



SPECIAL MEETING OF THE MILPITAS CITY COUNCIL

MINUTES
MONDAY, AUGUST 5, 2024

The City Council of the City of Milpitas convened on the Special City Council meeting day in a Meeting of the Milpitas City Council on August 5, 2024, in the Milpitas Community Center, 457 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 Special City Council meeting to order at 5:31 PM. Roll Call was taken by City Clerk Guzzetta.

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

ABSENT: None.

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 no public speakers.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

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

READING OF THE CITY COUNCIL CODE OF CONDUCT

Vice Mayor Chua read the City Council Code of Conduct.

APPROVAL OF AGENDA

After discussion, motion: to approve the agenda.

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

AGENDA ITEMS

1. Adopt a Resolution Submitting the City of Milpitas Public Services Reauthorization Measure to the Voters at the November 5, 2024 General Municipal Election, Reiterating the City's Request that the Election be Consolidated with Other Elections Held on that Date and Taking Certain Related Actions (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)

City Manager Thomas introduced the item. Assistant City Manager Cano presented the report.

Councilmember Lien questioned why attracting and retaining local businesses was missing from the city's top priorities in the presentation. Assistant City Manager Cano clarified that the listed priorities were based on resident feedback, but business retention is still allocated funds. He agreed to include it in future messaging if the council approves.

Councilmember Barbadillo asked about the outreach efforts for reauthorizing Measure F, particularly how the community is responding and what steps are being taken to inform residents. Assistant City Manager Cano explained that since July, the city has engaged in various outreach activities, including mailings, emails, utility bill inserts, and meetings with local groups. While some community groups have yet to be reached, he noted that the response has been generally positive, especially when residents understand that the measure is a reauthorization, not a new tax. He also agreed to consider additional outreach methods, like flyers and grassroots events, to ensure broader awareness.

Councilmember Barbadillo asked after the costs of placing the measure on the ballot. Assistant City Manager Cano noted that the estimated cost for placing the measure on the ballot and conducting outreach is around \$225,000, which includes expenses for the registrar of voters and ongoing outreach efforts. He confirmed that this cost was planned and requires a majority vote from the council to move forward. He elaborated on the requirements for the measure to pass and further required actions by the City Council.

Finally, Councilmember Barbadillo asked if there had been any public resistance to the measure. Assistant City Manager Cano responded that, so far, there has not been significant opposition, particularly when people understand that it's a reauthorization. Councilmember Barbadillo emphasized the importance of grassroots communication to ensure residents are well-informed leading up to the election.

Councilmember Phan questioned why the city is seeking to reauthorize Measure F so early and raised concerns about ongoing budget deficits despite previous planning efforts. He emphasized the need for accountability to voters, asking what assurances the city can provide that it won't continue to face financial shortfalls and require additional funding in the future. Councilmember Phan also suggested that the city should consider creating a budget policy that sets aside funds to ensure essential services are consistently funded. Assistant City Manager Cano responded by explaining that the city projected a \$9 million structural deficit back in 2020, which continues to be a concern. He noted that early reauthorization of Measure F is crucial to avoid a severe budget shortfall when the measure expires in 2029. He also acknowledged that while the city cannot guarantee it won't need to request more funding in the future, they are committed to better fiscal management. He indicated fiscal policies related to Measure F could be discussed further in the city's annual budget process, which could help ensure transparency and responsible spending.

City Manager Thomas noted that they had discussed bringing guiding principles to the council for how the Measure funds should be spent, facilitating a conversation on establishing related policies.

Vice Mayor Chua asked for detailed reports on how Measure F funds have been spent in previous years to ensure alignment with original promises. Assistant City Manager Cano agreed to provide both

the budget book details and information regarding the annual audit report. The Vice Mayor also inquired about the difference between the original Measure F and the proposed extension. Assistant City Manager Cano explained that the primary difference is that the new measure would remain in effect indefinitely unless ended by voters, as opposed to the original eight-year term. Vice Mayor Chua expressed concern about imposing a "forever tax" on residents, advocating instead for a limited extension to demonstrate the city's efforts in managing costs and revenues before asking for further extensions. Assistant City Manager Cano acknowledged her concerns and agreed to adjust the proposal based on the council's direction.

Councilmember Barbadillo asked after the disposition of funds from the Measure F sales tax. He inquired about the independent citizen oversight committee established to monitor these funds. Assistant City Manager Cano affirmed that the committee, active since the tax was enacted, reviews reports annually to the City Council. The Councilmember raised concerns about the transparency and visibility of these reports. Assistant City Manager Cano committed to improving the presentation of these reports to ensure the City Council is fully informed about the allocation of Measure F funds.

Mayor Montano asked Assistant City Manager Cano to explain the significance of the quarter-percent sales tax for Milpitas, noting that if the city does not utilize it, another regional entity could claim it through a county-wide vote, potentially resulting in the loss of local control over those funds. Assistant City Manager Cano confirmed that if Measure F expires and the tax is not reauthorized, another entity could take over that increment, leading to a loss of approximately \$7 million in locally controlled revenue.

The Mayor emphasized the city's history of fiscal responsibility and the importance of reauthorizing the tax, rather than introducing a new one, to sustain financial stability in uncertain economic times. She requested guidance from the city attorney on how council members can advocate for this reauthorization within legal parameters. Mayor Montano expressed strong support for reauthorizing the tax, citing its role in avoiding layoffs during previous financial challenges, and asked if any other council members had further questions before moving forward.

Vice Mayor Chua expressed support for reauthorizing the sales tax due to inflation and the need to recognize the sacrifices of public safety personnel. She spoke in support of an extension for the same duration as the original measure, rather than making it permanent.

Mayor Montano made a motion: to adopt **Resolution No. 9347** by 4/5 vote calling for the placement of a General Tax Measure on the Ballot for the November 5, 2024 General Municipal Election for submission to the qualified voters of an Ordinance to Re-Authorize the General Transactions and Use Tax at the Rate of One-Quarter Cent ($\frac{1}{4} \phi$) until ended by voters, requesting the Board of Supervisors of the County of Santa Clara to consolidate a General Municipal Election to be held on November 5, 2024 with the Statewide General Election on that date and providing for filing of primary and rebuttal arguments and setting rules for filing of written arguments regarding a City Measure to be submitted at the election.

Vice Mayor Chua seconded the motion but requested an amendment to limit the term of the measure to eight years. Mayor Montano accepted the amendment.

Motion/Second: Mayor Montano/Vice Mayor Chua

Motion carried by the following:

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

NOES: None

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

Vice Mayor Chua mentioned the ongoing Senior Olympics and encouraged support for the event.

City Manager Thomas reminded the City Council that a member of the public recommended a resolution on childcare be approved by council. Councilmember Phan asked for the resolution to be brought back to the City Council. There was unanimous consensus to return with the item.

Mayor Montano asked to recognize Olympians from Milpitas with either a Key to the City or commendation. There was unanimous consensus in support.

Councilmember Barbadillo proposed renaming the Milpitas Library after former Mayor Jose Chavez, acknowledging his instrumental role in its creation. There was unanimous consensus in support to return with a discussion to the August 20, 2024 City Council meeting.

ADJOURN TO CLOSED SESSION

City Attorney Mutalipassi briefed the City Council on the Closed Session items.

(a) CONFERENCE WITH LEGAL COUNSEL - Existing Litigation

Existing Litigation Pursuant to Government Code § 54956.9(d)(2)

In the Matter of McHarris vs. City of Milpitas, Superior Court of California, County of Santa Clara, Case No. 23CV427505

City as Defendant

The City Council adjourned to Closed Session at 6:38 PM and reconvened in Open Session at 8:36 PM.

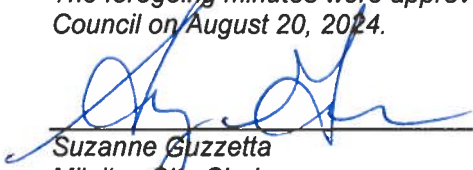
CLOSED SESSION ANNOUNCEMENT:

City Attorney Mutalipassi noted there was nothing to report out.

ADJOURNMENT

Mayor Montano adjourned the meeting at 8:37 PM.

The foregoing minutes were approved by the Milpitas City Council on August 20, 2024.



Suzanne Guzzetta
Milpitas City Clerk