

## *Draft* MEETING MINUTES CITY OF MILPITAS

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

**Date:** Tuesday, February 2, 2010

**Time:** 7:00 PM

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

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### 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 7:25 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 several 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 revenue (gas tax, streets fund, property tax money). Mr. Gomez asked about the RDA loan payment balance and staff said if the agency paid \$6.2 million at the end of this year, the balance would be around \$21.4 million.

Councilmember Giordano noted that 48.1% of the budget was expended in the first six months, so she asked if there were some expenses in the front end of the year that would not occur again. Ms. Karlen replied yes, and these were costs such as insurance premiums and software license maintenance fees.

Councilmember Polanski commented on transportation, that City revenues were down, and she asked if any of the decline was based on problems with car dealers' difficulties in sales. Staff said yes. Ms. Polanski was concerned for Toyota's current difficulties, specifically. She wondered if there were any issues with the nearby NUMMI plant closing in Fremont. Staff responded the City watched unemployment rates carefully, realizing that some of those employees lived in Milpitas.

Vice Mayor McHugh asked if, at next meeting when the report was given on the Task Force recommendations, might it be helpful to have a work session on the results of that body? City Manager Williams replied that he had offered that in the past, however Council did not direct him to schedule a work session.

Finance Director Karlen also provided several key dates for the FY 2010-11 budget. It was anticipated that a budget work session would be held on either March 16 or April 6.

Motion: to receive the Finance Director's report on the first six months of the current fiscal year

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

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

**RA6. Mid-Year Budget  
Adjustments & Resolution**

The Finance Director explained the request for FY 2009-10 Mid-Year budget adjustments for six specific budget changes, and one request for a Resolution to permit a position title change, from Public Information Specialist to Video Media Specialist.

Motion: to approve the FY 2009-10 budget appropriations and adopt Resolution No. 7955 to approve a title change in one employee classification

Motion/Second: Vice Chair/Vice Mayor McHugh / Agency/Councilmember Polanski

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

**\*RA7. Investment Status  
Report**

Received the investment portfolio status report for the quarter ended December 31, 2009.

**\*RA8. Resolution Granting  
Acceptance of Project No.  
4202**

Adopted Joint Resolution No. RA359/7956 granting initial acceptance of the Sidewalk Widening at Calaveras Boulevard Bridges, Project No. 4202, subject to a one year warranty period and reduction of the faithful performance bond to \$12,600.

**\*RA9. Resolution Granting  
Acceptance of Project No.  
8188**

Adopted Joint Resolution No. RA360/7957 granting final acceptance of the Storm Drain Pump Station Improvements (Wet Well Cleaning), Project No. 8188, and release of the faithful performance bond.

**\*RA10. Resolution Granting  
Acceptance of Project No.  
8194**

Adopted Joint Resolution No. RA361/7958 granting final acceptance of the Street Crack Seal Project FY 2008-09, Project No. 8194, and release of the contractor's bond.

**\*RA11. New CIP Street Light  
Pole Improvements**

(1) Approved a new Capital Improvement Project, Street Light Pole Improvements, Project No. 8199. (2) Approved a budget appropriation of \$150,000 from the Street 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.

*Meeting minutes respectfully submitted by  
Mary Lavelle, Agency Secretary*