

**MEETING MINUTES
CITY OF MILPITAS**

Minutes of: Regular Meeting of Milpitas City Council
Date: Tuesday, March 16, 2010
Time: 7:00 PM
Location: Council Chambers, Milpitas City Hall,
455 East Calaveras Blvd., Milpitas

ROLL CALL

Mayor Livengood called the meeting to order at 7:00 PM.

PRESENT: Mayor Livengood, Vice Mayor McHugh, Councilmembers Gomez and Polanski

ABSENT: Councilmember Giordano was absent at roll call and arrived at 7:03 PM.

PLEDGE

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

INVOCATION

Father Dan Urcia of St. Elizabeth's Catholic Church provided a prayer.

MINUTES

Motion: to approve the City Council meeting minutes of March 2, 2010, as submitted

Motion/Second: Vice Mayor McHugh/Councilmember Polanski

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

SCHEDULE OF MEETINGS

Motion: to approve the Council Calendars/Schedule of Meetings for March and April

Two changes were announced by the City Manager: the Economic Development Subcommittee meeting scheduled on March 15 was canceled, and the Planning Commission scheduled a Special Meeting on Wednesday, March 17 at 6:00 PM.

Motion/Second: Vice Mayor McHugh/Councilmember Polanski

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

PRESENTATIONS

Mayor Livengood displayed his completed US census form, which he planned to mail in, and then highlighted how important it was that everyone in Milpitas was counted. Currently, Milpitas is the fifth largest city in the County, and may become the fourth largest city if all residents are counted in the census this year.

Next, the Mayor proclaimed the month of March as American Red Cross Month, and celebrated the Santa Clara County Silicon Valley Chapter for its work in the community. The proclamation was accepted by Ms. Pilar Furlong, Vice President of American Red Cross.

PUBLIC FORUM

Kim Firm, Director of 2-1-1 for Santa Clara County in San Jose, provided updated statistics on the use of the information service on the free 3-digit phone line available to all callers. In 2009, 684 calls came from Milpitas residents primarily for housing information and with some health services information requests.

Two representatives from Rancho Middle School invited the City Council to support an April 9 casino night fundraising event at Summit Pointe Golf Club. Teacher Tony thanked Mayor Livengood for coming to the school a few times this past year. He grew up in Milpitas and cared to have all the services he had, now in jeopardy. Rancho PTA parent Kumi requested help in reaching their fundraising goal of \$10,000 for the school.

Frank DeSmidt, spoke on behalf of the Milpitas Rotary Club, invited all to the Masked Ball “Rue Bourbon” sponsored by Rotary on March 20. Also the Chamber-sponsored Job Faire was on Thursday, March 18 from 4:00 – 7:00 pm at the Community Center. Soon, the Business Person of the Year would be selected and honored. The Chamber’s Second Annual Golf Tournament at Spring Valley Golf Course was scheduled on May 7.

ANNOUNCEMENTS

The City Manager announced that on Saturday, March 20, city officials would host the dedication of “Green Tree” metal sculpture piece at Pinewood Park at 9:00 AM.

Mayor Livengood displayed (on overhead photo) the newly upgraded and re-painted Mobile Command Unit of the Milpitas Police Department.

Councilmember Giordano requested that the meeting be adjourned in memory of Lynn Estandarte, a former City of Milpitas Library Commissioner. She also announced several upcoming events at the Milpitas Library this month.

Vice Mayor McHugh congratulated recent DARE graduates upon their March 3 event at Curtner School. For the recent “Read Across America” event, he spent time reading to 1st graders. Last weekend, he attended opening day of Milpitas Bobby Sox season, and also the event celebrating the 30th anniversary of Milpitas Historical Society. He reported on the Santa Clara VTA governance change: as of March 12, there were seven cities that voted in support, two cities voted in opposition, and there were six yet to vote on the new proposal supported by Milpitas. At least half must be in support.

Councilmember Polanski responded to the Mayor’s comments on the US Census form, reiterating that it was important for everyone to complete. She reported that on Wednesday, March 3, she attended the City-Schools communication meeting where the group discussed holding a joint meeting with both MUSD Board and the City Council. She understood that request was placed on the agenda to discuss on Tuesday, April 6, so she was disappointed to hear that, and hoped that the School District was informed.

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: Councilmember Giordano/Councilmember Polanski

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

- * 3. Commission Appointments Appointed Antonio Pablo Jr. to a term that expires in August 2011 and appointed Christine Sanchez as Alternate No. 1 to a term that expires in August 2010, to the Bicycle Pedestrian Advisory Commission.
- * 4. Amend BPAC By-Laws Approved amendments of the Bicycle Pedestrian Advisory Commission (BPAC) By-Laws, regarding membership and meeting times.
- * 5. PRCRC Workplan 2010 Approved updated Parks, Recreation & Cultural Resources Commission 2010 workplan.
- * 8. Resolution for Retrofit Bay Area Program Adopted Resolution No. 7968 to participate in Santa Clara County’s Retrofit Bay Area Program.

City Attorney Ogaz read aloud the title of Ordinance No. 38.795 "An Ordinance of the City Council of the City of Milpitas Repealing Title III Chapter 5 "Entertainment Event" and Amending Title XI, Chapter 10 for the Purpose of Planning Development Review."

(2) Motion: to waive the first reading beyond the title of Ordinance No. 38.795

Motion/Second: Councilmember Giordano/Councilmember Polanski

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

(3) Motion: to introduce Ordinance No. 38.795

Motion/Second: Vice Mayor McHugh/Councilmember Giordano

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

UNFINISHED BUSINESS

2. "Every 15 Minutes" program at Milpitas High School

Police Chief Dennis Graham explained the unique program to be implemented at Milpitas High School starting on May 13. It was an effort at high schools across the country to dramatize seriously the consequences of DUI-related driving accidents and drinking by teens. It was planned to culminate in two student assemblies in the school theatre, featuring speakers including the Mayor of Milpitas.

Councilmember Polanski thanked Chief Graham for attending the recent joint city/school communication meeting. The event will occur a few days prior to the Prom in May.

Mayor Livengood noted that he had a high school classmate who died at age 17 back in 1970s, due to a drunk driving accident (classmate was not at fault).

Councilmember Giordano thanked the Chief, and noted that this issue was discussed at the last Youth Advisory Commission. The students were all on board with the program and its purpose.

REPORTS OF MAYOR AND COMMISSIONS

Three items were approved on the consent calendar.

NEW BUSINESS

One item was approved on the consent calendar.

6. Economic Development Report

Economic Development Manager Diana Barnhart provided updates on business activity throughout the City. The new Great Mall manager Gayle Speare started work on March 8. Ms. Barnhart reported unemployment rates, noting a 12.5% rate in Milpitas for January 2010.

Staff reported details on the latest actions regarding the Federal Energy Efficiency Earmark application, including the Mayor's scheduled meeting with Congressman Mike Honda. At City Hall, the scheduled Business Development Classes were ongoing throughout next two months, with success so far. Ms. Barnhart reported that the City would submit an RFI response to Google, for application to be a model city on its new fastest wireless internet connection service.

Councilmember Giordano asked how well the Great Mall was doing with leasing out space. Staff tried to get that information with no response. Ms. Giordano inquired about any ripple effect in Milpitas, with the upcoming closing of the NUMMI car manufacturing plant. Ms. Barnhart said four businesses that were direct suppliers to NUMMI would be affected. Mayor Livengood thanked Ms. Barnhart for her verbal report.

7. Report from Revenue/
Expenditure Task Force

City Manager Tom Williams reported to the Council that representatives of most employee unions (except IAFF) were present and available to respond to questions about the Task Force. He gave an overview of economic difficulties in Milpitas and the economy in general. Then, he described a three-prong approach to address an anticipated \$11 million shortfall in the City's FY2010-11 budget and beyond. Three approaches offered were: (1) to raise revenue by a sales and/or user tax (per action by voters), (2) find cost savings with employee contributions related to compensation and benefits along with eliminating some programs that were not full cost recovery, and (3) forecast an increase in segments of the City's revenues, such as hotel taxes and sales tax from automobile sales.

Mayor Livengood asked about a reduction in workforce, as it was not mentioned in the report, and he asked why it was not part of a strategy. Mr. Williams responded that work furloughs cover that. City Attorney Ogaz commented on work furloughs and those could be imposed by Council. His office was researching it further at this time, as distinct from employee lay-offs which were defined in the Milpitas Municipal Code.

Vice Mayor McHugh thought that the public would not be supportive of a tax. He read that staff would study feasibility of a new tax, and then go to voters in November 2011. He asked if a tax measure could be sooner, such as this year. Mr. Williams responded with the time needed to poll the community first, before going out for a ballot measure. Mr. McHugh asked about programs that were not 100% cost recovery. He asked if the remainder of programs at the Sports Center were full cost recovery and staff replied yes. The Vice Mayor asked about the task force work and could it be combined with the study session on April 6 on the budget for FY 2010-11. City Manager replied it could.

Mayor Livengood was looking for more information on how to balance next year's immediate deficit. He knew Council could not spend reserves to balance the City's budget, year after year. Of the three offered, only prong 2 was one that was serious to begin to balance future budgets. He was not optimistic about the growing gap.

Councilmember Giordano asked about one-time fixes. Mr. Williams said this did not come into the report. Employee lay-offs were not brought up at Task Force meetings.

Councilmember Gomez felt a lot of the Task Force plan was built on hope and he could not count on that. He wanted an explanation of \$9.77 million in operating transfers in FY 2009-10, and a possible re-organization of city government and why that was not in his report. He asked where was "Plan B." The City Manager said there was no consensus at this time on an alternate.

Mr. Gomez next asked how to get to \$2.5 – \$3 million to rebound local revenues (prong 3). City Manager mentioned several ways it could grow in the next couple years.

Councilmember Polanski did not see where medical cost reductions were found, by increasing co-pays or capping medical benefits, for example. The City Manager said the City could address specifics when getting into employee group negotiations over the Memorandums of Understanding.

Councilmember Polanski noted Mr. Gomez brought up unfunded infrastructure needs. How was unfunded work considered, e.g. sewer lines? Mr. Williams responded that the City Engineer/Director of Public Works' estimate of \$250 million (e.g. on water line upgrades) would come from utility funds. On the tax idea, staff would need to review that much more closely if Council was to consider proceeding with it.

Mayor Livengood reported that some other cities have turned to contracting out services to save money. He was not a fan of that before, but asked did the Task Force consider this idea? Mr. Williams said no, not across the board. The Mayor stated that he was unhappy with the report because there were no real commitments from the employees, even with Prong 2. The document did not meet the request that Mayor had made last

year. In fact, the City's deficit was still growing.

Mr. Livengood asked if any Task Force members wanted to address the Council. Milpitas Police Officers Association President Matt Toffey said he heard frustration in Councilmembers' voices. The task force could not commit to specific ideas, since each union had to go back to its membership. The Mayor asked if he would take Prong 2 ideas (employee contributions) back to the membership of his group to get approval. Mr. Toffey said yes, he would try to do that.

Mid-Management and Confidential employee group President Leslie Stobbe responded to the Mayor and to the City Manager. She appreciated the chance to be at the table to discuss the economic issues. She would be setting up bargaining group meetings to discuss employee concessions with members.

Vice Mayor McHugh commented that the City had reduced the number of employees by 30% over the last few years and could not reduce it further without effecting services. Shared reductions by all would garner how much? The City Manager responded: 2.8%. If no concessions were offered, then there would be a need for reductions in departments. Mr. McHugh asked to consider a proposal at the work session: take 2.8% by employees and match that with 2.8% from rainy day funds, then use accounts from the Redevelopment Agency to cover the remainder of the budget gap.

Councilmember Giordano responded to the Mayor: on the 20-page report, there were a large number of opinions from the group. She felt it was an inaccurate comment from the Mayor on the results of the report. She complimented the City Manager on keeping recommendations for pay raises low in the past year, and then last year he tried to get concessions from employees but it resulted in layoffs. She felt it was now time for the leadership of the City Council to come up with results.

Councilmember Polanski would like to see the proposal of Vice Mayor McHugh. She asked about logistics of the next meeting.

Councilmember Gomez commented on the Vice Mayor's idea. He talked about \$6 million from the Redevelopment Agency, 2.8% from reserves, and the same amount from employees. That would be one-time funds and his view was that the City could solve ongoing problems with RDA money and one-time funds, but those were a short term solution only.

Motion: to continue the discussion to the Council meeting on April 6, at the regular schedule meeting along with the budget study session, and to start that meeting at 6:00 PM, with only legally required matters additionally on the agenda

Motion/Second: Vice Mayor McHugh/Councilmember Polanski

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

RESOLUTIONS

Five resolutions were adopted on the consent calendar.

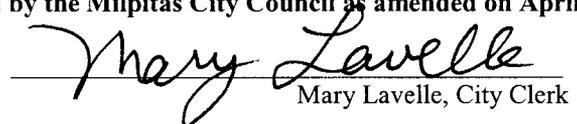
BIDS AND CONTRACTS

Two items were approved on the consent calendar.

ADJOURNMENT

Mayor Livengood adjourned the City Council meeting at 9:25 PM, in memory of Lynn Estandarte, recently passed away former Library Commissioner.

The foregoing minutes were approved by the Milpitas City Council as amended on April 6, 2010.


Mary Lavelle, City Clerk