Budget # _____
Refer # _____

City of Milpitas, California

BUDGET CHANGE FORM

RA5

Type of Change	From		To	
	Account	Amount	Account	Amount
Check one:				
☒ Budget Appropriation	100-2940	$5,700	100-1674221	$5,700
	505-2909	$50,000	505-9304922	$50,000
☐ Budget Transfer	506-2909	$140,000	331-951339894800	$140,000
	332-2931	$47,000	391-951810984800	$47,000
	453-2970	$575,000	451-951607374800	$575,000
	395-2940	$5,530,868	390-2940	$5,530,868
	100-3558	$38,544	100-8124113	$50,152
	100-3221	$11,608		

Explain the reason for the budget change:

To maintain conformity with the City's current budgeting policies that any additional appropriation to a department's budget or re-appropriation of monies from one fund to another must be approved by the City Council, staff has included the attached budget change forms and justification memoranda from the departments for your review and consideration. These modifications are requested due to changing conditions or needs; the amounts originally appropriated in the department or project budget were inadequate. Pursuant to the budget policy, the Finance Subcommittee has reviewed these budget modifications and recommended to the City Council for approval.

The overall fiscal impact of these budget modifications will be $6,348,568 net reduction to the fund balances of various funds of which $5,700 will come from the General Fund unreserved, undesignated fund balance. There are sufficient balances in these funds to cover the additional appropriations.

Approve the Fiscal Year 2007-08 mid-year budget appropriations.

☒ **Check if City Council Approval required.** **Meeting Date:** February 19, 2008

Itemization of funds, if needed:		Amount
Requested by:	Division Head:	Date:
	Department Head:	Date:
Reviewed by:	Finance Director: [signature]	Date: 2/8/08
Approved by:	City Manager:	Date:

Date approved by City Council, if required: **Confirmed by:**

FI/24786/V

Form 30-222 (Rev. 1/92)

2007-08 Mid-Year Budget Adjustment Summary

	Gen Fund	Non Gen Fund	Total Fiscal Impact	Funding Sources
Additional Appropriations that impact Operating Fund Balances :				
1) Dedication Plaques at Gil Park, Teen Center & Honor wall	5,700		5,700	(GF unreserved, undsgnt fund bal)
2) Mobile computer for public safety vehicles		50,000	50,000	(Information Technology Repmt Fund)
3) KB Homes site public infrastructure			5,530,868	(2003 RDA Tax Allocation Bonds)
Operational Subtotal	5,700	50,000	5,586,568	
Additional Appropriations that impact Capital Improvement Project Fund Balances:				
4) On-line Development system (3398)		140,000	140,000	(Online Development Automation Fund)
5) Desktop Tehcnology (8109)		47,000	47,000	(2000 Technology COP Fund)
6) Sewer Deficiency Program (6073)		575,000	575,000	(Sewer 2006 COPS Fund)
CIP Subtotal	-	762,000	762,000	
Total Fiscal Impact	5,700	812,000	6,348,568	

Funding Requests that do not impact Fund Balances

7) Transfer Planning temporary salaries to permanent

8) Public Safety Technology Project (3389) to remain open

9) Fire assistance with wildland fires in Southern California

10) Mandated Fire-watch at BAPS special event

MEMORANDUM

Engineering Division

To: Emma Karlen
Finance Director

From: Jaime O. Rodriguez
Traffic Engineering

Bonnie Greiner
Parks & Recreation Department

Subject: Facilities Naming Subcommittee – Budget Request
Plaques & Dedication Ceremonies

Date: January 11, 2008

The Facilities Naming Subcommittee during its November 14, 2007 approved the dedication of two plaques and expenses for ceremonial events for the following:

- "Michael de Jesus Sports Field" at Gil Park
- "Paul Sandhu Gathering Room" at the Teen Center

The two plaques and events are estimated to cost approximately $5,700. The Parks and Recreation Services Department has fronted these costs to stay on schedule for the planned events in February 2008. A budget appropriation to the Parks & Recreation Department – Contractual Services budget is requested to reimburse these expenses.

If you have any questions, please feel free to contact me at x3335.

CC: Greg Armendariz

MEMORANDUM

Department of Information Services

To: Emma Karlen, Finance Director

From: Bill Marion, Information Services Director

Subject: Mid-year Budget Adjustments

Date: January 11, 2008

For the FY 07/08 mid-year budget adjustments, I am requesting the following changes:

CIP 3389 – Public Safety Technology

In order to utilize the funds remaining in this project for an upgrade to the E911 telephone system, we are requesting that this CIP remain open until the end of FY 07/08. This project was previously scheduled to close in FY 06-07. This action will have no fiscal impact as the funding was previously appropriated.

CIP 3398 – On-Line Development System

To complete the implementation of the final phases of this project, we are requesting that this CIP remain open. This project was previously scheduled to close in FY 06-07. Additionally, we are requesting that $140,000 be transferred from the automation fees collected to CIP 3398 to complete the final phases of this project and to pay for annual maintenance fees and staff administration. In the future years, it is anticipated that the amount for annual maintenance and administration will drop to $35,000. The entire project was funded by permitting automation fee collections which was estimated to be $100,000 annually for the life of the project. This action will have no net impact on the general fund as there were sufficient fees collected in the last fiscal year and current fiscal year to pay for the budget request.

CIP 8109 – Desktop Technology

Request that $47,000 be appropriated to this project from the unallocated Technology Bond proceeds. This action will utilize the remaining bond proceeds for the intended purpose of the 2000 Technology Bond which is to replace outdated technology such as desktop computers and networking equipment.

Appropriation of $50,000 from the Information Technology Replacement Fund

Request that $50,000 from the Information Technology Replacement Fund be appropriated to procure new mobile computer equipment for Public Safety vehicles. These funds will be used in conjunction with a matching grant from the Association of Bay Area Governments (ABAG) to replace computer and communications equipment that has been in service since 2002.

MEMORANDUM

Engineering Division

To: Emma Karlen, Finance Director

From: Greg Armendariz, Public Works Director

By: AB/ Andrew Brozyna, Acting Principal Engineer

Subject: Appropriate Bond Proceeds to the Sewer Deficiency Program, Project No. 6073

Date: January 11, 2008

The Engineering Department is requesting a mid-year appropriation of $575,000 from the Unallocated Sewer Bond Proceeds to the Sewer Deficiency Program, Capital Improvement Project No. 6073. This project involves the design and construction of sewer line replacement due to structural deficiencies, differential settlement, and damaged sewer lines.

The Sewer Deficiency Program currently has an unencumbered balance of approximately $217,000 with an additional $608,000 to be appropriated for the 2008/09 fiscal year. The mid-year appropriation requested will provide the needed funds for the proposed improvements programmed for 2008; and therefore, allow City Council to award the construction contract for the Sewer Deficiency Program, this Spring, prior to the start of the new fiscal year.

Bidding and awarding the construction contract earlier in the year typically results in lower bid prices, and provides more opportunity to complete this much needed work during the summer months when weather conditions are most ideal for this type of construction.

Should you require further information regarding this topic, please contact Andrew Brozyna, Acting Principal Engineer, at extension 3315.

Thank you.

XIV. PUBLIC HEARINGS

1. **Approve the Elmwood Residential Development Project and authorize the Redevelopment Agency Executive Director to enter into an agreement with KB Home South Bay Inc. for the purpose of Sale and Development of the Elmwood Surplus Properties. (Staff Contacts: Blair King, 586-3260 and Troy Fujimoto, 586-3287)**

Background: In June of 2003, within the context of the Eighth Amendment to the Redevelopment Plan for Redevelopment Project Area No. 1, the Redevelopment Agency and City Council entered into a series of agreements with the County of Santa Clara for the purchase and development of surplus County property at Elmwood. The Redevelopment Agency and the County of Santa Clara agreed to the purchase and sale of 35 acres of County property by the Redevelopment Agency. The Agency agreed to the assignment from the County of an Exclusive Negotiating Rights Agreement with KB Home Southbay, Inc. to develop 34 acres according to the terms and conditions negotiated between KB Homes and the County. Subsequent to the June Agreements, the County, KB Homes, the Redevelopment Agency, and the City agreed on the means and methods to provide for affordable housing on and off-site related to the KB development. As a companion to the development by KB Homes, the County had envisioned, and has begun, the development of 23.5 acres fronting Interstate 880 for three to four auto dealerships.

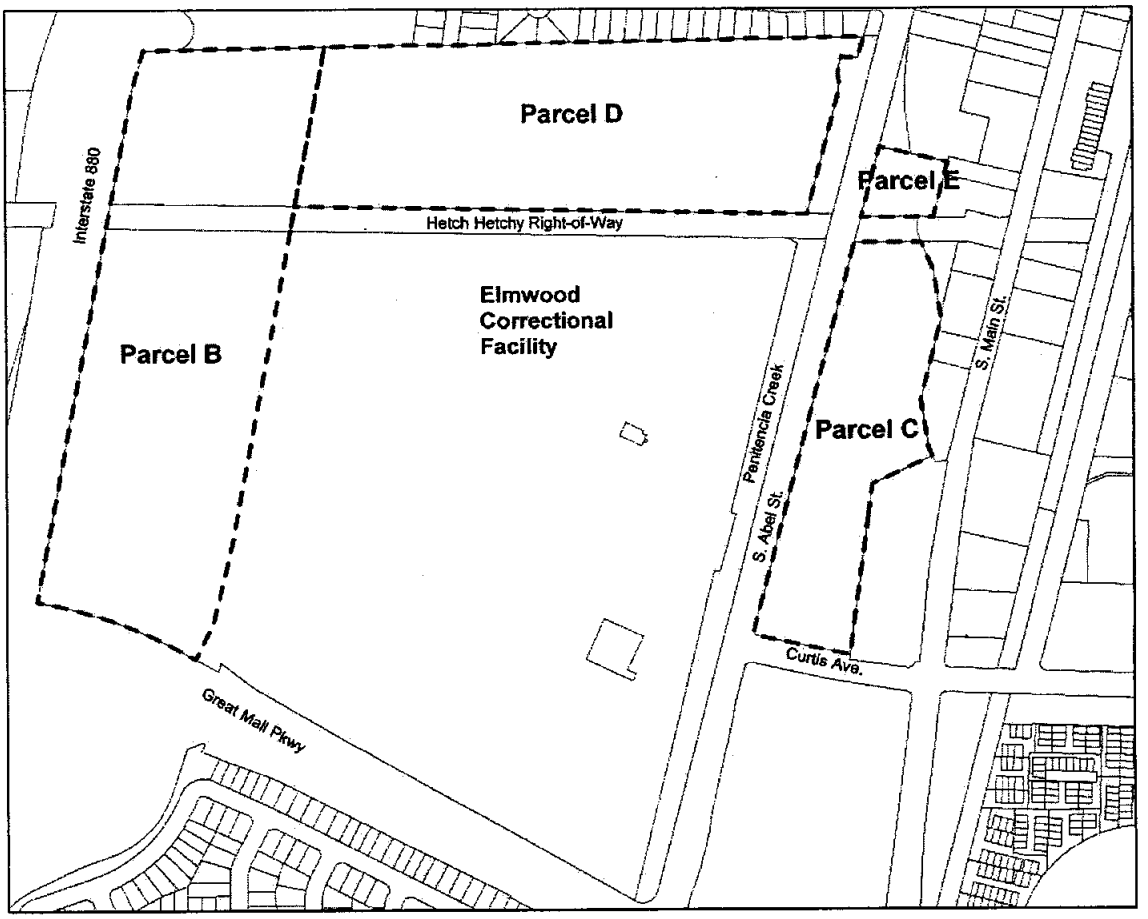
In brief, the Elmwood Agreements provided for the following key elements:

- The Purchase of 35 acres of Elmwood Property for $135 million paid out over 20-years, plus the payment of the developer-negotiated value of $57,750,000, and additional future payments based upon valuation and sales activity. (Parcels C & D)
- The permanent elimination of the expansion of Elmwood Correctional Facility.
- The acquisition of the 1.06-acre Cracolice Site. (Parcel E)
- A $20,000,000 subsidy by the Redevelopment Agency for infrastructure development and mitigation related to the residential development.
- The development of approximately 700 housing units (currently, the developer proposes to construct 683 residential units: 315 condominiums, 203 flats, and 165 single-family homes. This does not include the 104 affordable senior housing units.)
- Development of 6.5 acres of public parks of which 3.1 acres could be developed on the San Francisco Public Utility Commission right-of-way. (Currently, the developer proposes to develop 7 acres of public park and 10 acres of private recreational space.)
- Development of 110 deed-restricted moderate income affordable units on site and a contribution of $5,000,000 by KB Homes for the development of at least 98 deed-restricted very low and low income affordable senior units off-site. (Currently, 104 Senior Affordable units for extremely low and very low-income seniors are planned to be developed.)
- The development by the County of Santa Clara of 23.5 acres fronting Interstate 880 for auto dealerships. (Parcel B)

Subsequent to the adoption of the above agreements, the developer, the County and city staff have worked diligently and earnestly to implement the provisions of the previously adopted agreements. As a whole, the business transaction agreed to in June has remained unchanged, however, some of the implementation terms have been adjusted. For example, the number of affordable housing units remains in proportion to the number of market rate units originally envisioned, although the exact number may have changed. If approved, the following applications will act as the consummation of the terms and conditions of the previous agreements.

EIA NO. EA2003-7: Environmental impact report for the project.
GENERAL AND SPECIFIC PLAN AMENDMENT (GP2003-1): Amendment to the General Plan and Midtown Specific Plan land use designations of Parcel E and portions of Parcels C & D.
ZONING MAP AMENDMENT (ZC2003-2): Rezone Parcel E and portions of Parcels C & D.
MAJOR VESTING TENTATIVE MAP NO. MA2003-4: Subdivision of land for residential, parks, and commercial purposes.
PLANNED UNIT DEVELOPMENT NO. PD2003-1: Development of 165 small lot single-family and 203 town home units on Parcel D.
SITE AND ARCHITECTURE REVIEW (SZ2003-6): Development of 315 condominium units on Parcel C.
USE PERMIT NO. UP2003-26: Deviation of development standards including usable open space per unit, number of floors, and setbacks for the condominium units on Parcel C.

Parcel Labels



Pursuant to California Community Redevelopment law, a redevelopment agency may sell property without public bidding after a public hearing, notice of which is published for not less than once per week for two weeks. This noticing has been accomplished. Additionally, the Redevelopment Agency must h\old a hearing on the "Fair Reuse Report" prior to considering the property's disposition. The Fair Reuse Report must include the cost of the agreement to the Agency, (including the Agency's acquisition costs, costs of improvements to be provided by the Agency, and expected interest to be paid on loans or bonds), the value of the interest to be conveyed, the sales price to be paid, an explanation of any difference between the sale price and fair market highest and best use value, and an explanation of how the sale will assist the elimination of blight. In order to prepare the Fair Reuse Report the Agency retained the services

of the expert firm of Keyser Marston who will be present at the hearing. A copy of the Fair Reuse Report is attached.

The instrument to effectuate the sale and development of the property, the Disposition and Development Agreement (DDA), to KB is attached. It contains the business agreements arrived at between the County and KB as well as reinforcing various conditions of approval. According to the terms of the Agreement, the property will close in forty-five days if no appeals are filed. However, the closing of parcel C, the east side of Abel, can be extended for six months after the closing of the west side of Abel. The agreement envisions that construction will commence early spring 2005 and requires that two of the access roads, the road from Great Mall Parkway north and the entry road parallel to the Hetch-Hetchy right-of-way, will be substantial completed by November 20, 2005.

The amount of off-site improvements envisioned to make this project an outstanding addition to the community are more numerous than anticipated and the cost more than originally planned. More improvements have been added, for example the Abbott Street connection, and costs have increased since the agreement was first negotiated in late 2002 and early 2003. In order to maintain the economics for the project for both the County and the developer, it is proposed that an additional $6 million be provided for off-site infrastructure and mitigation costs. This amount of money is available in reserved undesignated redevelopment funds.

The Planning Commission reviewed the project at its November 17th meeting and recommended the Council certify the EIR and approve all the components of the Elmwood Residential Project with modifications. The Commission recommended that the public park proposed along the west side of Abel Street on Parcel D be centrally located on the parcel and doubled in size and supported the Parks, Recreation, and Cultural Resources Commission's (PRCRC) recommendation that the new Elms Parks and the adjacent condominium building be re-designed around seven of the O'Toole elms trees.

The PRCRC reviewed the amenities for the public park areas at their October and November meetings and recommended a public restroom be constructed in the public park proposed along the west side of Abel Street on Parcel D, that more shade structures be provided at the picnic areas, and that seven of the O'Toole elm trees be preserved. In addition, the PRCRC recommended that seeds from the elms be propagated to replace the trees that are removed and that the wood from the removed trees be used to make commemorative plaques.

The Draft EIR was prepared and circulated for public review between October 1st and November 14th. Nine comment letters were received, in addition to the oral comments received during the EIR public meeting. Responses to all the comments received during the review period have been prepared and included in the Final EIR. The Final EIR was circulated for public review on December 3rd. The Draft and Final EIR combined comprise the project EIR. The project EIR thoroughly analyzed the potential for the project to cause or contribute to significant environmental effects.

Recommendation:

1. Close the Joint Public Hearing.
2. Adopt the Resolution certifying the final Environmental Impact Report, making CEQA findings, adopting the Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Plan.
3. Adopt the Resolution approving the General Plan and Midtown Specific Plan Amendments.
4. Introduce Ordinance 38.765 (ZC2003-2), relating to the Zoning Ordinance Map changes, waiving reading beyond title.
5. Approve the Elmwood Vesting Major Tentative Map (MA2003-4), Planned Unit Development No. PD2003-1, S-Zone (SZ2003-6) and Use Permit No. UP2003-26, based on the findings and special conditions contained in the Council's agenda packet, dated December 8, 2004.
6. Adopt Resolution of the City Council of the City of Milpitas authorizing the sale of real property to KB Home South Bay, Inc., approving the Reuse Report required by Health and Safety Code Section 33433, and adopting Findings in connection with such sale.
7. Adopt Resolution of the Redevelopment Agency of the City of Milpitas approving the Reuse Report required by Health and Safety Code Section 33433, authorizing the execution of a

Disposition and Development Agreement and the sale of real property to KB Home South Bay, Inc., and adopting Findings in connection with such sale.

MEMORANDUM

Department of Planning & Neighborhood Services

To: City Council Finance Subcommittee

Through: Thomas C. Williams, City Manager

From: James Lindsay, Planning & Neighborhood Services Director

Subject: **Planning Staffing Proposal**

Date: January 15, 2008

PROPOSAL

- Eliminate the two temporary Junior Planner positions
- Hire a new permanent Junior & Assistant Planner

DISCUSSION

One of our goals for the Planning Division is to build a solid employee bench to provide a consistent level of service and build up a knowledge base of processes and procedures. To establish the foundation of the bench, I am requesting approval to fund and hire a permanent Junior and Assistant Planner and eliminate the two temporary Junior Planner positions. If the Junior and Assistant Planner positions are filled in February the estimated additional cost in salary and benefits would be $7,570 for the remainder of FY 07-08.

The total cost for these changes would be funded this fiscal year from salary savings within Planning, no additional funds are needed. The Planning Division currently has a savings of over $78,000 in permanent salaries from the two vacant Associate Planner positions. Attached is a summary which details the cost of the changes and the salary savings within Planning.

Planning Division Position Summary

January-08

Current Staffing Budget				Proposed Staffing Feb. - June			
Permanent	*Step*		*Monthly Rate*	*Permanent*	*Step*		*Monthly Rate*
Assistant Planner (50%)	-	$	-	Assistant Planner (50%)	-	$	-
Assistant Planner	-	$	-	Junior Planner	B	$	8,364
Assistant Planner	-	$	-	Assistant Planner	C	$	9,496
Associate Planner	A	$	9,783	Associate Planner	A	$	9,783
Associate Planner	B	$	10,224	Associate Planner	B	$	10,224
Senior Planner	C	$	12,420	Senior Planner	C	$	12,420
Planning Manager	-	$	-	Planning Manager	-	$	-
Office Specialist	E	$	8,427	Office Specialist	E	$	8,427
Temporary							
Junior Planner	C	$	8,524				
Junior Planner	A	$	7,822				
		$	**57,201**			**$**	**58,714**

Monthly cost difference	$ 1,514
Associcate vacancy savings (July-Feb.)	$78,267
Additional staffing costs Feb. - June	$7,568
Remaining Division budget savings in FY 07-08	$70,698
Savings as a % of total Division budget ($963,016)	**7%**

MEMORANDUM

Office of the Fire Chief

DATE: **February 11, 2008**
TO: **Tom Williams, City Manager**
Emma Karlen, Finance Director
FROM: **Clare Frank, Fire Chief**
SUBJECT: **Fire Department Mid-Year Budget Adjustments**

This memorandum reflects the changes we discussed last week with regard to revising the original mid-year request submitted on January 17, 2008.

The Fire Department is seeking a mid-year budget adjustment to reflect unanticipated reimbursed overtime costs that total **$51,856**. Because these are reimbursed monies (or anticipated reimbursements), **there should be no budgetary impact** for the following adjustments:

1. The Federal Emergency Management Agency (FEMA) is reimbursing the City for **$38,544** for mutual-aid response to the Southern California wildland fires in 2007. This amount should be added to 812.4113.[1]

2. The Bochsanwasi Shree Akshar Purushottam Sanstha (BAPS) had a special event requiring several days of pre-paid mandated fire-watch that totaled **$13,312**. BAPS paid for the added costs in advance.[2] This amount should be added to 812.4113.

[1] The reimbursement is still pending, but receipt is anticipated by April, 2008.

[2] See receipt # R-000240624, deposited in 100.3221.