

**MEETING MINUTES  
CITY OF MILPITAS**

**Minutes of:** Regular Meeting of Milpitas City Council  
**Date:** Tuesday, February 2, 2010  
**Time:** 6:00 PM  
**Location:** Council Chambers, Milpitas City Hall,  
455 East Calaveras Blvd., Milpitas

---

**ROLL CALL**

Mayor Livengood called the meeting to order at 6:00 PM.

**PRESENT:** Mayor Livengood, Vice Mayor McHugh, and Councilmembers Giordano and Polanski

**ABSENT:** Councilmember Gomez was absent at roll call and arrived at 6:04 PM.

**CLOSED SESSION**

City Council convened in Closed Session to discuss the performance evaluations of (1) the City Manager and (2) the City Attorney.

City Council then convened in Open Session at 7:00 PM.

**ANNOUNCEMENT**

None.

**PLEDGE**

Boy Scouts Troop No. 92 led the colors procession and pledge of allegiance.

**INVOCATION**

Councilmember Polanski read aloud a poem (author unknown), regarding war. She honored and thanked those who have served our nation.

**MINUTES**

Motion: to approve City Council meeting minutes of January 19, 2010, as submitted

Motion/Second: Councilmember Polanski/Councilmember Gomez

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

**SCHEDULE OF MEETINGS**

Motion: to approve the Council Calendar/Schedule of Meetings for February 2010, as amended

City Manager Williams noted the Valley Transportation Authority's Silicon Valley Rapid Transit Corridor Policy Advisory Board meeting on Wednesday, February 24 at 3:00 PM at City Hall.

Vice Mayor McHugh noted that a member of the Milpitas City Council needed to be appointed to that PAB, as he had already been appointed to the VTA board (as alternate) and M-G-M group. Mayor Livengood responded he would normally attend as the Milpitas representative, that but meeting occurred on the same date he already attended regular TPAC meetings.

Motion/Second: Vice Mayor McHugh/Councilmember Polanski

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

**PRESENTATIONS**

Mayor Livengood presented the Government Finance Officers Association Distinguished Budget Award to the City of Milpitas, accepted by Finance Director Emma Karlen. The Mayor complimented Finance Department staff for all the effort that goes into the budget document, so critical to the City's success each year in Milpitas.

**PUBLIC FORUM**

None.

**ANNOUNCEMENTS**

City Manager Tom Williams invited the City Council and residents all to attend the grand opening of the new Carlo St. off-ramp event scheduled on Saturday, February 6 at 11:00 AM, rain or shine, which would feature 22 classic cars.

Vice Mayor McHugh noted the recent election of Chair and Vice Chair of the Sister Cities Commission and the Senior Advisory Commission.

Councilmember Giordano announced that she was elected as Chair of the Santa Clara County Library Joint Powers Authority Board at last week’s meeting.

**ANNOUNCEMENT OF CONFLICT OF INTEREST**

None.

**APPROVAL OF AGENDA**

Motion: to approve the agenda, as submitted

Motion/Second: Councilmember Giordano/Councilmember Polanski

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

**CONSENT CALENDAR**

Motion: to approve the Consent Calendar (items noted with \*asterisk), as submitted

Motion/Second: Vice Mayor McHugh/Councilmember Polanski

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

\*1. Commission Appointments

To the new Milpitas Veterans Commission:  
Appointed Dana Arbaugh to a term that expires in February 2013.  
Appointed Bruce Choy to a term that expires in February 2013.  
Appointed Juan Samano to a term that expires in February 2013.

Waived the requirement per City Council Handbook that did not allow residents to serve on more than one Commission for Mr. Arbaugh, who was also a member of the Sister Cities Commission.

\* 3. CDBG-R Funds

Approved the budget appropriation for Community Development Block Grant-Recovery (CDBG-R) funds in the amount of \$157,293.

\* 5. Ordinance No. 279

Waived the second reading and adopted Ordinance No. 279 repealing outdated and unused sections of the Milpitas Municipal Code.

\* 6. Resolution Accepting Project No. 6111

Adopted Resolution No. 7960 granting initial acceptance of the Sewer Replacement Program, and authorize the reduction of the contractor’s performance bond to \$33,300 for Project No. 6111.

**JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING**

**RA 1. CALL TO ORDER**

Mayor/Agency Chair Livengood called to order the regular meeting of the Milpitas Redevelopment meeting jointly with the City Council at 7:11 PM.

**ROLL CALL**

**PRESENT:** Chair/Mayor Livengood, Vice Chair/Vice Mayor McHugh, Agency/Councilmembers Giordano, Gomez and Polanski

**ABSENT:** None

**RA 2. MINUTES**

Motion: to approve the Agency meeting minutes of January 19, 2010, as submitted

Motion/Second: Agency/Councilmember Gomez / Agency/Councilmember Polanski

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

**RA 3.** Agenda Approval and Consent Calendar

Motion: to approve the agenda and consent calendar, as submitted

Motion/Second: Agency/Councilmember Giordano / Agency/Councilmember Polanski

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

**RA4.** Update on Senior Center Construction

Project Engineer Steve Erickson updated the City Council on the recent construction activities on the new Senior Center building. A little more than \$3 million remained unencumbered at this point in the \$13 million project. The Senior Center was 75% toward its completion, at this report. He displayed photos of the latest construction.

Councilmember Polanski thanked staff for the photos and the great work going on toward the new Senior Center.

Councilmember Giordano asked if August or September would be the opening target date and staff responded affirmatively it would occur in that approximate range.

Motion: to receive the staff report on the Senior Center construction progress

Motion/Second: Agency/Councilmember Gomez / Agency/Councilmember Giordano

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

**RA5.** Financial Report from the Finance Director

Finance Director Emma Karlen reported current unemployment rates in the City and in the state, which were reported higher than one year ago. She provided a revised budget projection for General Fund revenues, down by \$3.8 million compared to the adopted budget for FY 2009-10. Sales tax revenues declined 19% in the first six months of the fiscal year versus the same period one year ago. With new data in mind, the sales tax revenue projection was revised to be \$2.1 million below budget (at \$15.2 million projected for the year).

A major revenue source to the City, Transient Occupancy Tax (per hotel stays), declined 27% compared to last year, which already was down 23% in the prior fiscal year. Building permit and private development fees were lower due to lack of major construction activities. With regard to property tax revenue, it is on track with projection as Finance staff incorporated the expected lower property tax revenues, with lowered assessments anticipated.

Ms. Karlen's overall conclusion at this point was that there would be a \$6.2 million shortfall at year's end, while the budget had anticipated a shortfall of only \$4.9 million - to be balanced by the Redevelopment Agency fund payment to the City.

She reminded Agency members about the mandatory Agency ERAF payment of \$11.77 million required to be paid to the state. The RDA thus would end the fiscal year with a fund balance of approximately \$25 million.

Finally, the Finance Director reported that as with other news, the Water and Sewer service revenues were lower than anticipated also.

Councilmember Gomez asked about the state and what did it not do last time that it could do in the future to the City? Staff responded it could withhold some of the city's



Fund and the RDA Tax Increment. (3) Authorized the Executive Director/City Manager to approve Amendment No. 2 to the Contract with Cal-West Lighting & Signal Maintenance for Streetlight Improvement Services.

**RA 12. ADJOURNMENT**

Chair/Mayor Livengood adjourned the Redevelopment Agency meeting at 7:38 PM.

**REPORTS OF MAYOR AND VICE MAYOR**

One report was accepted on the consent calendar.

**2. Vice Mayor's Request for Resolution of Support**

Vice Mayor McHugh noted the success of the City was dependent on the success of the Milpitas Unified School District and its students,. With recent difficulties in its and all school districts' budgets, MUSD Board planned to go out for a parcel tax on property owners to support the schools. He highlighted the features of the measure, planned at \$84 per year per parcel.

Speakers:

1) **Marsha Grilli**, MUSD Board member, spoke and introduced all the members of the Board who were in the audience. She defined the difficulties the district was experiencing, due primarily to the financial difficulties of the state. The board was seeking a modest tax proposal for a guaranteed funding source.

2) **Nancy Mendizabal**, Milpitas resident, noted that a vote for the parcel tax was a positive one for the community and the children.

3) **Carmen Montano**, recent past MUSD Board member, asked the City Council to support the parcel tax measure, and it was imperative for the leadership of the community to adopt the resolution.

Mayor Livengood responded to the speakers. He felt any time there was a tax measure before voters was challenging and difficult to ask for. It was not an unreasonable request of property owners in Milpitas, a small sacrifice. The Mayor supported the tax measure and would help make sure it was adopted.

Councilmember Polanski remarked that she had served on the school board for 19 years, and continued to care very much about schools and the students in Milpitas. She was also employed by a school district, where local control so important. Lastly, she expressed her full support for the parcel tax ballot measure.

Councilmember Giordano said schools deserve the support of community, and she had attended all public schools in Milpitas. She valued the quality of the schools in the City. She acknowledged that all public agencies were hurting at this time. This proposed tax had an inequity about it, since all property owners would pay exactly the same amount. It was not fair , Giordano felt. She would not be supporting the tax, but expressed her full continued support of all Milpitas schools.

Mayor Livengood responded to Ms. Giordano, stating the regressive nature of taxation in our state and as the nature of the system. It was planned in our government that way.

Vice Mayor McHugh commented that \$7 per month was a modest investment in children and he wished best of luck to the committee working on the measure. He announced that he had joined as a member of the Committee working to promote passage of the parcel tax measure in June.

Motion: to adopt Resolution No. 7959 supporting the Milpitas Unified School District parcel tax proposed for the ballot in June 2010

Motion/Second: Vice Mayor McHugh/Councilmember Polanski

Motion carried by a vote of:

AYES: 4

NOES: 1 (Giordano)

**NEW BUSINESS**

One item was approved on the consent calendar.

**ORDINANCE**

4. Introduce Ordinance No. 280

Police Chief Dennis Graham reviewed direction given by the City Council last month seeking an ordinance for a "Social Host" ordinance, which allowed for cost recovery of police services in instances where underage drinking occurred and problems ensued.

City Attorney Ogaz read aloud the title of the ordinance, "An Ordinance of the City Council of the City of Milpitas Imposing Liability on Social Hosts who Allow or Encourage Underage Abuse of Alcohol."

(1) Motion: to waive the first reading beyond the title of Ordinance No. 280

Motion/Second: Councilmember Giordano/Vice Mayor McHugh

Motion carried by a vote of:

AYES: 5

NOES: 0

(2) Motion: to introduce Ordinance No. 280 imposing liability on social hosts who allow or encourage underage abuse of alcohol

Motion/Second: Councilmember Polanski/Vice Mayor McHugh

Motion carried by a vote of:

AYES: 5

NOES: 0

**RESOLUTION**

One Resolution was adopted on the consent calendar.

**ADJOURNMENT**

Mayor Livengood adjourned the City Council meeting at 7:54 PM.

**The foregoing minutes were approved by the Milpitas City Council as submitted on February 16, 2010.**

  
\_\_\_\_\_  
Mary Lavelle  
City Clerk