National Stack/Chimney Agreement, the National Cooling Tower Agreement, the National Agreement of Elevator Constructors, and any instrument calibration work and loop checking shall be performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Systems Technicians, with the exception that Articles IV, XIII and XIV of this Agreement shall apply to such work.

2.4 Exclusions: The following shall be excluded from the scope of this Agreement.

2.4.1 This Agreement shall not apply to work performed by the City's own employees as permitted by applicable law.

2.4.2 This Agreement is not intended to, and shall not, affect or govern the award of public works contracts by the City that are not included in the Project and/or excluded from this Agreement by this section, including Rehabilitation Work as defined in Section 1.11 above.

2.4.3 This Agreement shall not apply to a Contractor/Employer's non-construction craft executives, managerial employees, administrative personnel, and supervisors above the level of general foreman, unless covered by a Master Agreement.

2.4.4 This Agreement shall not apply to any non-Project work performed on or near or leading to the site of work covered by this Agreement that is undertaken by state, county, city, or other governmental bodies or their contractors. Work performed by public or private utilities including all electrical utility, voice-data-video, and security installation work ahead of and up to the electrical service entry connection or the main point of entry into the building shall be excluded. All electrical utility, voice-data-video, and security installation work performed after the electrical utility service entrance or the main point of entry shall be Covered Work. Additionally, all contracted work performed ahead of the service entrance connection and main point of entry that is inside the property line and provides for access to the building via a conduit or series of conduits shall be Covered Work.

2.4.5 This Agreement shall not apply to the off-site maintenance of leased equipment and on-site supervision of such work.

2.4.6 The City is not limited or restricted on the choice of material or the full use and installation of equipment, machinery, package units, factory pre-cast, prefabricated or preassembled materials, tools or other labor-saving devices. The City has the right to purchase material and equipment from any source, and craft persons covered by this Agreement will handle and install such material and equipment.

2.4.7 This Agreement does not apply to work performed by employees of a manufacturer or vendor that is necessary to maintain such manufacturer's or vendor's warranty or guaranty provided that if the work can be performed by craft workers covered by this Agreement without voiding or limiting such warranty or guaranty, such work will be performed by such qualified craft workers. All such work shall be identified and discussed at the Pre-Job Conferences as provided in Article V of this Agreement.

2.4.8 This Agreement shall not apply to any start-up, calibration, commissioning, testing, integration, repair, maintenance, and operational revisions to systems and/or subsystems, unless such work is covered by a Master Agreement and is done pursuant to the Construction Contract.

2.4.9 This Agreement shall not apply to any emergency work which requires the City to enter into any contract to address an emergency or Act of God endangering public health or safety.

2.4.10 This Agreement does not apply to any Project in which a federal, state, or other public entity with jurisdiction over, or with authority to approve, all or some portion of the Project prohibits the use of project labor agreements on the Project.

2.4.11 This Agreement does not apply to any Project funded in whole or in part by a federal, state or local grant if a condition of that grant prohibits the use of project labor agreements.

2.5 Award/Administration of Contracts: It is understood and agreed that the City has the right to select any qualified bidder for the award of a Construction Contract under this Agreement in accordance with applicable law. The City shall at all times maintain the sole right to administer all such contracts, including, terminating and/or suspending any bid, contract, and/or Project if the City determines such contract action is appropriate. The bidder need only be willing, ready and able to execute and comply with this Agreement. It is further agreed that this Agreement shall be included in all invitations to bid or solicitations for proposals from contractors or subcontractors for work on the Project. The City shall provide a copy of all such invitations to bid to the Building Trades Council at the time of issuance.

2.6 Termination, Suspension and/or Delay of Work: It is understood and agreed that the City, at its sole option, may change, terminate, delay and/or suspend any and all portions of the covered work at any time. Further, the City may prohibit some or all work on certain days or during certain hours of the day to comply with applicable codes, laws or regulations, permits or to accommodate the ongoing operations of the City's facilities and/or to mitigate the effect of the ongoing Projects' work on the businesses and residents in the neighborhood of the Project sites;

and/or require such other operational or schedule changes that may be deemed necessary, in its sole judgment, to effectively maintain the primary purpose of the City's facilities and to remain a good neighbor to the residents and businesses in the area of any Projects. In order to permit the Contractors and Unions to make appropriate scheduling plans, the City will provide the affected Contractor and Union(s) with reasonable notice of any changes it requires pursuant to this Section.

ARTICLE III

EFFECT OF AGREEMENT

3.1 By executing this Agreement, the Building Trades Council, the Unions and the City agree to be bound by each and all of the provisions of the Agreement.

3.2 By accepting the award of work under a Construction Contract for the Project, whether as a Contractor or subcontractor thereunder, all Contractors/Employers agree to be bound by each and every provision of this Agreement and agree to evidence their acceptance prior to the commencement of work by executing the Agreement to be Bound in the form attached hereto as **Addendum A**.

3.3 At the time that any Contractor/Employer enters into a subcontract with any subcontractor providing for the performance of work under a Construction Contract, the Contractor/Employer shall provide a copy of this Agreement to said subcontractor and shall require the subcontractor, as a condition of accepting the award of a construction subcontract, to agree in writing, by executing the Agreement to be Bound, to be bound by each and every provision of this Agreement prior to the commencement of work. The obligations of a Contractor may not be evaded by subcontracting. If the subcontractor refuses to execute the Agreement to be Bound, then such subcontractor shall not be awarded a Construction Contract on the Project.

3.4 This Agreement shall only be binding on the signatory parties hereto, and their successors and assigns, and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such party. Each Contractor shall alone be liable and responsible for its own individual acts and conduct and for any breach or alleged breach of this Agreement, except as otherwise provided by law or the applicable Master Agreement. Any dispute between the Union(s) and the Contractor(s) with respect to compliance with this Agreement shall not affect the rights, liabilities, obligations and duties between the Union(s) and other Contractor(s) party to this Agreement.

3.5 It is mutually agreed by the parties that any liability by a Union signatory to this Agreement shall be several and not joint. Any alleged breach of this Agreement by a Union shall not affect the rights, liabilities, obligations and duties between the Contractor(s) and the other Union(s) party to this Agreement.

3.6 The provisions of this Agreement, including the Schedule As incorporated herein by reference, shall apply to the work covered by this Agreement, notwithstanding the provisions of any other local, area and/or national agreements which may conflict with or differ from the terms of this Agreement. To the extent a provision of this Agreement conflicts with a Schedule A, the provision of this Agreement shall prevail. Where a provision of a Schedule A does not conflict with this Agreement, the provision of the Schedule A shall apply.

ARTICLE IV

WORK STOPPAGES, STRIKES, SYMPATHY STRIKES AND LOCKOUTS

4.1. The Unions, the City, and the Contractor(s)/Employer(s) covered by this Agreement agree that for the duration of the Project:

4.1.1 There shall be no strikes, sympathy strikes, work stoppages, picketing, handbilling or otherwise advising the public that a labor dispute exists, or slowdowns of any kind, for any reason, by the Unions or employees employed on the Project, at the job site of the Project or any other City facility because of a dispute on the Project. Disputes arising between the Unions and Contractor(s)/ Employer(s) on other City projects are not governed by the terms of the Agreement or this Article.

4.1.2 There shall be no lockout of any kind by a Contractor/Employer of workers employed on the Project.

4.1.3 If a Master Agreement expires before the Contractor/Employer completes the performance of work under a Construction Contract and the Union or Contractor/Employer gives notice of a demand for a new or modified Master Agreement, the Union agrees that it will not strike on work covered by this Agreement and the Union and the Contractor/Employer agree that the expired Master Agreement will continue in full force and effect for work covered under this Agreement until a new or modified Master Agreement is reached. If the new or modified Master Agreement provides that any terms of the Master Agreement shall be retroactive, the Contractor/ Employer agrees to comply with any retroactive terms of the new or modified Master Agreement that are applicable to any employee(s) on the Project during the interim, with retroactive payment due within seven (7) calendar days of the effective date of the new or modified Master Agreement.

4.1.4 In the case of nonpayment of wages or trust fund contributions on the Project, the Union shall give the City and the Contractor/Employer three (3) business days' notice when nonpayment of trust fund contributions has occurred, and one (1) business day's notice when nonpayment of wages has occurred or when paychecks being tendered to a financial institution normally recognized to honor such paychecks will not honor such paycheck, of the intent to withhold labor from the Contractor/Employers' or their subcontractor's workforce, during which time the Contractor/Employer may correct the default. In this instance, a Union's withholding of labor (but not picketing) from a Contractor/Employer who has failed to pay its fringe benefit contributions or failed to meet its weekly payroll shall not be considered a violation of this Article.

4.1.5 Notification: If the City or any Contractor contends that any Union has violated this Article, it will so notify in writing the Senior Executive of the Building Trades Council and the Senior Executive of the Union, setting forth the facts alleged to violate the Article, prior to instituting the expedited arbitration procedure set forth below. The Building Trades Council will immediately use its best efforts to cause the cessation of any violation of this Article. The leadership of the Union will immediately inform the workers of their obligations under this Article. A Union complying with this obligation shall not be held responsible for the unauthorized acts of employees it represents.

4.2 Expedited Arbitration: Any party to this Agreement shall institute the following procedure, prior to initiating any other action at law or equity, when a breach of this Article is alleged to have occurred.

4.2.1 A party invoking this procedure shall notify Robert Hirsch, as the permanent arbitrator, or Barry Winograd, as the alternate arbitrator, under this procedure. In the event the permanent arbitrator is unavailable at any time, the alternate will be contacted. If neither is available, the parties shall select the arbitrator from the list in Section 13.4. Notice to the arbitrator shall be by the most expeditious means available, with notice by email and telephone to the City, the involved Contractor, and the party alleged to be in violation, and to the Building Trades Council and involved local Union if a Union is alleged to be in violation.

4.2.2 Upon receipt of said notice, the City will contact the permanent arbitrator named above, or the alternate if the permanent arbitrator is not available, who will attempt to convene a hearing within twenty-four (24) hours if it is contended that the violation still exists.

4.2.3 The arbitrator shall notify the parties by email and telephone of the place and time for the hearing. Said hearing shall be completed in one session, which, with appropriate recesses at the arbitrator's discretion, shall not exceed twenty-four (24) hours unless otherwise agreed upon by all parties. A failure of any party to attend said hearings shall not delay the hearing of evidence or the issuance of an award by the arbitrator.

4.2.4 The sole issue at the hearing shall be whether or not a violation of Section 4.1 of the Agreement has occurred. The arbitrator shall have no authority to consider any matter of justification, explanation or mitigation of such violation or to award damages, which issue is reserved for court proceedings, if any. The award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without a written opinion. If any party desires a written opinion, one shall be issued within fifteen (15) calendar days, but the parties shall not delay compliance with or enforcement of the award due to the issuance of a written opinion. The arbitrator may order cessation of the violation of this Article, and the arbitrator's award shall be served on all parties by hand or registered mail upon issuance. Should a party found in violation of this Article fail to comply with the arbitrator's award ordering the party to cease the violation, the party in violation shall pay to the affected party as liquidated damages the sum of ten thousand dollars (\$10,000.00) per shift for which it failed to comply, or portion thereof, until such violation is ceased. The arbitrator shall retain jurisdiction to resolve any disputes regarding the liquidated damages claimed under this section.

4.2.5 The arbitrator's award may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to above in the following manner. The party filing such enforcement proceedings shall give written notice to the other party. In a proceeding to obtain a temporary order enforcing the arbitrator's award as issued under this Article, all parties waive the right to a hearing and agree that such proceeding may be *ex parte*. However, such agreement does not waive any party's right to seek or participate in a hearing for a final order of enforcement. Any court order enforcing the arbitrator's award shall be served on all parties by hand or delivered by certified mail.

4.2.6 Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure, or which interfere with compliance with the above procedure, are waived by the parties.

4.2.7 The fees and expenses of the arbitrator shall be divided equally between the party instituting the arbitration proceedings provided in this Article and the party alleged to be in breach of its obligation under this Article.

4.2.8 Should either the permanent or the alternate arbitrator identified above no longer work as a labor arbitrator, the City and the Building Trades Council shall mutually agree to a replacement.

ARTICLE V

PRE-JOB CONFERENCES

5.1 **Timing:** The Project Manager shall convene and conduct, at a location and time mutually agreeable to the Building Trades Council, a pre-job conference with the Unions and the representatives of all involved Contractors/Employers, who shall be prepared to announce craft assignments and discuss in detail the scope of work and the other issues set forth below, at least fourteen (14) calendar days prior to:

- (a) The commencement of any Project work, and
- (b) The commencement of Project work on any subsequently awarded Construction Contract.

5.2 The pre-job conference shall be attended by a representative of each participating Contractor and each affected Union, and the Building Trades Council and City may attend at their discretion.

5.3 The pre-job conference shall include but not be limited to the following subjects:

- (a) A listing of each Contractor's scope of work;
- (b) The craft assignments;
- (c) The estimated number of craft workers required to perform the work;
- (d) Transportation arrangements;
- (e) The estimated start and completion dates of the work; and
- (f) Discussion of pre-fabricated materials.

5.4 **Joint Administrative Committee:** In order to ensure the terms of this Agreement are being fulfilled and concerns pertaining to the operation of this Agreement are addressed, the City and the Building Trades Council shall establish a Joint Administrative Committee comprised of an equal number of representatives from the City and the Building Trades Council. The Joint Administrative Committee shall meet on a periodic basis during the term of construction, at least semi-annually, to assess the implementation of this Agreement, review the progress of the Projects,

and facilitate harmonious relations between the parties. Both the City and the Building Trades Council shall have the right to call a meeting of the Joint Administrative Committee.

ARTICLE VI **NO DISCRIMINATION**

6.1 The Contractors/Employers and the Unions agree to comply with all anti-discrimination provisions of federal, state, and local law, to protect employees and applicants for employment, on the Project.

ARTICLE VII **UNION SECURITY**

7.1 The Contractors/Employers recognize the Unions as the sole bargaining representative of all craft employees working within the scope of this Agreement.

7.2 All employees who are employed by Contractors/Employers to work on the Project will be required to become members and maintain membership in the appropriate Union on or before eight (8) days of consecutive or cumulative employment on the Project. Membership shall be satisfied by the tendering of periodic dues and fees that are uniformly required, to the extent allowed by law.

7.3 Authorized representatives of the Unions shall have access to the Project whenever work covered by this Agreement is being, has been, or will be performed on the Project.

ARTICLE VIII **REFERRAL**

8.1 Contractor(s)/Employer(s) performing construction work on the Project shall, in filling craft job requirements, utilize and be bound by the registration facilities and referral systems established or authorized by the Unions signatory hereto. The Contractor(s)/Employer(s) shall have the right to reject any applicant referred by the Union(s), in accordance with the applicable Master Agreement.

8.2 Contractor(s)/Employer(s) shall have the unqualified right to select and hire directly all supervisors above the level of general foreman it considers necessary and desirable, without such persons being referred by the Union(s), unless such craft construction employee is covered by a Master Agreement.

8.3 In the event that referral facilities maintained by the Union(s) are unable to fill the requisition of a Contractor/Employer for employees within a forty-eight (48) hour period (Saturdays, Sundays and Holidays excluded) after such requisition is made by the Contractor/Employer, the Contractor/Employer shall be free to obtain the worker(s) from any source. A Contractor/Employer who hires a worker(s) to perform Covered Work on the Project pursuant to this section shall immediately provide the appropriate Union with the name and address of such worker(s) and shall immediately refer such worker(s) to the appropriate Union to satisfy the requirements of Article VII of this Agreement.

8.4 It is in the interest of the parties to this Agreement to facilitate employment of Local Area residents and to use resources in the Local Area in construction of the Project. It is the objective of the parties that not less than twenty percent (20%) of all hours worked on the Project will be worked by residents of the Local Area, defined as the City of Milpitas. However, if a Contractor/Employer does not have a sufficient number of City of Milpitas residents to satisfy the goal, the Contractor/Employer may count residents of Santa Clara County toward the goal. The Unions will exert their utmost efforts to recruit sufficient numbers of craft persons to fulfill the referral requirements of the Contractor(s)/Employer(s). To the extent allowed by law, and consistent with the Unions' hiring hall provisions, and as long as they possess the requisite skills and qualifications, residents of the Local Area, including journeymen and apprentices, shall be referred for Project work covered by this Agreement.

8.5 Core Workers. A Contractor may request by name, and the Union shall honor, referral of Core Workers who have applied to the Union for Project Work and who demonstrate to the Union dispatcher and provide satisfactory proof (with a copy of such proof provided to the Project Manager) that the worker meets all the following qualifications:

- (a) Appearance on the Contractor/Employer's active payroll for at least the last ninety (90) out of the one hundred and twenty (120) working days prior to award of a Construction Contract;
- (b) Possession of all licenses and certifications required by applicable state and federal law for the Project Work; and
- (c) Has worked at least two thousand (2,000) hours in the appropriate construction craft during the past two years.

8.5.1 The following procedure shall apply for dispatch of Core Workers: The first one (1) worker will be referred from the applicable Union hiring hall out-of-work list, then one (1) Core Worker shall be selected and referred from the hiring hall, followed by one (1) worker from the hiring hall out-of-work list, and this process shall repeat until such Contractor/Employer's requirements are met or until such Contractor/Employer has hired five (5) such Core Workers for that trade or craft, whichever occurs first. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the applicable hiring hall out-of-work list. In the event the Contractor/Employer reduces the workforce, such reduction will take place in the reverse order starting with a Core Worker and in the same ratios as was applied in hiring. In addition, at the request of the Building Trades Council or Union, Contractor/Employer shall submit a Core Worker list to the requesting party and shall provide payroll records evidencing the worker's qualifications as a Core Worker.

8.5.2 This provision applies only to employers not currently working under a current Master Agreement and is not intended to limit the transfer provisions of the Master Agreement of any trade. As part of this process, and in order to facilitate the contract administration procedures and appropriate fringe benefit fund coverage, all Contractor(s)/Employer(s) shall require their Core Workers to register with the appropriate Union hiring hall prior to the first day of employment on the Project and to comply with Union security on or before the eighth [8th] day of consecutive or cumulative employment on the Project.

8.5.3 Prior to each Contractor performing any Project Work, such Contractor or subcontractor shall provide a list of its Core Workers to the City and the Building Trades Council. Failure of such a Contractor to do so will result in that Contractor being prohibited from using any Core Workers on that Construction Contract.

ARTICLE IX

WAGES AND BENEFITS

9.1 The Contractors/Employers agree to pay contributions to the vacation, pension and/or other deferred compensation plan, apprenticeship, worker protection and assistance, and health benefit funds established by the applicable Master Agreement(s) for each hour worked on the Project, in the amounts designated in the applicable Master Agreement(s).

9.2 By signing this Agreement, the Contractors/Employers adopt and agree to be bound by the written terms of the legally established Trust Agreements described in Section 9.1, which may from time to time be amended, specifying the detailed basis upon which payments are to be made into, and benefits paid out of, such Trust Funds. The Contractors/Employers authorize the parties to such local Trust Agreements to appoint trustees and successor trustees to administer the Trust Funds and hereby ratify and accept the trustees so appointed as if they were appointed by the Contractors/Employers. The Contractors/Employers agree to execute a separate subscription agreement(s) when such Trust Fund(s) requires such document(s).

9.3 Wages, Hours, Terms and Conditions of Employment: The wages, hours and other terms and conditions of employment on the Project shall be governed by the Master Agreement of the respective craft, to the extent such Master Agreement is not inconsistent with this Agreement. Where a subject is covered by the Master Agreement and not covered by this Agreement, the Master Agreement will prevail. When a subject is covered by both the Master Agreement and this Agreement, to the extent there is any inconsistency, this Agreement will prevail.

9.4 Holidays: Holidays shall be as set forth in the applicable Master Agreement and also include any City holidays established by the City.

ARTICLE X

APPRENTICES

10.1 Recognizing the need to develop adequate numbers of competent workers in the construction industry, including on public works projects, the Contractors/Employers shall employ apprentices from a California state-approved Joint Apprenticeship Training Program in their respective crafts, to perform such work as is within their capabilities and that is customarily performed by the craft in which they are indentured.

10.2 Apprentice ratios will be in compliance with the provisions of the California Labor Code and the applicable state prevailing wage determination.

10.3 Consistent with the Master Agreements, there shall be no restriction on the utilization of apprentices in performing the work of their craft provided they are properly indentured and supervised.

10.4 In order to increase apprenticeship opportunities for traditionally underrepresented and targeted workers, the parties shall comply with the Targeted Hire Addendum attached hereto as **Addendum B**.

ARTICLE XI **HELMETS TO HARDHATS**

11.1 The Contractors/Employers and Unions recognize a desire to facilitate the entry into the building and construction trades of veterans who are interested in careers in the building and construction industry. The Contractors/Employers and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center") and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties.

11.2 The Unions and Contractors/Employers agree to coordinate with the Center to participate in an integrated database of veterans interested in working on the Project and of apprenticeship and employment opportunities for the Project. To the extent permitted by law, the Unions will give credit to such veterans for bona fide, provable past experience.

ARTICLE XII **COMPLIANCE**

12.1 It shall be the responsibility of the Contractors/Employers and Unions to investigate and monitor compliance with the provisions of Article IX of this Agreement. Nothing in this Agreement shall be construed to interfere with or supersede the usual and customary legal remedies available to the Unions and/or employee benefit Trust Funds to collect delinquent wages or Trust Fund contributions from Contractors/Employers on the Project. Because the Project is a public work subject to the California Labor Code, the City shall ensure that all required state prevailing wage requirements as well as those of this Agreement are incorporated into and enforced through the City's bid and contract documents.

ARTICLE XIII **GRIEVANCE ARBITRATION PROCEDURE**

13.1 Project Labor Disputes: All disputes involving the application or interpretation of a Master Agreement to which a Contractor/Employer and a Union are parties shall be resolved pursuant to the resolution procedures of the Master Agreement. All disputes relating to the interpretation or application of this Agreement, other than disputes under Article IV and Article XIV, shall be subject to resolution by the grievance arbitration procedures set forth in this Article.

13.2 Employee Discipline: All disputes involving the discipline and/or discharge of an employee working on the Project shall be resolved through the grievance and arbitration provisions contained in the Master Agreement for the craft of the affected employee. No employee working on the Project shall be disciplined or discharged without just cause.

13.3 No grievance shall be recognized unless the grieving party (Union or Building Trades Council on its own behalf, or on behalf of an employee whom it represents, or a

Contractor/Employer on its own behalf) provides notice in writing to the party with whom it has a dispute within five (5) business days after becoming aware of the dispute but in no event more than thirty (30) business days after it reasonably should have become aware of the event giving rise to the dispute. Time limits may be extended by mutual agreement of the parties.

13.4 Grievances shall be settled according to the following procedures:

Step 1: Within five (5) business days after the receipt of the written notice of the grievance, the representative of the involved Union or Building Trades Council, or his/her designee, and the representative of the involved Contractor/Employer, shall confer and attempt to resolve the grievance.

Step 2: If the grievance is not resolved at Step 1, within five (5) business days of the Step 1 meeting or the conclusion of efforts to resolve the grievance at Step 1, the alleged grievance may be referred in writing by either involved party to the Business Manager(s) of the affected Union(s) involved and the Labor Relations Manager of the Contractor/Employer, or the Contractor/Employer's designated representative, for discussion and resolution. This time limit may be extended by mutual consent of both parties. Regardless of which party has initiated the grievance, the Union shall notify its International Union representative prior to the Step 2 meeting, and the International Union representative shall advise if it intends to participate in the Step 2 meeting. The Project Manager and the Building Trades Council shall have the right to participate in any efforts to resolve the dispute at Step 2.

Step 3: If the grievance is not resolved at Step 2, either party may request the dispute be submitted to arbitration within five (5) business days of the Step 2 meeting or the conclusion of efforts to resolve the grievance at Step 2. This time limit may be extended by mutual consent of both parties. Within five (5) business days after referral of a dispute to arbitration, the representatives shall notify the permanent arbitrator designated in Article IV, or if not available, the alternate arbitrator designated in Article IV, for final and binding arbitration. If the permanent arbitrator or the alternate is not available, an arbitrator shall be selected by the alternate striking method from the list of three (3) below. The order of striking names from the list of arbitrators shall be determined by a coin toss, the winner of which shall decide whether they wish to strike first or second.

1. William Riker
2. Carol Vendrillo
3. Morris Davis

13.5 The decision of the arbitrator shall be final and binding on all parties. The arbitrator shall have no authority to change, amend, add to or detract from any of the provisions of the Agreement. The expense of the arbitrator shall be borne equally by both parties. The arbitrator shall arrange for a hearing on the earliest available date from the date of his/her selection. A decision shall be given to the parties within five (5) calendar days after completion of the hearing unless such time is extended by mutual agreement. A written opinion may be requested by a party from the presiding arbitrator.

13.6 The time limits specified at any step of the grievance procedure may be extended by mutual agreement of the parties. However, failure to process a grievance, or failure to respond in writing within the time limits provided above, without an agreed upon extension of time, shall be deemed a waiver of such grievance without prejudice, or without precedent to the processing and/or resolution of like or similar grievances or disputes.

13.7 In order to encourage the resolution of disputes and grievances at Steps 1 and 2 of this grievance procedure, the parties agree that such settlements shall not be precedent setting.

13.8 Retention: At the time a grievance is submitted under this Agreement or any Master Agreement, the Union(s) may request that the City withhold and retain an amount from what is due and owing to the Contractor(s) against whom the grievance is filed, or its higher-tier Contractor, sufficient to cover the damages alleged in the grievance, should the Union(s) prevail. The amount shall be retained by the City until such time as the underlying grievance giving rise to the retention is withdrawn, settled, or otherwise resolved, and the retained amount shall be paid to whomever the parties to the grievance shall decide, or to whomever an arbitrator shall so order.

13.9 Should any of the arbitrators listed in this Article or Article IV no longer work as a labor arbitrator, the City and the Building Trades Council shall mutually agree to a replacement.

ARTICLE XIV

WORK ASSIGNMENTS AND JURISDICTIONAL DISPUTES

14.1 The assignment of Covered Work will be solely the responsibility of the Employer performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of the Jurisdictional Disputes in the Construction Industry (the "Plan") or any successor Plan.

14.2 All jurisdictional disputes on this Project between or among the building and construction trades Unions and the Employers parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Employers and Unions parties to this Agreement.

14.3 If a dispute arising under this Article involves the Northern California Carpenters Regional Council or any of its subordinate bodies, an arbitrator shall be chosen by the procedures specified in Article V, Section 5 of the Plan from a list composed of John Kagel, Thomas Angelo, Robert Hirsch and Thomas Pagan, and the arbitrator's hearing on the dispute shall be held at the offices of the California State Building and Construction Trades Council in Sacramento, California within fourteen (14) calendar days of the selection of the arbitrator. All other procedures shall be as specified in the Plan.

14.4 All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Employer's assignment shall be adhered to until the dispute is resolved. Individual employees violating this section shall be subject to immediate discharge.

14.5 Each Employer will conduct a pre-job conference with the Building Trades Council prior to commencing work. The City and the Project Manager will be advised in advance of all such conferences and may participate if they wish. Pre-job conferences for different Employers may be held together.

ARTICLE XV

MANAGEMENT RIGHTS

15.1 Consistent with the Schedule A agreements, the Contractor(s)/Employer(s) shall retain full and exclusive authority for the management of their operations, including the right to direct their work force in their sole discretion. No rules, customs or practices shall be permitted or observed which limit or restrict production, or limit or restrict the working efforts of employees, except that all lawful manning provisions in the Master Agreement shall be recognized.

ARTICLE XVI

DRUG AND ALCOHOL TESTING

16.1 The use, sale, transfer, purchase and/or possession of a controlled substance, alcohol and/or firearms at any time during the work day is prohibited.

16.2 Drug and alcohol testing shall be conducted in accordance with the substance abuse prevention policies set forth in the applicable Schedule A.

ARTICLE XVII

SAVINGS CLAUSE

17.1 If any article, provision, clause, sentence or word of this Agreement is determined to be illegal or void as being in contravention of any applicable law, by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect. The parties further agree that if any article, provision, clause, sentence or word of the Agreement is determined to be illegal or void, by a court of competent jurisdiction, the parties shall substitute, by mutual agreement, in its place and stead, an article, provision, clause, sentence or word that will meet the objections to its validity and will be in accordance with its original intent.

17.2 In the event a decision of a court of competent jurisdiction materially alters the terms of this Agreement such that the intent of the parties is defeated, then the entire Agreement shall be null and void.

17.3 If a court of competent jurisdiction determines that all or part of the Agreement is invalid and/or enjoins the City from complying with all or part of the Agreement's provisions, and the City accordingly determines that compliance with this Agreement will not be required in order to perform work under a Construction Contract, the Unions will no longer be bound by the provisions of Article IV.

ARTICLE XIX

TERM

18.1 This Agreement shall be included in all bid documents, requests for proposals, or other equivalent Project solicitations, which shall indicate that entering into this Agreement is a condition of the award of a Construction Contract(s) for the Project.

18.2 This Agreement shall apply until the Completion of each Project in accordance with Sections 1.4 and 2.2.

18.3 This Agreement shall become effective on the day it is executed by the City and the Building Trades Council. Prior to each three (3) year anniversary of the effective date of this Agreement, the City and the Building Trades Council shall meet to discuss proposed changes, if any, to the Agreement. Upon mutual written agreement, and subject to the approval of the City Council, the Agreement may be amended to for an additional three (3) years.

ARTICLE XVII **MISCELLANEOUS PROVISIONS**

19.1 The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement. All defined terms used in this Agreement shall be deemed to refer to the singular and/or plural, in each instance as the context and/or particular facts may require.

19.2 This Agreement may be executed in counterparts, such that original signatures may appear on separate pages and when bound together all necessary signatures shall constitute an original. Faxed or emailed signature pages transmitted to other parties to this Agreement shall be deemed the equivalent of original signatures.

19.3 Each of the persons signing this Agreement represents and warrants that such person has been duly authorized to sign this Agreement on behalf of the party indicated, and each of the parties signing this Agreement warrants and represents that such party is legally authorized and entitled to enter into this Agreement.

19.4 The parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

19.5 All defined terms used in this Agreement shall be deemed to refer to the singular and/or plural, in each instance as the context and/or particular facts may require.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first herein above written.

CITY OF MILPITAS

By: _____

Name/Title: _____

Date: _____

SANTA CLARA & SAN BENITO COUNTIES
BUILDING AND CONSTRUCTION TRADES
COUNCIL

By: _____

Date: _____

Name/Title: _____

DRAFT

[UNION SIGNATURES]

DRAFT

Addendum A
AGREEMENT TO BE BOUND

[Date]
[Addressee]
[Address]

Re: City of Milpitas Project Labor Agreement
Agreement to be Bound

Dear _____:

The undersigned confirms that it agrees to be a party to and bound by the City of Milpitas Project Labor Agreement ("Agreement") as such Agreement may, from time to time, be amended by the parties or interpreted pursuant to its terms.

By executing this Agreement to be Bound, the undersigned subscribes to, adopts and agrees to be bound by the written terms of the legally established trust fund documents as set forth in Section 9.1 of the Agreement, as they may from time to time be amended, specifying the detailed basis upon which contributions are to be made into, and benefits made out of, such trust funds, and ratifies and accepts the trustees appointed by the parties to such trust funds. The undersigned agrees to execute a separate subscription agreement(s) for such trust funds when such trust fund(s) require(s) such document(s).

The obligation to be a party to and bound by the Agreement shall extend to all work covered by the Agreement undertaken by the undersigned. The undersigned shall require all of its subcontractors, of whatever tier, to become similarly bound for all their work within the scope of the Agreement by signing an identical Agreement to be Bound.

This letter shall constitute a subscription agreement, to the extent of the terms of the letter.

CONTRACTOR/SUBCONTRACTOR: _____

California Contractor State License No. or Motor Carrier (CA) Permit No.: _____

Name of Authorized Person (print): _____

Signature of Authorized Person: _____

Title of Authorized Person: _____

Telephone Number of Authorized Person: _____

Address of Authorized Person: _____

State Public Works Registration Number: _____

Addendum B

TARGETED HIRE ADDENDUM

Purpose. The Parties to the City of Milpitas Project Labor Agreement (“Agreement”) recognize the need to increase training and career opportunities for underrepresented and targeted individuals in the construction trades through apprenticeship and pre-apprenticeship programs, and to develop a pipeline to ensure the continued availability of skilled, qualified, and readily available construction workers for future construction projects.

Additionally, the Santa Clara and San Benito Counties Building and Construction Trades Council (“Council”) is signatory, with other parties, to the Santa Clara County Construction Careers Collaborative Memorandum of Understanding (“MOU”), which established a pre-apprenticeship program in Santa Clara County that serves as a pipeline into the construction trades for youth and job-seekers.

Additionally, in order to increase construction career opportunities for individuals presently underrepresented in the building trades, the Parties to the Agreement agree to exert their best efforts to recruit, refer, and employ Targeted Workers as apprentices, and to cooperate with the Community Workforce Coordinator to maximize the employment of Targeted Workers on projects covered by the Agreement (“Covered Projects”).

The Parties to the Agreement therefore enter into this Targeted Hire Agreement to participate in the community workforce pipeline as set forth in the MOU, in furtherance of the above-stated purpose.

I. Definitions.

All capitalized terms not defined in this Targeted Hire Agreement are as defined in the Agreement.

Approved Pre-Apprenticeship Program. An Approved Pre-Apprenticeship Program means the Santa Clara County Trades Orientation Program or an equivalent structured, MC-3 certified career training and placement program or Union-sponsored program, that: (1) serves Underrepresented Workers, and (2) is sponsored by a Building Trades Council-approved community-based organization, a Building Trades Council affiliate, the Building Trades Council itself, the California State Building & Construction Trades Council, or North America’s Building Trades Unions (“NABTU”).

Community Workforce Coordinator. Community Workforce Coordinator means the Santa Clara County Trades Orientation Program, or another entity as determined by mutual written agreement between the Building Trades Council and the City. The Community Workforce Coordinator is responsible for maintaining an up-to-date list of Targeted Workers who are available for work and their current contact information, and will provide this list to any of the Parties upon request.

Participating Contractor. Participating Contractor means a contractor of any tier that performs \$250,000.00 or more of Covered Work (as that term is defined in Section 2.3 of the Agreement) on a Covered Project. A Participating Contractor is subject to the

Workforce Goal set forth in Section II below. If a contractor performs less than \$250,000 of Covered Work on a Covered Project, that contractor is not subject to the Workforce Goal, but may nonetheless participate voluntarily in the Workforce Goal.

Targeted Worker. Targeted Worker means an individual who has completed an Approved Pre-Apprenticeship Program.

Underrepresented Worker. An Underrepresented Worker is an individual who, prior to commencing work on a Covered Project, has at least one of the following barriers to employment:

- Veteran of the U.S. military;
- Currently receiving public assistance;
- Emancipated from the foster care system;
- Participating in a re-entry program or formerly incarcerated;
- Homeless, recently housed (within the past twelve months), or at risk of losing their housing;
- Continuously unemployed for the previous one year;
- Has family or household income below the current HUD threshold for Low Income Households in Santa Clara County;
- A survivor of labor trafficking; or
- An At-Risk Youth.

At-Risk Youth means a person between 18 and 24 years old that is either: 1) disconnected from school and/or work; 2) currently or formerly justice engaged; 3) in the foster care system; 4) pregnant/parenting; or 5) homeless.

II. Workforce Goal. The Parties have a goal of employing Targeted Worker(s) as Apprentices on all Covered Projects to the maximum extent allowable under applicable hiring hall procedures, Master Agreement(s), and apprenticeship program standards, for at least twenty-five percent (25%) of each Participating Contractor's apprentice hours on a Covered Project. In meeting this goal, priority shall be given to the employment of First Year Apprentices, subject to the needs of the Project.

- a) Nothing herein requires a Participating Contractor either to hire a particular individual or to retain a particular individual in employment. Any individual referred to a Covered Contractor shall be hired and employed at the Participating Contractor's discretion.
- b) A Participating Contractor will receive credit toward the Workforce Goal for hours performed by a Targeted Worker assigned to work on a Covered Project or on another jobsite at the employer's discretion, provided the worker is assigned to the same job classification that would apply to the Targeted Worker on a Covered Project.
- c) Participating Contractors shall properly supervise and pay all apprentices in accordance with the Master Agreements.

- d) Participating Contractors will provide, upon request, certified payroll records and/or records of hours worked by Targeted Workers to the General Contractor (or equivalent), the City, the Building Trades Council, the Unions, or the Community Workforce Coordinator.
- e) Participating Contractors will retain documentation sufficient to demonstrate that they requested a sufficient number of Targeted Worker apprentices to satisfy the Workforce Goal.
- f) **Community Workforce Coordinator Obligations.** The Community Workforce Coordinator will, upon request, refer the names of qualified, available, and willing Targeted Workers to the City, the Building Trades Council, the Unions and Participating Contractors. The Community Workforce Coordinator will also work with City to facilitate outreach events.
- g) **Union Obligations.** To the maximum extent allowable, consistent with the applicable hiring hall procedures, Master Agreement(s), and apprenticeship program standards, the Unions shall:
- Refer Targeted Workers as apprentices to Participating Contractors;
 - Cooperate with the City and community-based organizations designated by mutual agreement of the City and the Building Trades Council in conducting outreach to recruit and refer Underrepresented Worker applicants to Approved Pre-Apprenticeship Programs for which they are qualified or qualifiable;
 - Cooperate with the Community Workforce Coordinator and Participating Contractors in order to satisfy the requirements of this Targeted Hire Agreement; and
 - Facilitate, encourage, and assist Targeted Worker apprentices in their progress and success in joint labor/management apprenticeship programs.
- h) **City Obligations.** The City shall have a designated person or persons responsible for liaising with the Community Workforce Coordinator and conducting at least the following activities, to maximize the employment of Targeted Workers on Covered Projects:
- Notify the Community Workforce Coordinator on a quarterly basis of upcoming Covered Projects;
 - Communicate with the Community Workforce Coordinator regarding Covered Project work schedules, delays, major changes in scope, or other updates affecting labor demand in order to facilitate timely referral of Targeted Workers;
 - Host or coordinate outreach events with Participating Contractors or prospective contractors on Covered Projects;
 - Monitor compliance with this Targeted Hire Agreement via reporting requirements in its Construction Contracts.

III. Satisfying Workforce Goal. A Participating Contractor meets its obligations under this Targeted Hire Agreement by complying with both of the following:

- (a) Prior to commencing work on the Covered Project, submitting a Targeted Hiring Form to the Community Workforce Coordinator and the Santa Clara & San Benito Counties Building and Construction Trades Council;
- (b) Making best efforts to employ Targeted Workers on all Covered Projects for a least twenty-five percent (25%) of apprentice hours (or equivalent work on another jobsite, provided the apprentice is assigned to the same job classification the apprentice would have been assigned to on the Covered Project). Best faith efforts shall include, at a minimum:
 - 1) Requesting a list of available and qualified Targeted Workers from the Community Workforce Coordinator prior to hiring for Covered Project work;
 - 2) Sponsoring a Targeted Worker into a Union apprenticeship program and employing that Targeted Worker on a Covered Project, if sponsorship is available; or
 - 3) Requesting that the applicable Union(s) provide qualified and available Targeted Workers for employment consideration in a number sufficient to meet the Workforce Goal under Section II.

IV. Consequences of Non-Compliance. The Joint Administrative Committee (“JAC”) established by the Agreement shall consider allegations of non-compliance with this Targeted Hire Agreement. If there is a determination by the JAC that a Party failed to meet its obligations hereunder, the issue will be referred to the grievance procedure as provided in Article 13 of the Agreement. At any time during the process of compliance review, the JAC shall have the authority to reach a resolution with the Participating Contractor.

V. Reporting. The Building Trades Council and Community Workforce Coordinator shall report to the City on an annual basis regarding the goals of this Targeted Hire Agreement. Such reports will be discussed and approved at JAC meetings before provision to the City. Participating Contractors agree to provide information upon request to the Building Trades Council, the Community Workforce Coordinator, or the City, as needed to assess the effectiveness of this Targeted Hire Agreement.

The City and the Building Trades Council may request to meet and confer regarding additional or revised terms and/or procedures in order to improve the employment of Targeted Worker apprentices on Covered Projects.

Nothing in this Targeted Hire Agreement is intended to conflict with or supersede the reporting requirements imposed by the City on its contractors.

VI. Implementation. The JAC shall help monitor and implement this Targeted Hire Agreement.

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DRAFT

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS COMMITTING TO NEGOTIATE
AND EXECUTE A PROJECT LABOR AGREEMENT PER PUBLIC PROJECT FOR SPECIFIED PROJECTS**

WHEREAS, at the August 4, 2020 City Council meeting, the City Council directed staff to return with a draft Project Labor Agreement or Community Workforce Agreement; and

WHEREAS, a project labor agreement (“PLA”) ensures that City projects covered by the PLA are performed by union-represented workers; and

WHEREAS, a PLA requires that all contractors performing work typically within the jurisdiction of the trade unions on the covered projects, whether they are normally signatories to a collective bargaining agreement or not, submit to union representation, at least for the duration of the PLA projects; and

WHEREAS, although staff has been working on drafting and negotiating a citywide PLA, the City Council may in addition to, or in the alternative, seek to express its commitment to ensuring that a PLA is negotiated and executed per public project for specified projects as discussed in this Resolution; and

WHEREAS, the commitment expressed by the City Council in this resolution shall only control in the event a citywide PLA is abandoned or cannot be successfully negotiated and executed.

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. The City Council hereby expresses its commitment to ensuring that a PLA is negotiated and executed per public project for specified projects to be discussed and decided upon annually by the City Council at the time the budget is reviewed and discussed prior to adoption.
3. The City Council hereby directs staff to provide a list of all upcoming public projects to be bid for the financial year at the time the budget is reviewed and discussed prior to adoption so that the City Council and staff can determine which public projects shall be subject to a PLA.

PASSED AND ADOPTED this ____ day of _____, 2020, 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

	City of Alameda	County of Alameda	City of Anaheim	City of Berkeley	City of Hayward	City of San Leandro	San Leandro Unified School District	City of San Jose	County of Santa Clara
1. Term of the Agreement	3 years between the trades and the city. Each contractor entering the PSA is bound for the duration of the project.	10 years with a 5 year off-ramp. At the 5 year mark, either party (County or Trades) may choose to renegotiate a new agreement.	Adopted last Dec., 5 year Term	The previous Community Workforce Agreement (CWA) which is our PLA, had a two year term and went from July 1, 2018 to June 30, 2020. During COVID and due to my predecessor and the PW Director retiring in June of 2020, we are a bit delayed in renewing the agreement, but it is scheduled to go to our Council in Dec. and we are proposing a three year extension through June 30, 2023. The Alameda County Building trades Council is in agreement with the term extension.	For our library project, it has been the term of the construction contract. For our other general projects, it has been three years.	3 years with an additional 3 year extension.	3 years	5 year term	Initial term of five years including a provision for automatic rollover of the Agreement if neither party requests to change the Agreement at the end of the five-year term.
2. Project Thresholds: Cost value of projects under PLA	\$1M for construction contracts	Ours is a countywide agreement, across multiple agencies. Our Project Stabilization/Community Benefits Agreement (PS/CBA) covers projects \$1M+, with the exception of projects lead by the Public Works Agency (PWA) whose projects are covered for all trades at the \$3M+ threshold and projects \$1M+ are covered for Trucking (Teamsters) ONLY.	\$1M	\$500,000	Any project over \$1M	Community Workforce Agreement (CWA) applies to City construction projects whose value meets or exceeds \$1,000,000.	The way we arranged this agreement is by project. We listed our major projects as subject to the PLA. Not by threshold. Our past one here had a threshold of \$500K. In my previous district it was 1M.	Applies to public works projects with engineer estimates of \$3M or more.	Projects with an engineer's estimate of \$2 million or more.
3. Project Cost Implications: Increased bid prices? Staff costs?	Hard to measure, as we include the PSA requirements in the bid documents for projects expected to meet the \$1 million threshold, so only contractors that will agree to be bound to the agreement will bid.	Project costs implications: Hard to ascertain with market fluctuations. Our sense is that project costs, particularly for PWA (most of their prime contractors are signatory), have not been significantly impacted. Staff costs: There are additional costs for staff time to implement the agreement. Alameda County has not done a full analysis on this.	Not seeing a bid increase at this time, but project costs are 2.5% to 3% higher due to cost of consultant assistance required to manage the many requirements of the PLA.	Unknown	Typically we anticipate increases of 5% minimum. City had hired a Sr. Management Analyst to help with coordination. He left for outside opportunities and hasn't been rehired yet. There are some early project coordination efforts and follow up quarterly meetings if other labor issues arise.	Yes, there has been a slight project cost implication with the main portion being staff time to monitor compliance. (Regarding bid prices) this is difficult to judge. It is possible that non-union bidders may not be bidding on our projects and we may have less competition and subsequently higher costs.	There is about a 15% increase in cost associated with our past PLA. There is a lot more paperwork. There are some associated staff costs as there will be more meetings to attend and track.		We have no evidence of bid price increases and no staff costs.
4. Reduction in number of contractors bidding since PLA?	The City of Alameda has longstanding relationships with contractors who bid on our major recurring projects, such as street resurfacing and sewer rehabilitation; these have continued after the PSA was approved.	Not that we can see. We are concerned about small and diverse subcontractor participation, and have built in a tool to assess the impacts on these contractors at the 3 year mark. At that time, parties will meet and confer to make any mutually agreed upon adjustments.	Not seeing a lack of bidders on projects since PLA adoption, however the PLA does have restrictions on how many of the contractors in house staff can be used on a project, which requires the contractor to obtain labor from Union Halls.	Unknown	This is hard to prove, but we believe so. For a private development RFP, it has affected the number of developers willing to respond.	There is the potential that we may have less bidders. We suspect that we have less bidders for our street slurry seal projects.	There certainly was when we were bidding out our modular buildings. Only two contractors could comply with the PLA.		We don't think there has been a significant change but have not analyzed the data.
5. Labor shortage problems?	I have heard anecdotal evidence of problems finding local labor, especially apprentices and specialty subcontractors. Many contractors for major projects already employ union labor.	This may have been the case during full employment, but Alameda is experiencing upwards of 14% unemployment right now, so we don't see this as a problem.	Contractors are restricted in using the number internals staff	Maybe at times, but is is also common for contractors to have their own employee pool and these people would join the local craft union for the duration that they are working on the project.	Yes, there has been no special benefit to our contractors to hire out of local union halls.	In general there is difficulty finding City local labor at the Union Hall; however, there is sufficient labor within the County.	Yes, there has been a labor shortage in the past few years.		Not as of yet, and actually the Santa Clara and San Benito Counties Building and Construction Trades Council (SBTC) has facilitated our general contractors with introductions to union subs.
6. Does PLA establish local hiring goals and have they been met?	Local workforce development requirements are on pages 17-18 (goal of up to 25% by trade). I do not have data on the actual percentages overall.	Yes and yes.		Yes, the local hire goal is 20% Berkeley residents for each craft based on the total number of hours that each craft works.	Yes, there are goals. Those goals are not often met.	Yes, however, the local hiring goals have never been met.	Not in the past PLA.	Provision for employers not currently working under a Master Agreement to hire five core workers. Includes a Targeted Hire Agreement	No
7. Who manages requirements of PLA? Agency staff or consultant? If consultant, can they share costs?	Agency staff manage the requirements, mostly ensuring that the PSA is included in the bid documents for projects that meet the threshold, and that the selected contractor signs the agreement to be bound. At that point, the contractor is responsible for meeting the requirements. Agency staff also meet about once per quarter to review upcoming projects.	Both (agency staff and consultant manage the PLA requirements). Consultant cost sharing: Current is \$1.2M for 3 years of service. This includes PS/CBA coordination, as well as labor compliance services.	Consultant is used to help manage the PLA projects, consultant cost is 2.5-3% of the project engineers estimate. The PLA requires a large amount of paperwork and other tasks to be completed ahead of the project start of work. Coordinating the preconstruction conferences has been time consuming and the consultant has helped in this area. The amount of work required additional city staff, and the consultants also assist with required labor compliance items.	Community Development Project Coordinator administers the CWA as part of his role administering Berkeley Labor Standards and Employee programs.	Agency staff	Kurly Foley of our staff manages the requirements of the PLA in conjunction with our Project Managers.	This has been done in house with the aid of our Construction Management Team.		The SBTC Compliance manager meets with the construction contractor and our project management team at the beginning of the project. SBTC also offers training to the team. The Targeted Hiring Agreement portion of the PLA is supported by Louise Auerhahn - Community Workforce Coordinator for Working Partnerships USA
8. Covered work?	Section 2.3 Covered work: "Agreement covers, without limitation, all site preparation, surveying, construction, alteration, demolition, installation, improvement painting or repair of buildings, structures and other works, and related activities for the Project, including geotechnical and exploratory drilling, temporary HVAC, and landscaping and temporary fencing that is within the craft jurisdiction of one of the Union(s) and which is directly or indirectly part of the Project, including, without limitation to the following examples, pipelines (including those in linear corridors built to serve the project), pumps, pump stations, start-up, and modular furniture installation. On-site work includes work done for the Project in temporary yards or areas adjacent to the Project, and at any on-site or off-site batch plant constructed solely to supply materials to the Project. This scope of work includes all on-site soils and materials testing and inspection where such testing and inspection is a classification in which a prevailing wage determination has been published."	Section 3.6 Covered Work: This Agreement covers, without limitation, all site preparation, surveying, construction, alteration, demolition, installation, improvement, remediation, retrofit, painting or repair of buildings, structures and other works, and related activities for the Covered Project that is within the craft jurisdiction of one of the Unions and that is directly or indirectly part of the Covered Project, including, without limitation to the following examples, landscaping and temporary fencing, temporary HVAC, geotechnical and exploratory drilling, soils and materials testing and inspection, pipelines (including those in linear corridors built to serve the Covered Project), pumps, pump stations, start-up, modular furniture installation, and final clean-up. This Agreement covers work done for the Covered Project in temporary yards, dedicated sites, or areas adjacent to the Covered Project, and at any on-site or off-site batch plant constructed to supply materials to the Covered Project.	Section 2.4 Applicability: This Agreement shall not apply to any work of any Contractor other than that on Project Work specifically covered by this Agreement.		Section 2.3.1 "This Agreement covers without limitation, all construction Projects with a construction cost estimate of more than one million dollars (\$1,000,000). For these Projects, the Agreement covers all Contractor performed on-site site preparation, on-site surveying, construction, alteration, demolition, installation, improvement, painting or repair of buildings, structures and other works, and related activities for the Project that is within the craft jurisdiction of one of the Unions and which is directly part of the Project, including, without limitation to the following examples, geotechnical and exploratory drilling, temporary and permanent HVAC, landscaping and temporary fencing, pipelines (including those in linear corridors built to serve the project), pumps, pump stations, and installation of modular furniture that is covered by the State of California Prevailing Wage determinations. On-site work includes work done for the Project in temporary yards, dedicated sites or areas adjacent to the Project, and at any on-site or off-site batch plant constructed solely to supply materials to the Project. The scope of work includes all soils and materials testing and inspection where such testing and inspection is a classification in which a prevailing wage determination has been published. This Agreement shall apply to any start-up, calibration, commissioning, performance testing, repair, and operational revisions to systems and/or subsystems performed for the Project after completion unless it is performed by City employees.	All on-site construction, demolition, alteration, painting or repair of buildings, structures, landscaping, temporary fencing and other related activities for the projects that is within the craft jurisdictions of one of the signatory unions and that is part of the projects, including, pipelines, site preparations, survey work, and demolition.	Design/build and design/bid public works projects are covered;	Covers without limitation, all on-site site preparation, surveying, construction, alteration, demolition, installation, improvement, painting or repair of buildings, structures and other works, and related activities for the Project that is within the craft jurisdiction of one of the Unions and which is directly part of the Project, including, without limitation to the following examples, geotechnical and exploratory drilling, temporary and permanent HVAC, landscaping and temporary fencing, pipelines (including those in linear corridors built to serve the project), pumps, pump stations, and installation of modular furniture. On-site work includes work done for the Project in temporary yards, dedicated sites or areas adjacent to the Project, and at any on-site or off-site batch plant constructed solely to supply materials to the Project. The scope of work includes all soils and materials testing and inspection where such testing and inspection is a classification in which a prevailing wage determination has been published. This Agreement shall apply to any start-up, calibration, commissioning, performance testing, repair, and operational revisions to systems and/or subsystems performed for the Project after completion unless it is performed by County employees.	
	Section 2.4.2: This agreement covers all on-site fabrication work over which the City, Contractor/Employer(s) or subcontractor(s) possess the right of control (including work done for the Project in any temporary yard or area established for the Project). Additionally, it is agreed hereby that this Agreement covers any off-site work, including fabrication work necessary for the Project defined herein, that is covered by a current MUA or local addenda to a National Agreement of the applicable Union(s) that is in effect as of the execution date of this Agreement.	Section 3.9 This Agreement covers all on-site fabrication work over the County or Contractors possess the right of control (including work done for Covered Projects in any temporary yard or area established for a Covered Project). Additionally, any offsite work, including fabrication, necessary for Covered Projects defined herein, that is lawfully covered by a current MUA or local addenda to a National Agreement of the applicable Union(s) that is in effect as of the execution of this Agreement shall be considered covered work under this Agreement.			Section 2.3.2 except "This Agreement covers all on-site fabrication work over which the City or Contractor(s) possesses the right of control (including work done for the Project in any temporary yard or area established for the Project(s). Additionally, it is agreed hereby that off-site work, including fabrication work necessary for the projects defined herein that is covered by a provision of a current Master Agreement or local addenda to a National Agreement of the applicable Union(s) that is in effect as of the Effective Date of this Agreement shall be considered covered work under this Agreement.				
		Section 3.19.3 Excerpt "All electrical utility, voice-data-voice and security installation work performed after the electrical utility service entrance or the main point of entry shall be Covered work. Additionally, all contracted work performed ahead of the service entrance connection and main point of entry that is inside the property line that provides the access to the building via a conduit or series of conduits shall be Covered Work.							

8. Work not covered?	Not covered: Any private development project, furnishing of supplies, equipment or materials which are stockpiled for later use, public work contracts by the City which are not included in the project, no contractor/employee(s) non-construction craft employees, work performed on or near leading to the Site of work, off-site maintenance of leased equipment and on-site supervision of such work.	Not covered: factory built modular construction, operation of equipment and machinery owned or controlled by the County and its subcontractors and not directly related to construction of Covered Projects, all employees of any Contractor or any other consultant of the County not performing Covered Work, any work performed on or near or leading to or on the site of work covered by this Agreement and undertaken by state, county, city or other governmental bodies, or their contractors, or by public utilities or their contractors, and/or by the County or its contractors, in each case for work that is not Covered Work, work performed by public or private utilities, off-site maintenance of leased equipment and on-site supervision of such work, non-construction support services contracted by the County or any Contractors in connection with Covered Projects, all work by employees of the County, all warranty functions/work, corrective work, repair and maintenance work on purchase equipment performed by manufacturers' representatives or vendors after Acceptance of any Covered Projects by the County pursuant to a contract for Covered Work on a Covered Project, All Post-Disaster and Emergency Work and work privately contracted by owners of property that the County is leasing.	Excludes specialty utility work, high voltage work, or work requiring special contractor licenses. It also excludes commissioning, inspection, and maintenance work where use of manufacturer personnel is required so as not to void equipment warranties.		Not covered: public works contracts, any work performed on, near or leading to the site of work covered by this Agreement that is undertaken by state, county or other governmental bodies or their contractors, or by public or private utilities or their contractors, or by the City or its contractors for work not part of the scope of the Projects, off-site maintenance of leased equipment or the on-site supervision of such work.	Agreement does not apply to projects for which there is a prohibition, exclusion or other limitation imposed because of a grant requirement, funding source agreement, or other agreement that creates a risk to the City of any repayment or return to source of any funds received.			Furnishing of supplies, equipment or materials which are stockpiled for later use shall not be covered by this Agreement. Agreement shall not apply to any work performed on or near or leading to the site of work covered by this Agreement that is undertaken by state, city or other governmental bodies or their contractors; or by public or private utilities or their contractors. Agreement shall not apply to off-site maintenance of leased equipment and on-site supervision of such work.
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MEMORANDUM

City Manager's Office



DATE: September 9, 2020

TO: Mayor and Council

THROUGH: Steve McHarris, City Manager *Steve McHarris*

FROM: Ashwini Kantak, Assistant City Manager *Ashwini Kantak*

SUBJECT: **2020 Census Update**

This Information Memorandum is in response to a request initiated by Councilmember Dominguez and supported by the full Council at the September 1, 2020 Council meeting. It is intended to provide an update of 2020 Census outreach activities and several factors that impact overall participation including COVID-19 and the recent California Wildfires.

BACKGROUND

The 2020 Census goal is to count everyone once, only once, and in the right place. Each decade the Census takes a count of America's population. Census data provides vital information that helps determine political representation in every State and allocation of more than \$675 billion in federal funding that support creating jobs, providing housing, preparing for emergencies and building schools, roads and hospitals. The 2020 Census is considered to be the most accessible survey in census history. For the very first time, an internet self-response option makes it easier for anyone, anywhere to respond at any time.

The 2020 Census has been confronted with a number of setbacks that could lead to a significant undercount, which can translate to Congressional underrepresentation and reapportionment of California dollars. These challenges include increased government distrust with attempts to include a citizenship question, general concerns about data privacy and confidentiality, inadequate language accessibility, Presidential order to exclude undocumented immigrants in the apportionment process, limited federal budget for advertising and outreach, and the impact of COVID-19 and California Wildfires that threaten overall participation.

SIGNIFICANT IMPACT OF COVID-19 ON REACHING THE HARD-TO-COUNT

Due to the statewide shelter-in-place order, Census Bureau operations as well as state, county and local government outreach initiatives have been suspended because of restrictions on public gatherings. Most previously developed strategies to reach the hard-to-count were in-person meetings and events including access to public library computers to complete the form. Unfortunately, changes in tactics have greatly impacted effective outreach to historically undercounted and low-response groups such as individuals experiencing homelessness, immigrant populations and in-language dependent households, renters, students and children under the age of five.

CENSUS OUTREACH EFFORTS

City staff has conducted and will continue to implement and support the following activities through the remainder of the Census operation.

- Inclusion of information resources on the City Website;
- Inclusion of messaging around Census takers who will start knocking on doors for the month of September on the City Website and social media platforms;
- Partnership with the County of Santa Clara Complete Count Committee on Non-response Follow-Up outreach;
- Collaboration with United Way of the Bay Area and Homebase to help enumerate people experiencing homelessness (especially first-time homeless due to COVID-19 and California Wildfires);
- Outreach activities during scheduled food distribution City events.

UPDATED CENSUS DEADLINE

During the second quarter of 2020, the Census Bureau shared plans to extend the Census deadline to October 31 from July 31 to address operational delays brought forth by COVID-19. However, the Bureau provided an update regarding the end to all of its counting efforts on September 30, a month sooner than previously announced. This includes critical door-knocking efforts and response collection online, phone and mail. The latest move is part of the Bureau's efforts to accelerate the completion of data collection and apportionment counts by the statutory deadline of December 31, 2020, as required by law.

NON-RESPONSE FOLLOW-UP (NRFU)

Census takers have started visiting homes that have not responded to the Census on August 11. All Census takers are required to wear masks, regardless of state and local guidelines. They will knock on doors and immediately step back six feet to create appropriate space between themselves and the respondents. Census takers will be given additional masks to provide residents should they need one, as well as a hand sanitizer. They will be using an app to collect information, which means they will no longer pass paperwork back and forth with respondents.

CENSUS TIMELINE

Noted below are the schedule modifications across the various Census operational phases.

Activity	Original Schedule	Updated Schedule
Self-Response Phase	March 12 – July 31	March 12 – September 30
Mobile Census Questionnaire	March 30 – July 31	Started in July
Non-Response Follow-Up (NRFU): In-person enumeration by Census taker.	May 13 – July 31	August 11 – September 30
Service-Based Enumeration & Homeless/Displaced Count	March 30 – April 1	September 22 - 24
Deliver Apportionment Count to the President	December 31, 2020	December 31, 2020*
Deliver Redistricting Count to States	April 1, 2021	April 1, 2021*

*Pending Census Bureau confirmation

PUBLIC INFORMATION

The City will continue to share information on its [2020 Census webpage](#), which has been created to provide accurate reports on Census operations. Additionally, regular public updates will be provided through the City's social media accounts on Facebook, Twitter, and Nextdoor.

MEMORANDUM

Office of the City Manager



DATE: September 10, 2020

TO: Mayor and Council

THROUGH: Steve McHarris, City Manager *Steve McHarris*

FROM: Ashwini Kantak, Assistant City Manager *Ashwini Kantak*

SUBJECT: City Council Sponsored Events

This Information Memorandum is in response to a request initiated by Councilmember Dominguez and supported by the full Council at the September 1, 2020 Council meeting, to agendize a discussion about City Council sponsored events at the September 15 Council meeting.

Background:

During the Fiscal Year 2019-2020 Budget development process, the City Council expressed an interest in individual Councilmembers having the ability and funding to host events that benefit the City and the Milpitas community, and to use City facilities for this purpose.

The use of City facilities is governed by the Milpitas Facility Use Manual and updates to this Manual needed to be brought forward for Council consideration to enable use of City facilities by individual Councilmembers.

A draft policy for Council sponsored events (a policy for City Council training was also part of the same agenda item) and related draft Facility Use Manual update were both brought forward for Council consideration on August 20, 2019. Both items were deferred multiple times and were finally discussed at the November 19, 2019 City Council meeting. Although no formal action was taken by Council, staff was directed to bring back both items at a later date. The discussion related to use of facilities by the City Council, the subsequent Facility Use Manual update to capture those uses, as well as the policy on City Council sponsored events has not occurred to date.

Analysis:

The draft Council policy for events, presented to Council in late 2019, was intended to establish City policy, guidelines and conditions for the use of funds appropriated to individual members of the City Council for hosting events, donating to intergovernmental agencies and non-profit organizations and for requesting fee waivers for events. These events were to support the City Council's priorities and not be related to campaigning or any other political advocacy efforts and shall generally serve a public purpose.

The Approved Fiscal Year 2020-2021 Budget includes funding in the amount of \$25,000 for the City Council (\$5,000 for each member of the Council) to make donations to intergovernmental agencies and non-profit organizations and to approve fee waivers for events and for individual Councilmembers to either host his/her own events or to donate to additional events and provide fee waivers, distinct from those submitted per the adopted policy – City Council Donations and Fee Waiver/Reduction Policy are regulated by Council policy 01-07.

Per this policy, all requests for events and fee waivers or donations for non-profit organizations shall continue to be brought forward for Council consideration. Based on historical information about Council donations and fee waivers, when this item was brought forward for Council discussion in 2019, staff had recommended setting aside a budget of \$10,000 for the full City Council and \$3,000 each for every individual member of the City Council.

The draft policy outlined general conditions as described below:

Any events hosted or sponsored by an individual Councilmember were intended to be for a wide-reaching public purpose serving the Milpitas community at-large, and supporting the priorities of the full Council. Events were to be open to the public and to any other Councilmembers who may wish to attend. Councilmember hosted events were not to be related to a campaign event. To ensure the integrity of the events, the draft policy stated that no hosted events would take place six months preceding a municipal election.

The draft policy provided guidance about type of staff support and number of staff hours. The draft policy also described the responsibilities of the City Councilmembers and the City Manager and outlines the procedures for reimbursement of expenses.

Key items that were noted for Council consideration and input included:

1. Allocation amounts from the total \$25,000 budget for the full City Council and individual Councilmembers.
2. Eligible expenditures for individual Councilmember funds.
3. Number of events hosted by individual Councilmembers.
4. Use of City facilities
5. Timeframe of events hosted by individual Councilmembers with respect to municipal elections.
6. Amount of staff support hours per event and cumulative number of hours for events hosted by each Councilmember.
7. Approval Process

As noted earlier, Council did not take action on the draft policy or the Facility Use Manual update but provided input on the item and asked staff to return at a future date.

Links to the prior Agenda Report, draft policy, and meeting minutes are included below for reference.

Links to documents:

[November 19, 2019 Agenda Report and Draft Policies](#)

[November 19, 2019 Agenda Report and Draft Facility Manual](#)

[November 19, 2019 Council Meeting Minutes, Pages 6-8](#)



MEMORANDUM

Date: 09/15/2020

To: City Manager Steve McHarris, City Attorney Chris Diaz

CC: City Clerk Mary Lavelle

Subject: City Council Events

From: Councilmember, Karina Dominguez 

Background:

During the Fiscal Year 2019-2020 Budget development process, the City Council expressed an interest in individual Councilmembers having the ability and funding to host events that benefit the City and the Milpitas community, and to use City facilities for this purpose.

The proposed Council policy for events establishes City policy, guidelines and conditions for the use of funds appropriated to individual members of the City Council for hosting events, donating to intergovernmental agencies, faith base organizations, Neighborhood Associations, non-profit organizations and other agencies providing a free service in Milpitas and are requesting fee waivers for events. These events support the City Council's priorities and shall not be related to campaigning or any other political advocacy efforts and shall generally serve a public purpose.

On November 5, 2019 a draft policy came before Council and feedback was provide to staff in order to bring back a policy with modifications. The final proposal for council consideration and approval can be found in attachment 1 of this memo.

The City of Milpitas' Facility Use Manual is the guiding document for the general use and rules of the City's Indoor and Outdoor facilities, fields and parks (Facility). At the Special City Council Budget Study Session on March 12, 2019, Council directed staff to bring back modifications to the Facility Use Manual that would enable the use of City facilities by City Councilmembers for non-campaign related community programs and events. These modifications are located on pages 4-8 of the Manual. A copy of the full manual can be here: <http://www.ci.milpitas.ca.gov/wp-content/uploads/2016/08/Facility-Manual-Updated-062016-FINAL.pdf>

Analysis:

The Approved Fiscal Year 2020-2021 Budget includes funding in the amount of \$25,000 for the City Council (\$5,000 for each member of the Council) to make donations to intergovernmental agencies and non-profit organizations and to approve fee waivers for events and for individual Councilmembers to either host his/her own events or to donate to additional events and provide fee waivers, distinct from those submitted per the adopted policy – City Council Donations and Fee Waiver/Reduction Policy are regulated by Council policy 01-07.

Per this policy, all requests for events and fee waivers or donations for organizations providing a public service in Milpitas shall continue to be brought forward for Council consideration.

Based on prior council direction and feedback we are proposing the following council policy for city sponsored events, please see attachment 1:

Under the California Constitution, Article XVI, Section 6, there is a prohibition on the gift of public funds unless there is a documented public purpose. Further, California Government Code Section 8314 prohibits the use of public resources, including land and facilities, for campaign related purposes.

City Councilmembers wishing to host a program or event in a City-owned Facility could implement a request and approval process as part of the City of Milpitas Facility Use Manual, as long as the proposed program or event is non-campaign related and has a wide-reaching public purpose serving the Milpitas community at large.

To ensure compliance with state law and City Council policy, the review and approval of a Councilmember's request to host a program or event in a City-owned Facility would go through a process ensuring the documentation of public purpose, availability of facility space, and approval of funds associated with the use of a City-owned Facility by the City Council. City Councilmember requests would be submitted on a request form to: 1) describe the proposed program or event scope, 2) state additional community partners, 3) explain how the event aligns with a city priority and 4) select a date that is not currently reserved by another group or departments. The request form would be reviewed by the City Attorney's office and City Manager's office for public purpose review and determination of an available facility. Once reviewed, the request would be agendaized for a future City Council meeting for approval.

The revocation of an approval to a City Councilmember could occur if the use of the City facility violates state law or if the use is inconsistent with the Councilmember's written request.

The final language to update the City of Milpitas Facility Use Manual can be found in attachment 2 of this memo.

Fiscal Impact No additional funding is needed at this time.

No. x-x Effective

: xx Revised:

CITY OF MILPITAS, CALIFORNIA

SUBJECT: COUNCIL POLICY FOR EVENTS

PURPOSE OF THE POLICY

The purpose of this policy is to establish City policy, guidelines and conditions for the use of funds appropriated to the City Council for hosting or donating to intergovernmental agencies and non-profit organizations and for requesting fee waivers for events. This policy addresses the desire of the City Council for individual Councilmembers to be able to host events that benefit the City and the Milpitas community. These events support the City Council's priorities and shall not be related to campaigning or any other political advocacy efforts and shall generally serve a public purpose.

PROCEDURES

A. General Conditions 1. The City Council has an approved budget for donations and fee waivers for intergovernmental agencies or non-profit organizations that provide Milpitas community benefit. In addition to this, each individual Councilmember shall have an approved budget for either hosting his/her own events or for donating to additional events and providing fee waivers, distinct from those submitted per the adopted policy – City Council Donations and Fee Waiver/Reduction Policy are regulated by Council policy 01-07. Per this policy, all requests for events and fee waivers or donations for non-profit organizations shall continue to be brought forward for Council consideration. 2. Guidelines for the use of City facilities for a Councilmember hosted or sponsored program or event are outlined in the City of Milpitas Facility Use Manual (Indoor and Outdoor Facilities). 3. Any events hosted or sponsored by an individual Councilmember shall be for a wide-reaching public purpose serving the

Milpitas community at-large, and shall support the priorities of the full Council. Events shall be open to the public and to any other Councilmembers who may wish to attend. Councilmember hosted events shall not be related to a campaign event. To ensure the integrity of the events, no hosted events shall take place in the three months preceding a municipal election. 4. Staff support for any individual Councilmember hosted events shall be limited to 5 hours, including staff time needed for facility use, unless approved by the full Council. The level of staff support, excluding general facility attendant staff, will be identified and assigned by the City Manager or his/her designee. 6. Events that are approved by the council would be able to use the city logo for marketing and communication purposes. 5. The approved budget may be used for facility rentals within the City of Milpitas, refreshments, contractual services, and supplies but cannot be used to provide gifts to event participants or to serve alcohol.

B. Responsibility of the Councilmember 1. Each Councilmember, with the assistance of staff, must complete the Event and Facility Use Request Forms and submit to the City Manager and City Attorney's office for review to ensure compliance with state law, and approval. 2. Event coordination and any purchase of refreshments and supplies for events hosted by individual Councilmembers shall be the responsibility of the individual Councilmember. 3. Each Councilmember shall submit all receipts related to the event within 30 days after the event in order to be reimbursed. 4. Each Councilmember shall provide a brief verbal report to the full Council on the benefits and outcome of the event, including event attendance.

C. Responsibility of the City Manager It is the City Manager or designee's responsibility to review and track the events budget for each Councilmember and to provide regular updates.

D. Expense Reimbursement Councilmembers shall submit expense reimbursement requests on Finance Department provided forms with original receipts within 30 days after the event.

I. PRIORITIES

Priorities are designed to determine fee and reservation status.

1.1 To provide for public activities in the best interest of the Community, City facilities will be reserved in accordance with the following group priorities:

Priority I. City administered programs, including any program hosted by a councilmember for a non-campaign related community event with a wide-reaching public purpose serving the Milpitas community at-large, as determined by the City Manager in consultation with the City Attorney. Under the California Constitution, Article XVI, Section 6, there is a prohibition on the gift of public funds unless there is a documented public purpose. Further, California Government Code Section 8314 prohibits the use of public resources, including land and facilities, for campaign related purposes.

Any councilmember request under Priority I shall be on a form established by the City Manager. In the form, the councilmember shall state why the event is not campaign related and provide a documented public purpose consistent with state law. The City Attorney shall review the form to ensure compliance with state law. Approval of councilmember requests under Priority I shall be approved by the City Council

1. No deposit 3. No staff fee 2. No rental fee 4. No application fee

Priority II. Programs or activities for Senior Citizens and approved co-sponsored groups which are principally composed of local residents (51% or more), public schools located in Milpitas, the Milpitas Chamber of Commerce and governmental agencies(excluding staff trainings, poll worker trainings, staff retirement parties, staff / volunteer recognition events).

1. No deposit 2. Rental fee according to Fee Schedule / Joint Use Agreement 3. Staff fee according to Fee Schedule / Joint Use Agreement 4. Application fee (non-refundable) 5. Any applicable insurance and processing fees that may apply

Priority III. Non-profit groups that are organized for recreational, social, cultural, religious or civic purposes and whose membership is principally composed of local residents (51% or more) or who is based in Milpitas and renting no more than 3 rental dates per quarter.

1. Facility deposit according to the Fee and Deposit Schedule 2. Rental fee according to Fee Schedule 3. Staff fee according to Fee Schedule 4. Application fee (non-refundable) 5. Any applicable insurance and processing fees that may apply

Priority IV. Any other group, business, private school or individual resident of the City of Milpitas.

1. Facility deposit according to the Fee and Deposit Schedule 2. Rental fee according to Fee Schedule 3. Staff fee according to Fee Schedule 4. Application fee (non-refundable) 5. Any applicable insurance and processing fees that may apply

Priority V. Any non-resident group, business or individual.

1. Facility deposit according to the Fee and Deposit Schedule 2. Rental fee according to Fee Schedule 3. Staff fee according to Fee Schedule 4. Application fee (non-refundable) 5. Any applicable insurance and processing fees that may apply

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II. APPLICATIONS

1.A. Permits for use of City facilities (indoor and outdoor) shall be issued by the City upon the approval of the City Manager or authorized representative and shall be consistent with City regulations governing such use. No blanket or on-going permits will be allowed. Applications for consecutive-day events will be considered only during minimal use periods.

2.B. The use of those facilities shall not be inconsistent with other such use for City purposes or interfere with the regular conduct of City programs. City sponsored programs shall receive first priority over use by any other group or organization. The City reserves the right, if necessary, to preempt, or revoke permit (if previously issued) for the use if for any reason it becomes unavoidably necessary for the City to utilize said facility or facilities at the same time. If and

when such action is necessary, the City will give applicants as much advance notice as possible. The City also reserves the right to revoke any approval provided to a Milpitas councilmember under Priority I if the use of the City facility violates state law or if the use is inconsistent with the councilmember's written request.

3.C. Applications for use of indoor City facilities and parks will not be accepted more than one (1) year to the date prior to proposed use for Priorities II-IV.

4.D. Priority V applications will not be accepted more than 6 months prior to the proposed use.

5.E. Applications for the Milpitas Sports Center Large Gym will not be accepted more than 90 days prior to proposed use for Priorities II-V.

6.F. For outdoor City facilities and sports fields, applications are accepted six (6) months to the date prior to the proposed use for Priorities II-IV and 90 days for Priority V.

7.G. Applications will not be accepted with less than 30 days prior to the proposed date, unless authorized by the Recreation Services Manager or his/her authorized representative.

8.H. In cases where the earliest date to reserve a facility falls on a weekend (Saturday or Sunday) or City holiday, reservations will be accepted on the preceding weekday. Should the preceding weekday be a City holiday, applications will be accepted on the prior workday.

9.I. Priority III organizations may reserve up to three dates on one application per quarter and must submit an application according to the reservation schedule listed on Page 5. Groups may not use a facility without an application on file. Should additional maintenance or custodial services be required, or the group exceeds the reserved rental hours, the groups will be assessed additional fees or charges as necessary.

10.J. Priorities II and III may reserve indoor facilities for one-time special event or party under the set Fee Schedule for Priority IV rentals / charges.

11.K. Priority III groups may drop off Facility Use Application(s) with requested dates and times as outlined above during facility business hours.

12.L. On the following business day, the designated City representative will review all Priority III applications with requested dates and times and distribute dates equally between any groups requesting the same dates. Should there not be an equal amount of dates available, the city representative will do a lottery pull for any extra date an



MEMORANDUM

Date: 09/15/2020

To: City Manager Steve McHarris, City Attorney Chris Diaz

CC: City Clerk Mary Lavelle

Subject: City Council Events

From: Councilmember, Karina Dominguez 

Background:

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Fiscal Impact No additional funding is needed at this time.

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS**

Request No.	Topic	Submitted by:	A, F, or CM	Date requested or Rec'd Form	STATUS and/or DATE scheduled on City Council meeting agenda:
2020					
6	Mayor shall recommend a Milpitas resident to serve on VTA Bike Committee	Dominguez	A	11/17/2020	12/15/2020
5	Discussion of Minute Man as City's image, when City branding comes back	Phan	A	8/18/2020	
4	Consider adding state certification NEC for electrical work done in the City (safety)	Dominguez	A	6/30/2020	
3	Establish a Day Worker Program	Montano	A	6/16/2020	
2	Form a Historical Commission	Montano	A	6/2/2020	
1	Consider satellite consular offices	Montano	A	6/2/2020	

2020	TOPICS SCHEDULED OR COMPLETED				
	Vote on County 2020-2025 Plan to end Homelessness	Dominguez	A	11/17/2020	12/1/2020
	Revisit contract provisions of executive staff (CM + CA) best working environment	Phan	A	11/10/2020	discussed @Closed Session 11/17/2020
	Revisit CC Housing Subcommittee, consider dismantling it; housing to City Council	Dominguez	A	11/10/2020	11/17, to 12/01
	Discuss a "safety first" or other event in lieu of National Night Out (per CAC)	Nuñez	A	10/20/2020	11/10, to 11/17, 12/01
	Emergency request to cap rents on small businesses (tenants) in Milpitas	Dominguez	A	10/6/2020	Resched from 10/20 to 11/10, 11/17, 12/01
	Opportunity to share ideas for US census & on City "sponsored" events	Dominguez	A	9/1/2020	Resched from 9/15, to 10/06, 10/20, 11/10, 11/17, 12/01
	Bring back update report & discuss status of playing fields for girls' softball in Milp.	Dominguez	A	10/20/2020	To City/Schools Subcomm. then CC. See C. Montano 10/14 Bobby Sox softball memo to Econ. Dev. Commission first.
	Consider naming "Milpitas Hills"	Dominguez	A	10/20/2020	Return later to City Council

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS**

Discuss budget reductions in next FY with input from residents, employees	Nuñez	A	10/6/2020	on 10/20/2020, to 11/10, 11/17
Discuss potential litigation - re: govts' action on Jamboree-Project Homekey	Tran	A	10/6/2020	multiple Closed Sessions - Oct. 2020
Resolution on financial status of the City, steps to be taken	Nuñez	A	8/18/2020	Resolution adopted 9/01/2020
Require implicit bias training for City Council, Commissioners & staff	Dominguez	A	6/16/2020	approved 8/18/2020
Read "Code of Conduct" aloud prior to each City Council meeting	Montano	A	6/2/2020	approved 8/18/2020. City Attorney began this practice 9/01/20
Discussion/staff report on Beautify Milpitas, graffiti abatement, resources	Montano	A	6/30/2020	8/18/20: Directed staff to develop a program requiring min. staff resources & bring back to Council
Celebrate Mexican Independence Day annually on September 16	Montano	A	6/2/2020	approved on consent 8/18/2020
Consider change in term limits for Mayor + Councilmembers	Montano	A	6/16/2020	8/4/2020 Voted 3 -2 to pursue
Discussion of campaign finance reform and/or Open Government Ordinance	Phan	A	6/30/2020	withdrawn @8/4/2020 CC meeting
Community Workforce Agreement	Nuñez	A	2/18/2020	8/4/2020: directed staff to draft agreement, find CIP projects to apply to, then work with Labor org.
Responsible Construction Ordinance	Phan	A	2/4/2020	8/4/2020: City Atty shall return with draft Ord.
List of city charges/costs that could be waived for small businesses	Dominguez	A	6/16/2020	6/30/2020 info memo
Emergency item for next agenda: extend tenant eviction protections	Dominguez	A	6/16/2020	withdrawn, covered by other govt
Discussion on possible tax measures	Tran, Phan	A	4/21/2020	5/15/2020
Support for Laura's Law	Phan	A	2/4/2020	5/19/2020
(possible ban on vaping - no) Restrict smoking in multi-unit bldgs - yes	Montano	A	1/7/2020	Ordinance pending. Discussed 3/03/2020 Affirmed 6/02/2020
Resolution in support of elimination of discrimination v. women	Dominguez	A	1/7/2020	5/19/20 Reso. adopted. 8/04/20 Ord. adopted

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS**

	Request for Dumpster Days	Tran	A	1/7/2020		5/12/2020 in FY 2020-21 budget
	Adopt Resolution similar to County's re: xenophobia, discrimination	Dominguez	A	4/21/2020		5/5/2020
	Support community distribution of masks	Dominguez	A	4/7/2020		4/21/2020
	Proclamation and support for face coverings	Montano	A	4/7/2020		4/21/2020. CC directed City Manager to issue regs
	Establish Milpitas coronavirus testing site	Phan	A	4/7/2020		done
	Consider Community Museum and Park on Main St.	Nuñez, Phan	F	8/20/2019	to Rules 8/23/2019	3/24 and 6/02/2020. Pending
	Discuss having 4th of July parade	Nuñez	A	2/18/2020		not under discussion
	Parade for MHS Trojans Football	Tran, City Manager	A	1/21/2020		1/28/2020
	Report on speed cameras like Fremont (radar displays) - no enforcement	Phan	A	1/7/2020		1/28/2020, 3/24/2020, 4/14/2020
	Street/traffic calming update	Nuñez	A	1/7/2020		3/3/2020
	Report on parking in The Pines	Nuñez	A	1/7/2020		2/18/2020
	Info. on new SB 50 (housing, transit bill)	Phan	A	1/7/2020		by memo to City Council

2019	TOPICS SCHEDULED OR COMPLETED				To Rules Subcom	
	Establish Railroad quiet zone	Tran, Montano	F	9/17/2019	report from City Engineer on 11/17/2020	
	Have "Dumpster Days"	Tran, Montano	F	9/17/2019	9/20/2019	5/12/2020 in FY 2020-21 budget
	Rename portion of Dixon Landing Rd. as Barack Obama Blvd	Nuñez, Phan	F	8/20/2019	8/23/2019	deferred indefinitely
	Maintain Dagupan, P.I. as a Sister City	Tran, Montano	F	9/17/2019	9/20/2019	12/17/2019
	Add Green Bike Lanes	Tran, Montano	F	9/17/2019	9/20/2019	done - in CIP
	Rename Augustine Park to include "Sunnyhills"	Tran, Montano	F	9/17/2019	9/20/2019	2/4/2020
	Community Theater, perhaps with MUSD	Nuñez, Phan	F	8/20/2019	8/23/2019	5/14/2020 @CIP Study Session

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS**

	policy for Proclamations and Commendations	Nuñez, Phan	F	8/20/2019	8/23/2019	withdrawn 6/02/2020
	policy for Social Media	Nuñez, Phan	F	8/20/2019	8/23/2019	withdrawn 6/02/2020

A: @Announcements

F: on a Form

CM: to/from City Manager

**PREVIEW LIST OF AGENDA ITEMS
MILPITAS CITY COUNCIL**

DECEMBER 15, 2020

CURRENT CITY COUNCIL: time TBD

- 1) Adopt a Resolution Certifying Final Election Results for November 3, 2020 Municipal Election (City Clerk)

City Clerk Conducts Official Swearing-in of Newly (Re-)Elected Members

- *May be preceded or followed by Ceremonial Swearing-In of Mayor + 2 Councilmembers*
-

NEW CITY COUNCIL 7:00 PM

CLOSED SESSION

CONSENT CALENDAR

- 2) Receive City Council calendars for December 2020 and January 2021 (City Clerk)
- 3) Approve City Council meeting minutes of December 1, 2020 (City Clerk)
- 4) Adopt a Resolution Granting Acceptance of Creighton Park Renovation, Project No. 5109, Authorize City Engineer to File Notice of Completion, and Authorize him to Issue a Notice of Final Acceptance (Steve Erickson)
- 5) Adopt a Resolution Authorizing Purchase of 3 Caterpillar XQ230 200kW and One Caterpillar XQ425 375kW Portable Generators for the Public Works Department from Peterson Power Systems Through a Sourcewell Cooperative Contract in the Amount of \$609,118.03 (Tony Ndah)
- 6) Adopt a Resolution approving update to List of Form 700 filers/Code of Conflict of Interest (City Clerk)
- 7) Authorize City Manager to Execute Fee Reimbursement Agreement Amendment for TASP Public Improvements at 730-750 E. Authorize Capitol Avenue by Anton Milpitas 730 LLC and Anton Milpitas 750 LLC (Steve Erickson)
- 8) Approve and Authorize City Manager to Execute an Agreement with Raimi & Associates to Provide Consulting Services related to Preparation of Objective Design Standards for Residential Development per SB 35 (Jay Lee)
- 9) Authorize and approve two Side Letters to Memoranda of Understanding (Jeannine Seher)
- 10) Approve and accept \$50,000 donation to B. Lee Senior Center from Andrea Dorey Estate (John Macon)

COMMUNITY DEVELOPMENT

- 11) From 11/17: Return report on bid award for Fire Station No. 2 Project No. 3447 (Steve Erickson)

PUBLIC SAFETY

- 12) Receive Status Report on COVID19 Testing in City of Milpitas (Geoff Maloon)
- 13) Adopt a Resolution approving purchase of Skeeter Type 5 Fire Engine (Rick Frawley)

LEADERSHIP

- 14) Request of Councilmember Dominguez, approve Mayor's recommendation for appointment of a Milpitas resident to VTA Bike Committee

REPORTS

- 15) Receive and act on Mayor Tran's recommendation for appointment of new Vice Mayor for 1 or 2 years (Mayor Tran)
- 16) Review list of Future Agenda Items Requested by City Councilmembers (Mayor & CC/City Clerk)

PREVIEW NEXT AGENDA

- 17) Preview list of items for January 5, 2021 (City Clerk)