



JOINT MEETING OF THE MILPITAS CITY COUNCIL AND HOUSING AUTHORITY

MINUTES
TUESDAY, JUNE 4, 2024

The City Council of the City of Milpitas convened on the regular City Council meeting day in a Joint Meeting of the Milpitas City Council and Housing Authority on June 4, 2024, in the City Council Chamber, 455 E. Calaveras Blvd, Milpitas, CA, and via teleconference/Zoom webinar.

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

Mayor Montano called the Regular City Council meeting to order at 6:01 PM. Roll Call was taken by City Clerk Guzzetta.

PRESENT: Mayor Montano, Vice Mayor Chua, Councilmember Barbadillo, Councilmember Lien, Councilmember Phan

ABSENT:

City Attorney Motalipassi provided information on the Closed Session Agenda.

The City Council recessed to Closed Session at 6:03 PM.

ADJOURN TO CLOSED SESSION

(a) PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to California Government Code Section 54957
Position: City Manager

The City Council reconvened at 7:20 PM.

CLOSED SESSION ANNOUNCEMENT:

City Attorney Motalipassi noted there was nothing to report out.

PLEDGE OF ALLEGIANCE

Mayor Montano led the pledge of allegiance.

INVOCATION

Councilmember Barbadillo led the invocation.

PRESENTATIONS

There were no presentations.

PUBLIC FORUM

There were the following public speakers:

1. Voltaire Montemayor

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

City Attorney Mutalipassi asked the Mayor and City Councilmembers if they had any personal conflicts of interest. By roll call, there were no conflicts of interest. City Attorney Mutalipassi asked the Mayor and City Councilmembers if they had any reportable campaign contributions. By roll call, there were no reportable campaign contributions.

READING OF THE CITY COUNCIL CODE OF CONDUCT

Mayor Montano read the City Council Code of Conduct.

APPROVAL OF AGENDA

Councilmember Phan asked to move Item 17 before Item 13.

After discussion, motion: to approve the agenda, moving Item 17 before Item 13.

Motion/Second: Councilmember Phan / Vice Mayor Chua

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Chua, Councilmember Barbadillo, Councilmember Lien,
Councilmember Phan

NOES: None

CONSENT CALENDAR

Councilmember Phan requested to pull Item C2.

There were the following public speakers:

1. Voltaire Montemayor

After discussion, motion: to approve the Consent Calendar, pulling Item C2 for discussion.

Motion/Second: Vice Mayor Chua / Councilmember Lien

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Chua, Councilmember Barbadillo, Councilmember Lien,
Councilmember Phan

NOES: None

1. Receive City Council Calendar of Meetings for June 2024 (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Received City Council Calendar of Meetings for June 2024.

3. Receive the Preview List of Anticipated Items for the Next Regular City Council Meeting (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Received the list of anticipated agenda items for the next regular City Council meeting.

4. Receive and Review the List of Agenda Items Requested by City Councilmembers (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Reviewed the list of items that have been requested by City Councilmembers and provided direction to staff as necessary.

5. Adopt a Resolution Calling for the General Municipal Election on November 5, 2024 (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Adopted **Resolution No. 9330** calling a General Municipal Election for the City of Milpitas on Tuesday, November 5, 2024, requesting consolidation of the election in accordance with California Elections Code Section 10418, and requesting services from the Santa Clara County Registrar of Voters.

6. **Authorize and Approve the Out-Of-State Travel to Las Vegas, NV, for Councilmember Anthony Phan, from June 19 – 21, 2024 and Authorize and Approve Travel to San Francisco, CA, for City Manager Ned Thomas, from June 6 – 7, 2024 (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)**

(1) Authorized and approved the out-of-state travel to Las Vegas, NV for Councilmember Anthony Phan to attend the APALF's Inaugural AAPI LEAD Summit, from June 19 – 21, 2024, for a not-to-exceed amount of \$1,400.00; and (2) Authorized and approved travel to San Francisco, CA for City Manager Ned Thomas to attend the CLEI's California Land Use Law Conference, from June 6 – 7, 2024, for a not-to-exceed amount of \$1,300.00.

7. **FY 2023-24 Financial Status Report for the Quarter Ended March 31, 2024 (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)**

Reviewed the FY 2023-24 Quarterly Financial Status Report for the quarter ended March 31, 2024.

8. **Approve an Agreement with Xerox Corporation for Full-Service Lease of Copier/Multifunction Digital Devices (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)**

Authorized the City Manager to execute a cooperative agreement with Xerox Corporation for a full-service lease of copier/multifunction digital devices through a cooperative procurement contract by Region 4 Educational Services Center for not-to-exceed \$368,000 for 60 months [five (5) years] with change order authority up to 10%, subject to the annual appropriation of funds.

9. **Approve the Purchase of a Police Vehicle, Find the Procurement to be in the Best Interest of the City, and Authorize the City Manager to Execute Any Documents Necessary to Effectuate the Purchase at the Negotiated Amount (Staff Contact: Jared Hernandez, Chief of Police, 408-586-2406)**

Approved the purchase of a police vehicle, found the procurement to be in the best interest of the City consistent with Milpitas Municipal Code 1-2-3.03, and authorized the City Manager to execute any documents necessary to effectuate the purchase at the negotiated amount.

10. **Award IFB 24-091 and Authorize the City Manager to Execute the Purchase Order with Core and Main, LP for Valve Parts in the Amount of \$129,320.60 for Sunnyhills Turnout Rehabilitation Project, Project No. 7149 (Staff: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Awarded IFB 24-091 and authorized the City Manager to execute the purchase order with Core and Main, LP for the purchase of valve parts in the amount of \$129,320.60 for Sunnyhills Turnout Rehabilitation Project, Project No. 7149.

11. **Adopt a Resolution to Approve Project Plans & Specifications, Award the Construction Contract to Preston Pipelines Infrastructure, LLC, Authorize Design Services Agreement Amendment No. 1 with MNS Engineers, Inc. for Fire Station 1 Pressure Reducing Stations Relocation, Project No. 7133 (Staff: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Adopted **Resolution No. 9331** to approve project plans & specifications; awarded the construction contract to the lowest responsive, responsible bidder, Preston Pipelines Infrastructure, LLC, in a total amount of \$999,240; authorized the City Manager to execute the construction contract with Preston

Pipelines Infrastructure, LLC.; authorized the Public Works Director to negotiate and execute contract change order(s) in an aggregate amount not to exceed \$150,000; and approved and authorized the City Manager to execute Amendment No. 1 to the Design Services Agreement with MNS Engineers in the amount of \$156,524 for Fire Station 1 Pressure Reducing Station Reconstruction, Project No. 7133.

- 12. Approve and Authorize the City Manager to Execute the Improvement Agreement between the City and Chevron U.S.A. Inc., for the completion of the Offsite Public Improvements located at 1490 South Park Victoria Drive (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Approved and authorized the City Manager to execute the Improvement Agreement between the City and Chevron U.S.A. Inc., for the completion of the Offsite Public Improvements located at 1490 South Park Victoria Drive.

Motion/Second: Vice Mayor Chua / Councilmember Lien

Vote: 5-0

PUBLIC HEARINGS

- 17. Conduct a Public Hearing and Adopt a Resolution Approving General Plan Amendment GP24-0002 and an Ordinance Approving Zoning Text and Zoning Map Amendment ZA24-0002 to Create the New Business Park Research and Development Zone and Metro Area Zones (Staff Contact: Jay Lee, Planning Director, 408-586-3077; and Holly Pearson, Senior Special Projects Associate, 408-609-0072)**

Special Projects Associate Pearson introduced the item. Consultant Jennifer Murillo presented the report.

Mayor Montano opened the public hearing.

There were the following public speakers:

1. Nick Lamson
2. Voltaire Montemayor

Mayor Montano closed the public hearing.

City Attorney Mutalipassi read aloud the title of Ordinance No. 38.855.

Councilmember Barbadillo questioned why there was a need to amend the General Plan as part of this update, and staff explained that a few minor adjustments were needed to align the General Plan with the new zoning ordinance. He also inquired after the warehouse square footage threshold.

Vice Mayor Chua and Councilmember Phan expressed concerns that the initially proposed 150,000 sq ft warehouse threshold was too restrictive and could deter investment. They both advocated for a higher 200,000 sq ft threshold. Staff explained that the 150,000 sq ft number was based on research into how other similar employment-focused zones in the region regulate warehousing, as well as feedback from stakeholders, but acknowledged there was no formula to determine the square footage. Vice Mayor Chua disclosed that she met with Cisco and other stakeholders and learned that several business interests opted to go elsewhere due to the uncertainty of the matter. She suggested reevaluating in a year or two to see the square footage of applications.

Councilmember Barbadillo opposed raising the CUP threshold to 200,000 square feet, relying on the staff recommendation of 150,000 square feet. He argued that the proposed change seemed arbitrary

and stressed the importance of adhering to the staff's analysis, which aimed to balance space use and employment goals. He suggested starting with the 150,000 threshold and revisiting it later if needed, rather than making an immediate increase. Vice Mayor Chua reiterated her support for raising the threshold for warehouse square footage to 200,000, adding that she planned to include direction to return in a year to review the statistics.

Councilmember Barbadillo asked for the Economic Development Director's input on the matter. Economic Development Director Alex Andrade emphasized the importance of flexibility in responding to market conditions, noting that the current real estate market favors industrial uses over office space. He supported a higher threshold to attract and retain businesses, citing the need to compete with other jurisdictions and adapt to changing market dynamics.

Vice Mayor Chua made a motion: to determine that the EIR Addendum adequately analyzes the potential environmental impacts associated with the proposed General Plan and Zoning Amendments and is in compliance pursuant to CEQA Guidelines §15162 and §15164; adopt **Resolution No. 9332** approving General Plan Amendment No. GP24-0002; and waive reading beyond the title and introduce **Ordinance No. 38.855** approving Zoning Text and Zoning Map Amendment No. ZA24-0002 to create the new Business Park Research and Development Zone and Metro Area Zones with the square footage raised to 200,000.

Motion/Second: Vice Mayor Chua / Mayor Montano

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Chua, Councilmember Lien, Councilmember Phan

NOES: Councilmember Barbadillo

13. Conduct a Public Hearing and Adopt Resolutions to Approve the Fiscal Year 2024-25 Proposed Operating Budget for the City of Milpitas and the Milpitas Housing Authority, Approve the Fiscal Year 2024-25 Gann Appropriations Limit, Authorize Various Financial Actions, Fiscal Policies and Budget Guidelines, and Amend the Classification Plan for Alignment with the FY 2024-25 Proposed Operating Budget, the Minimum Wage Increase, and Salary Schedules Consistent with Previous Council Action (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)

City Manager Thomas introduced the item. Finance Director Cofresi-Howe presented the report.

Mayor Montano opened the public hearing.

There were the following public speakers:

1. Voltaire Montemayor

Mayor Montano closed the public hearing.

Councilmember Lien sought clarification on the \$631,000 allocated for City Council expenses.

Vice Mayor Chua inquired about the total payroll and the percentage of the general fund, and the projected deficit in FY 2027-28. She emphasized the importance of the financial stress test and asked after what could be done now to mitigate the future deficit. The Vice Mayor asked for a detailed report addressing these financial concerns.

Councilmember Phan raised concerns about a \$175,000 allocation for legal services with Myers-Nave, noting a significant increase from previous allocations. City Manager Thomas clarified that the request was for new funds for the upcoming budget year and separate from previous reallocations and Assistant City Manager Cano added that the request was the original figure submitted weeks ago, not

an increase based on the amount declined by the City Council previously. Councilmember Phan voiced his discomfort with the request, citing concerns that this request raises the amount too greatly. He asked to strike the Myers-Nave contract from the attachment.

Vice Mayor Chua made a motion: to adopt the following resolutions: (a) Joint **Resolution No. 9333 / HA 33** of the City Council and Milpitas Housing Authority to approve the Fiscal Year 2024-25 Proposed Operating Budget for the City of Milpitas and the Milpitas Housing Authority, approve the Fiscal Year 2024-25 Gann Appropriations Limit, Fiscal Policies and Budget Guidelines and authorizing various financial actions by the City Manager, including Approving and Authorizing the Execution of Various Contracts and Payments over \$100,000, and striking out the Myers-Nave agreement from the attachment for Contracts and Payments over \$100,000; (b) Resolution No. 9334 Amending Resolution No. 1626, the Classification Plan, to authorize additional positions and amend budgeted allocated positions; (c) Resolution No. 9335 Amending Resolution No. 1626, the Classification Plan, to adjust the hourly rate ranges for classifications due to a minimum wage increase pursuant to Ordinance No. 292; (d) Resolution No. 9336 Amending Resolution No. 1626, the Classification Plan of Unrepresented Management Employees and Authorizing Fringe Benefits; (e) Resolution No. 9337 Amending Resolution No. 1626, the Classification Plan, to adjust the Salary Schedules for various classifications to align with the current memorandums of understandings (MOUs).

Councilmember Phan seconded the motion.

Councilmember Barbadillo sought clarification on the budget approval process and stressed the importance of discussing the general budget before specific items. He expressed frustration over the lack of community oversight for the \$253 million budget, questioned the prudence of using reserves to balance it, and raised concerns about the sustainability of using one-time revenue sources and emphasized the need for stable recurring revenues. City Manager Thomas reassured that the budget is balanced for the next fiscal year and that ongoing evaluations will be conducted to address future financial challenges. Councilmember Barbadillo requested regular reports to monitor income generation and the status of revenue sources to ensure long-term budget sustainability, emphasizing the need for proactive planning to avoid future financial shortfalls.

Vice Mayor Chua supported Councilmember Barbadillo's request for clearer, more understandable quarterly financial reports, suggesting a format similar to the current snapshot. City Manager Ned Thomas proposed including the 10-year forecast in the year-end report, which typically includes final numbers and financial outcomes.

Upon a call for the question, the motion passed.

Motion / Second: Vice Mayor Chua/Councilmember Phan

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Chua, Councilmember Lien, Councilmember Phan

NOES: Councilmember Barbadillo

14. Adopt a Resolution Certifying Election Results and Adding the Properties Located at 675 Trade Zone Blvd and 1951 Tarob Court into Community Facilities District No. 2008-1 (Annexation No. 26) (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3355)

Senior Engineer Valderrama presented the report.

Mayor Montano opened the public hearing

There were the following public speakers:

1. Voltaire Montemayor

Mayor Montano closed the public hearing.

City Clerk Guzzetta canvassed the results, reporting that the proposition passed with one vote in favor.

After discussion, motion: to adopt **Resolution No. 9338** certifying election results and adding 675 Trade Zone Boulevard and 1951 Tarob Court to Community Facilities District No. 2008-1 (Annexation No. 26).

Motion/Second: Councilmember Lien / Vice Mayor Chua

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Chua, Councilmember Barbadillo, Councilmember Lien, Councilmember Phan

NOES: None

15. Conduct a Public Hearing and Adopt a Resolution Confirming the Assessment and Ordering the Levy for the Landscaping and Lighting Maintenance Assessment District No. 95-1 - McCarthy Ranch for Fiscal Year 2024-25 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; Michael Silveira, City Engineer, 408-586-3303)

Public Works Division Manager - Engineering Alonzo presented the report.

Mayor Montano opened the public hearing.

There were the following public speakers:

1. Voltaire Montemayor

Mayor Montano closed the public hearing.

After discussion, motion: to adopt **Resolution No. 9339** confirming the assessment and ordering the levy for Landscaping and Lighting Maintenance Assessment District No. 95-1 - McCarthy Ranch for Fiscal Year 2024-25.

Motion/Second: Councilmember Barbadillo / Mayor Montano

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Chua, Councilmember Barbadillo, Councilmember Lien, Councilmember Phan

NOES: None

16. Conduct a Public Hearing and Adopt a Resolution Confirming the Assessment and Ordering the Levy for the Landscaping and Lighting Maintenance Assessment District No. 98 -1 - Sinclair Horizon for Fiscal Year 2024-25 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; Michael Silveira, City Engineer, 408-586-3303)

Public Works Division Manager - Engineering Alonzo presented the report.

Mayor Montano opened the public hearing.

There were the following public speakers:

1. Voltaire Montemayor

Mayor Montano closed the public hearing.

After discussion, motion: to adopt **Resolution No. 9340** confirming the assessment and ordering the levy for Landscaping and Lighting Maintenance Assessment District No. 98 -1 - Sinclair Horizon for Fiscal Year 2024-25.

Motion/Second: Councilmember Lien / Councilmember Barbadillo

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Chua, Councilmember Barbadillo, Councilmember Lien, Councilmember Phan

NOES: None

ITEMS PULLED FROM CONSENT CALENDAR

2. Approve City Council Meeting Minutes of May 14 and 21, 2024 (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Councilmember Phan requested changes to the May 21, 2024, minutes to include details regarding the Myers-Nave reallocation item including the original contract amount, the contract extension, and the length of the City's relationship with the firm.

City Manager Thomas agreed to review the meeting recording to update the minutes and bring the May 21st minutes back separately.

After discussion, motion: to approve City Council Meeting minutes of May 14, 2024.

Motion/Second: Councilmember Phan / Councilmember Lien
by the following:

AYES: Mayor Montano, Vice Mayor Chua, Councilmember Barbadillo, Councilmember Lien, Councilmember Phan

NOES: None

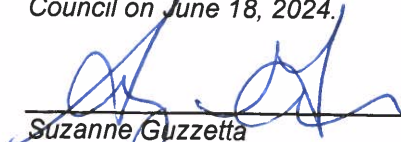
ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

City Manager Thomas announced the June 11, 2024, City Council Special Meeting at 5:30 PM in the Milpitas City Hall Council Chambers.

ADJOURNMENT

Mayor Montano adjourned the meeting at 10:00 PM.

The foregoing minutes were approved by the Milpitas City Council on June 18, 2024.



Suzanne Guzzetta
Milpitas City Clerk