



REGULAR MEETING OF THE MILPITAS CITY COUNCIL

MINUTES
TUESDAY, MARCH 4, 2025

The City Council of the City of Milpitas convened in a Regular Meeting of the Milpitas City Council on March 4, 2025, 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 6:04 PM. Roll Call was taken by City Clerk Guzzetta.

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

ABSENT:

Acting City Attorney Creech briefed the City Council on the Closed Session agenda. The City Council adjourned to Closed Session at 6:06 PM.

ADJOURN TO CLOSED SESSION

(a) PUBLIC EMPLOYEE APPOINTMENT AND HIRING

Pursuant to Government Code Section 54957(b)(1):
Employee Position: Interim City Manager.

CLOSED SESSION ANNOUNCEMENT:

The City Council reconvened at 7:17 PM. Acting City Attorney Creech had nothing to report out.

PLEDGE OF ALLEGIANCE

Mayor Montano led the pledge of allegiance.

INVOCATION

Mayor Montano provided the invocation.

PRESENTATIONS

Mayor Montano, joined by the City Council, presented a certificate to Bill Hare in recognition of his recent Grammy Award, a proclamation to Bernadette Salgarino in recognition of Youth Art Month, and a proclamation and certificate in recognition of Women's History Month to Lorinne Patterson and Noreen Kinoshi.

PUBLIC FORUM

There were the following public speakers:

1. Voltaire Montemayor

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

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

Councilmember Chua read the City Council Code of Conduct.

APPROVAL OF AGENDA

After discussion, motion: to approve the agenda.

Motion/Second: Councilmember Lien / Vice Mayor Barbadillo

Motion carried by the following:

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

NOES: None

CONSENT CALENDAR

There were no public speakers.

After discussion, motion: to approve the Consent Calendar.

Motion/Second: Councilmember Chua / Vice Mayor Barbadillo

by the following:

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

NOES: None

1. Receive City Council Calendar of Meetings for March 2025 (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Received City Council Calendar of Meetings for March 2025.

2. Approve City Council Meeting Minutes of February 11 and 18, 2025 (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Approved City Council Special Meeting minutes of February 11 and 18, 2025 and Regular Meeting minutes of February 18, 2025.

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)

Received the list of items that have been requested by City Councilmembers and received consensus in previous meetings to date.

5. **Authorize and Approve Travel Requests to Sacramento, California, by Mayor Montano, Councilmember Chua, Councilmember Lien, and Councilmember Lam to Attend the League of California Cities 2025 City Leaders Summit from April 23 to 25, 2025 (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)**

Authorized and approved travel to Sacramento, California, by Mayor Carmen Montano, Councilmember Evelyn Chua, Councilmember Hon Lien, and Councilmember William Lam to attend the League of California Cities 2025 City Leaders Summit from April 23 to 25, 2025, for a total estimated amount of \$6,621, budgeted under the Individual Elected Official Allocation for Conferences/Meetings/Trainings.

6. **Adopt a Resolution Expressing Support for the City of Milpitas to Fully Fund Metro Tango Subdistrict Park from TASP Impact Fees per the Outdoor Recreation Legacy Partnership Grant Application Requirement (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Adopted **Resolution No. 9388** expressing support by the City of Milpitas to fully fund Metro Tango Subdistrict Park, Project No. 2023, in the amount of \$10 million from TASP Impact Fees per the Outdoor Recreation Legacy Partnership Grant Application requirement.

7. **Adopt a Resolution Initiating Proceedings for the Annual Levy and Collection of Assessments and Ordering the Preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 95-1, McCarthy Ranch, for Fiscal Year 2025-26 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Adopted **Resolution No. 9389** initiating proceedings for the annual levy and collection of assessments and ordering the preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 95-1, McCarthy Ranch, for Fiscal Year 2025-26.

8. **Adopt a Resolution Initiating Proceedings for the Annual Levy and Collection of Assessments and Ordering the Preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon, for Fiscal Year 2025-26 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Adopted **Resolution No. 9390** initiating proceedings for the annual levy and collection of assessments and ordering the preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon, for Fiscal Year 2025-26.

9. **Receive an Update on the Security Improvements at the McCarthy Ranch Sewer Lift Station (Main Lift) and Determine that the Condition Continues to Constitute an Emergency (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)**

- (1) Received an update on the security improvements at the McCarthy Ranch Sewer Lift Station; and
(2) Determined by a four-fifths vote that the condition continues to constitute an emergency.

PUBLIC HEARINGS

10. **Adopt a Resolution Approving an Economic Development Incentive Agreement with Rivian, LLC for the Operation of an Industrial Facility Located at 755 Yosemite Drive (Staff Contact: Alex Andrade, Economic Development & Strategic Initiatives Director, 408-586-3046; and Luz Cofresí-Howe, Finance Director, 408-585-3111)**

Assistant City Manager Cano introduced the item. Economic Development and Strategic Initiatives Director Andrade presented the report.

Mayor Montano opened the public hearing.

There were the following public speakers:

1. Michael Tsai
2. Voltaire Montemayor

Mayor Montano closed the public hearing.

Councilmember Chua inquired about Rivian's tax-sharing agreements, performance in Eastvale, and competition from Chinese EV manufacturers. Representatives from Rivian noted that their agreements in other cities have exceeded expectations and stated they are not concerned about competition due to existing tariffs and data-sharing concerns.

Councilmember Lam asked about the facility's showroom, charging infrastructure, and battery disposal. Rivian described plans for a front-of-house display area, multiple charging stations, and a structured battery replacement process.

Vice Mayor Barbadillo raised questions about the financial aspects of the agreement and potential revenue sharing with Santa Clara County. Staff explained the sales tax-sharing mechanism and noted the challenges of county revenue sharing under existing tax structures.

Councilmember Lien asked about home charging times, and Rivian provided estimates based on charger type.

Councilmember Chua followed up on Rivian's dealership model and sales process. Rivian representatives confirmed they operate as a direct-to-consumer model with fixed pricing and varying delivery times.

Councilmember Lam asked about battery swapping and fire safety. Rivian stated they do not have battery swapping plans but outlined their fire safety protocols, including local firefighter training.

Councilmember Lien requested clarification on battery replacement, and Rivian reiterated their structured approach.

Vice Mayor Barbadillo sought additional financial details, and staff elaborated on the sales tax-sharing mechanism.

After discussion, motion: to (1) Conduct a public hearing as required by Government Code Section 53083 for the proposed Economic Development Subsidy Report; and (2) Adopt **Resolution No. 9391** approving an Economic Development Incentive Agreement by and between the City of Milpitas and Rivian, LLC for the operation of an industrial facility located at 755 Yosemite Drive and authorize the City Manager to execute the agreement.

Motion/Second: Councilmember Chua / Vice Mayor Barbadillo

Motion carried by the following:

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

NOES: None

11. 2025 Weed Abatement Public Hearing and Resolution Adoption to Abate the Weeds (Staff Contact: Arthur Belton, Deputy Fire Chief/Fire Marshal, 408-586-3384)

Assistant City Manager Cano introduced the item. Deputy Fire Chief / Fire Marshal Belton 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. 9392** directing the County of Santa Clara Consumer and Environmental Protection Agency Weed Abatement Program to abate the nuisance, keep an account of the cost, and embody such account in a report and assessment list to the City Council in accordance with the Milpitas Municipal Code.

Motion/Second: Vice Mayor Barbadillo / Councilmember Lien

Motion carried by the following:

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

NOES: None

COMMUNITY DEVELOPMENT

12. Receive an Overview of the Public Review Draft of the Full Updated Zoning Ordinance (Phase 2 of the Comprehensive Zoning Ordinance Update) and Provide Comments to Staff (Staff Contact: Jay Lee, Planning Director, 408-586-3077; and Holly Pearson, Senior Special Projects Associate, 408-609-0072)

Assistant City Manager Cano introduced the item. Planning Director Lee, and Consultants Holly Pearson and Jen Murrillo presented the report.

There were the following public speakers:

1. Voltaire Montemayor

Mayor Montano inquired how the Housing Opportunity Districts (HODs) project aligns with the zoning ordinance update. Planning Director Lee clarified that while the two efforts were separate, any zoning changes from the HODs project would be integrated into the final ordinance, ensuring no conflicts.

Councilmember Chua asked whether proposed changes to Town Center and Neighborhood Commercial Mixed-Use zones reflected recent Planning Commission recommendations. The Planning Director confirmed that the zoning update primarily reorganizes and clarifies standards but ensured that all Planning Commission-approved amendments will be reflected in the final zoning ordinance.

Councilmember Barbadillo inquired about the impact of the zoning update on affordable housing development, asking whether the changes would help streamline approvals. Planning Director Lee confirmed that the update aims to simplify the process for all development types, including affordable housing, by reducing unnecessary procedural hurdles, such as Planning Commission approvals for minor projects. Staff was asked to highlight in the final zoning ordinance how the changes support affordable housing development.

Councilmember Hon Lien raised concerns about local business owners struggling with the permitting process. Planning Director Lee acknowledged these concerns and emphasized that the zoning update is designed to simplify permitting through clearer tables, graphics, and definitions, making it easier for businesses to determine what is required. She asked for staff to develop an outreach plan to help businesses understand the updated zoning ordinance and permitting process.

Councilmember Lam questioned the proposed reductions in parking requirements, asking whether developers would still have the flexibility to provide additional parking if needed. Consultant Jen Murillo confirmed that while minimum parking requirements are being reduced in some cases, developers will still have the option to provide more parking based on their project needs. He asked to clarify in the final zoning ordinance that developers may provide additional parking beyond the minimum requirements.

LEADERSHIP AND SUPPORT SERVICES

13. FY 2024-25 2nd Quarter Financial Status Report for the Quarter Ended December 31, 2024 (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)

Assistant City Manager Cano introduced the item. Finance Director Cofresí-Howe presented the report.

There were the following public speakers:

1. Voltaire Montemayor

Councilmember Lam asked if department expenses included salaries, to which Finance Director Cofresí-Howe confirmed that they did. He further inquired about overtime expenditures and whether a breakdown of regular and overtime salaries was available. Assistant City Manager Cano noted that overtime reports are provided biweekly, and offered to sit down with the Councilmember to provide additional information.

Vice Mayor Barbadillo sought clarification on the revenue sources and expenditure patterns, specifically regarding the city's reliance on property tax revenue. Finance Director Cofresí-Howe explained that property tax revenues are received primarily in December and April, creating fluctuations in reported revenue figures.

Councilmember Lam requested that staff pull up recent overtime reports for review. However, the finance team clarified that overtime data was not included in the agenda packet for the meeting and not agendaized for the meeting. Staff agreed to follow up with additional information on overtime expenditures.

Staff was directed to provide a separate breakdown of overtime expenditures and trends outside of the quarterly review presentation.

Following further discussion, the council noted receipt and file of the report, concluding the item.

14. Review Fiscal Year 2024-25 Mid-Year Report, Adopt a Resolution Approving FY2024-25 Mid-Year Budget Amendments, and Adopt a Resolution Amending Resolution No. 1626, the Classification Plan, to Approve and Adopt the Pay Schedule titled "New Job Classifications/Salary Table" (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)

Vice Mayor Barbadillo questioned the source of funds for a mid-year budget adjustment of \$503,000, asking for further clarification on the funding "buckets." Finance Director Cofresí-Howe explained that

the amount was sourced from two general fund reserves: the contingency reserve and the budget stabilization reserve. She elaborated that these reserves are typically replenished through the city's "waterfall" policy after the close of the annual financial audit, meaning the funds would likely be restored later in the calendar year.

Acting City Attorney Creech announced that the time had reached 11PM, and the City Council would require a motion to continue discussing the business at hand.

After discussion, motion: to continue discussing the item until 11:30 PM.

Motion/Second: Mayor Montano / Councilmember Lien

Motion carried by the following:

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

NOES: None

Vice Mayor Barbadillo continued, expressing concerns about the reliance on reserves, particularly in light of the city's ongoing structural deficit. He asked whether additional expenditure reductions had been identified to offset the reliance on reserves. Finance Director Cofresí-Howe responded candidly, stating that while staff had not yet had time to conduct a full review for additional savings, they were working within a compressed timeline to develop recommendations for the upcoming budget cycle. The Vice Mayor suggested that the council consider directing staff to identify alternative funding sources to minimize the impact on reserves. Finance Director Cofresí-Howe acknowledged the request but reiterated that any structural adjustments would require additional analysis.

Councilmember Chua raised concerns about a budget line item related to a mobile stage replacement and requested that it be removed. She also recommended reducing a video-related budget request from \$10,000 to \$5,000 and requested a feasibility study on the After the Bell (ATB) student transportation program.

Mayor Montano asked whether the same reserve funds being used for the mid-year adjustment would also be tapped for the next budget cycle. Finance Director Cofresí-Howe confirmed that reserve replenishment would be considered alongside other mechanisms, such as expenditure reductions.

Vice Mayor Barbadillo reiterated concerns about the city's ability to forecast expenditures accurately, citing adjustments in the mid-year review but acknowledging that certain expenditures, such as actuarial cost changes for post-employment benefits, can be difficult to predict with full accuracy. Finance Director Cofresí-Howe assured the council that the finance team would continue refining forecasting methodologies.

There were the following public speakers:

1. Voltaire Montemayor

Councilmember Chua made a motion: to (1) Review Fiscal Year 2024-25 Mid-Year Report; (2) Adopt **Resolution No. 9393** approving FY2024-25 Mid-Year Budget Amendments, removing the mobile stage replacement and reducing the video project to \$5000.00; and (3) Adopt **Resolution No. 9394** amending Resolution No. 1626, the Classification Plan to approve and adopt the pay schedule titled "New Job Classifications/Salary Table," and amend budgeted allocated positions.

She also asked staff to return with further information regarding the After the Bell program.

Motion/Second: Councilmember Chua / Councilmember Lien

Motion carried by the following:

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

NOES: None

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

Assistant City Manager Cano announced the upcoming Women's History Month flag raising and Holi Festival.

Vice Mayor Barbadillo made the following requests:

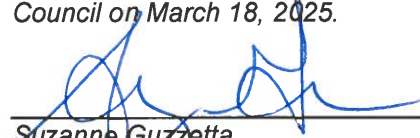
1. Come back with hiring activity report. There was consensus to move the item forward (Noes: Lien).
2. Staff provide a detailed analysis of over time expenditures by department. There was consensus to move the item forward (Noes: Lien).

Mayor Montano asked to add an entertainment zone to Main Street. There was unanimous consensus to to move the item forward.

ADJOURNMENT

Mayor Montano adjourned the meeting at 11:20 PM.

The foregoing minutes were approved by the Milpitas City Council on March 18, 2025.



Suzanne Guzzetta
Milpitas City Clerk