

Draft MEETING MINUTES CITY OF MILPITAS

Minutes of: Regular Meeting of the Milpitas Redevelopment Agency
(Including Joint Meeting with Public Financing Authority and City Council)

Date: Tuesday, February 1, 2011

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 Chair Esteves called to order the regular meeting of the Milpitas Redevelopment Agency meeting jointly with the Public Financing Authority and the City Council at 8:22 PM.

ROLL CALL **PRESENT:** Chair/Mayor Esteves, 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 4, 2011

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

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/ Vice Chair/Vice Mayor McHugh

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

RA4. Letters of Support for the Agency Economic Development Manager Diana Barnhart had drafted letters of support to three elected officials in Sacramento, seeking support to continue redevelopment activity in Milpitas, and to oppose the Governor's proposal to eliminate Redevelopment Agencies. Copies of the letters were distributed to the Councilmembers.

Ms. Barnhart identified the highlights included in the draft letters, and listed twelve major achievements in Milpitas since the Agency's creation, including efforts on affordable housing and many economic development achievements.

Councilmember Gomez commented on companies that came to Milpitas when they were small, and had since grown a lot in the RDA area. He referred to the recently passed Proposition 22 last November and read a quote from that ballot measure which called for the state to stop taking in any way from local government. Mr. Gomez wanted to know what legal efforts were happening on this issue.

City Attorney Mike Ogaz reported that the California Redevelopment Agency would take actions to oppose the Governor's proposal, and sought to find that it was actually illegal to eliminate Agencies, based on Proposition 22.

Mr. Gomez felt Milpitas needed to do more than just send letters, and suggested finding alternative options to find revenues that the state was seeking. Lobbying efforts with friends in labor and in business could help.

The City Manager opened an invitation to all Councilmembers to travel to Sacramento with city staff to conduct lobbying in the Capitol the following week. Milpitas was the seventh largest Redevelopment Agency in the state and needed to have a seat at the table.

Councilmember Polanski and Vice Mayor McHugh supported the draft letters, and lobbying and other efforts, including educating citizens about redevelopment.

City Manager Williams said staff was looking at a constitutional question, and that legal review was needed, along with participation financially for additional legal review.

Mayor Esteves asked what pending RDA projects Milpitas had. Ms. Barnhart responded on actions that would come to the Agency for a vote on February 15 which include a : recommendation to form a Housing Authority to maintain control of the set-aside housing funds and also to consider creation of an Economic Development Corporation for discretionary funds

City Manager Williams reported that the state would soon conduct an audit of 18 redevelopment agencies; however, Milpitas was not one of those.

Councilmembers recommended a focus on jobs (not buildings constructed) and the businesses that came to Milpitas. Mr. Gomez felt that fit in line with goals as recently stated by the Governor.

Motion: to approve and sign letters of support and direct staff to deliver them to state government officials (Governor, Senator and Assemblyman) in Sacramento

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

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

RA5. Financial Status

Finance Director Emma Karlen reported on the status of the City's finances at the conclusion of the first six months of Fiscal Year 2010-11. She began with recent unemployment figures, showing it had reduced slightly in Milpitas and the surrounding County. She detailed General Fund revenues, which were very slightly higher than projected in the budget, even though property tax was in fact lower than expected, due to reduced property assessments.

The Finance Director reported that the expected shortfall at the end of the fiscal year would be near \$8.9 million for the General Fund. Staff reviewed anticipated plans to solve that. Next, she reviewed the Redevelopment Agency fund balance followed by utility funds' revenues and expenditures.

Ms. Karlen announced upcoming budget action dates at Council meetings, which would include March 15, on a regular Council agenda, a budget study session prior to the regular City Council meeting; an April 19 review of the draft CIP; a May 10 budget public hearing; and finally on June 7 or 21, the final budget adoption.

Councilmember Gomez asked about business to business sales tax. Ms. Karlen stated it had not performed as well as expected, and was down versus last year. Mr. Gomez also asked about savings via the employees' furlough, and it was estimated at \$3.2 million. He mentioned the concept of possible concessions from retirees which he would discuss at a later time.

