

**DRAFT MEETING MINUTES  
CITY OF MILPITAS**

**RA3**

**Minutes of:** Regular Meeting of the Milpitas Redevelopment Agency  
(Including Joint Meeting with the City Council)

**Date:** Tuesday, September 4, 2007

**Time:** 7:00 PM

**Location:** Milpitas City Hall Council Chambers, 455 E. Calaveras Blvd.

---

**JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING**

- RA 1. CALL TO ORDER** Mayor/Agency Chairman Esteves called to order the regular meeting of the Milpitas Redevelopment Agency, meeting jointly with the City Council, at 7:23 p.m.
- RA 2. ROLL CALL** **PRESENT:** Mayor/Chair Esteves, Vice Mayor/Vice Chair Livengood and Agency/Councilmembers Giordano, Gomez and Polanski
- ABSENT:** None
- RA 3. MEETING MINUTES** Motion: Approve the Redevelopment Agency minutes of August 21, 2007, including joint meeting with the City Council, as submitted
- Motion/Second: Vice Chair/Vice Mayor Livengood/ Agency/Councilmember Polanski
- Motion carried by a vote of: AYES: 5  
NOES: 0
- RA 4. Approval of Agenda and Consent Calendar** Motion: Approve the agenda and Agency consent calendar (items with asterisk\*)
- Motion/Second: Agency/Councilmember Giordano/Agency/Councilmember Gomez
- Motion carried by a vote of: AYES: 5  
NOES: 0
- RA5. Progress Report on Library, East Parking Garage and Related Projects** Steve Erickson, Interim Capital Improvement Manager, presented the staff report. He reviewed the library budget of \$39 million, contract change orders, schedule, and issues and accomplishments. He further reviewed the library lease agreements relating to maintenance and usage, noting the term of the lease is 30 years, and rental is \$120,000 a year until 2013.
- Mr. Erickson reviewed the East Parking Garage noting the budget is \$12.5 million with \$900,000 remaining in the budget. He reported the project is on schedule and is 98% complete. He reported that SJ Amoroso will be using the garage for parking only, as directed by the Library Subcommittee, and signed a contract to assume full responsibility and liability for any damages to the garage.
- Mr. Erickson gave a brief overview of the North Main St. Streetscape project and change orders noting the project is 33% complete. The project design is on schedule.
- Agency/Councilmember Gomez questioned the decision to have a dedication ceremony in December during the holiday season. Mr. Erickson responded that the move is scheduled for that time. Greg Armendariz, Public Works Director, reported that the County Library preferred not to have the dedication in December and this would be brought before the Library Subcommittee with a recommendation to the Council.
- Chair/Mayor Esteves noted that the move could be completed by October/November and will be discussed at the Library Subcommittee.

Motion: Receive Progress Report on the new Library, East Parking Garage, and Related Projects Numbered 8154, 8161, 8162, and 8165.

Motion/Second: Vice Chair/Vice Mayor Livengood / Agency/Councilmember Gomez

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

**RA6.** Unaudited Financial Status Report for Fiscal Year 2007

Emma Karlen, Director of Finance, presented the staff report. She reported staff is preparing the Fiscal Year 2006-07 budget year-end report for the financial audit. The report indicates the total General Fund revenue exceeds the original budget projection by \$5.7 million. Two of the major revenues, sales tax revenue and transient occupancy tax revenue, are above budget by 7% and 20% respectively. She reviewed the other revenue sources noting that building permit revenue exceeds the original budget estimate by 31%, but warned that building permit fees may drop because of the housing slowdown.

Ms. Karlen further reported other financial resources were below budget by \$7.47 million, due to the updated cost allocation plan that recalculated the amount of reimbursement for administration and overhead expenses. She noted the Council had approved deferring loan repayment from the Agency to the City in order to assist the future General Fund budget.

Ms. Karlen reported that City departments are on track with their operating expenses and achieved a savings of 5%. She noted in June 2007, the Council approved pre-funding retiree medical benefits by establishing an irrevocable trust with CalPERS, with an initial funding of \$9.5 million. The net reduction to the total General Fund reserve is \$4.22 million. At the end of FY07, there will be \$14.9 million in the unreserved fund balance and the General Fund will continue to reserve \$5.4 million for PERS stabilization.

Vice Chair/Vice Mayor Livengood posed questions regarding the designated retiree medical benefits and inquired if there is a plan to build the reserve up. Ms. Karlen responded there will not be pre-funding but will be building up the reserve in CalPERS for a better return.

Ms. Karlen responded also that the designated PERS rate stabilization fund is for any unanticipated rate increases, but noted these rates have recently stabilized. The City will not receive a PERS rate decrease. Mr. Livengood requested this fund be watched as PERS continues to do well, the City may receive some benefit.

Agency/Councilmember Giordano inquired what formula is used for sales tax revenue. Ms. Karlen responded there is no formula used, but PERS prepares a five year analysis and takes into consideration cost of living increase and known new businesses. She reported they also rely on consultant projections.

Chair/Mayor Esteves noted specific correction to the number on the changes in fund balances. He inquired how the retiree medical benefits would be funded and was advised it would come from the total reserve.

Agency/Councilmember Gomez inquired about the Government Accounting Standards Board Memo No. 45 and the recent outreach effort to City employees. Ms. Karlen responded the City Manager held a meeting in May to review it with all employees and employees also received a letter with their paychecks explaining this benefit.

Motion: Receive the Finance staff report on Fiscal Year 2006-07 year-end status.

Motion/Second: Vice Chair/Vice Mayor Livengood / Agency/Councilmember Giordano

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

**\*RA7.** Approve Fiscal Year 2006-08 Year End Budget Adjustments and Adopt Resolution

1. Approved the Fiscal Year 2006-07 year-end budget appropriations and transfers (itemized on the budget change form).
2. Adopted Redevelopment Agency Resolution No. RA298 determining the planning and administration expenses funded in Fiscal Year 2006-07 by the Housing Reserve Fund are necessary for the production, improvement and/or preservation of affordable housing for low and moderate income households.

**\*RA8.** Receive 2007-08 Final Budget and 2007-12 Final Capital Improvement Program

Received the Final Budget for FY 2007-08 and Capital Improvement Program for 2007-2012.

**\*RA9.** Authorize Agency Director to Execute Certificate of Completion for KB Home Terra Serena

Authorized the Agency Executive Director to execute the Certificate of Completion, pertaining to certain residential units within Tract 9698, KB Home Terra Serena Project No. 3160, subject to approval of the City Attorney as to form.

**RA 10. ADJOURNMENT**

Chair/Mayor Esteves adjourned the Redevelopment Agency meeting at 7:55 p.m.

*Minutes prepared and submitted by  
Donna Biles, Deputy Agency Secretary*