

MEETING MINUTES CITY OF MILPITAS

Minutes of: Regular Meeting of Milpitas City Council
Date: Tuesday, March 15, 2011
Time: 6:00 PM
Location: Council Chambers, Milpitas City Hall,
455 East Calaveras Blvd., Milpitas

ROLL CALL

Mayor Esteves called the meeting to order at 6:00 PM. City Clerk Lavelle noted the roll.

PRESENT: Mayor Esteves, Vice Mayor McHugh, Councilmembers Giordano and Polanski

ABSENT: Councilmember Gomez was absent at roll call and arrived at 6:03 PM.

STUDY SESSION

A Budget Study Session for FY 2011-12 was held. City Manager Tom Williams introduced the plan toward balancing the City's budget for FY 2011-12, primarily by reducing employee costs, focusing on core services including possible re-organization and suspend non-core services. He highlighted that current negotiations for new Memorandums of Understanding were ongoing with three employee unions.

Mayor Esteves asked what amount was sought for cutting employee costs. Staff replied 7-14%, related to both salaries and benefits. The Mayor thought the amount would be 15%.

Councilmember Giordano commented on the Police Department's DARE program and that maybe cost sharing could happen, while managing the program differently in the future.

Councilmember Polanski had no problem with adding the concept of "review" in addition to the suggestion to "suspend" certain programs, in reply to the Mayor.

City Manager Williams discussed benefits-to-salary as a ratio, where private sector employers typically had the rate of 35%, whereas the City of Milpitas was on average 68%, with some groups as high as 83%. He also noted higher contributions required to PERS over the last couple years, so costs had increased a lot.

Councilmember Polanski requested that staff send the same information to the City Council that was printed in the local newspaper last week. She inquired if there was any cap on medical costs for benefits at this time. The City Manager responded that only the difference between the Kaiser rate and a higher cost medical plan was paid by an employee.

Vice Mayor McHugh asked to consider the number of employees and divide by the costs to come up with an average per employee for benefits costs. Mr. Williams responded it was \$41,000 on average per employee for cost of benefits. The Vice Mayor requested this information by union.

The two most costly items were PERS contributions and medical premium costs, on the benefits side: \$10 million this year was for PERS and \$5.7 million for medical insurance (these yielded the 41% of salary costs). The City Manager displayed a chart if benefits were capped at 35% for non-safety and 40% for public safety employees, it could yield \$11 million savings.

Core services were identified as: City Council, Council Manager, City Clerk, Public Safety, Infrastructure, building, planning and finance, per California general law.

Next, Finance Director Emma Karlen provided FY 2011-12 budget status and history of recent budgets, including the long term budget deficits for the City of Milpitas over the last decade. She

explained that the PERS contribution and medical insurance premiums had increased so much in last few years and the effect on the City's budget. Staff's initial budget gap for the next fiscal year was projected at \$12.1 million, and she identified six strategies to close it.

Councilmember Gomez asked questions about Rainbow Theatre and its full funding. Mr. Williams commented that if the program was full cost recovery, the Council could manage to continue it successfully. Vice Mayor McHugh replied that Rainbow Theatre had been a wonderful program for a long time, but it must be in category of review and possible suspension since it was not a core service.

Councilmember Gomez asked the City Manager what else was funded out of the 2% increase in Transient Occupancy (hotel) Tax, and he said extended library hours.

Mayor Esteves asked for additional explanation on the Redevelopment Agency loan due to the City. Staff confirmed that there was no "abuse" of Agency funds in Milpitas, and that all proper audits had been performed successfully.

The City Manager made some comments on union negotiating, that staff was conservative on the budget strategy, and the City needed some flexibility on the six steps strategies.

Councilmember Polanski felt a last resort should be the RDA loan repayment and drawing on the PERS rate stabilization reserve fund.

Vice Mayor McHugh remarked on the RDA loan payment, it was a legitimate accounts receivable, with a contract for the Agency to purchase property from City. It was completely defensible as a city financing method, he stated. City Attorney Mike Ogaz responded that there were no irregularities and that the loan to the Agency was legitimate, and would withstand the Governor's budget proposals.

Mayor Esteves had further questioning of potential abuse of RDA funds in the budget.

Finance Director Karlen discussed three programs suggested for suspension in the budget in order to achieve savings: Pre-School, Rainbow Theatre and the Police Department's DARE program in the public schools.

City Manager Williams referred to previous information sent to the Council. Police Chief Dennis Graham came to the podium about alternatives to the DARE program, e.g. "Character Counts" program. Mayor Esteves asked questions on the difference between DARE and the other program alternative, and Chief Graham said staffing would be down to one police officer (not two).

Councilmember Gomez wanted to know if the school district was required to teach drug abuse education, even if the City did not offer DARE. Councilmember Polanski responded that yes, some form of drugs/character type training was necessary for all students, DARE or otherwise. Mr. Gomez said Council needed to find out what was required of the school district.

Councilmember Giordano responded to the Chief stating thanks for re-tooling the program and to continue some form of this training. She urged the City to go to the School District to share the costs of the one officer's training for the program. City Manager Williams said state law dictated that school districts must teach at least one week of drug abuse education.

Councilmember Giordano noted it was helpful to integrate Police staff into schools for the youth to make a connection, students with the police officers. Councilmember Polanski agreed.

Councilmember Gomez inquired if there had been any progress on other costs with MUSD, any sharing of these items (crossing guards, DARE, etc.). City Manager Williams replied no.

Vice Mayor McHugh was advised by the MUSD Superintendent that the district did not have the funds to support the City on these costs. He supported the idea of an alternative program.

Councilmember Polanski had received a letter from Superintendent Karl Black similar to Mr. McHugh's comments, but she responded that the Superintendent did not make the decisions on the budget, that was up to the School Board.

Mayor Esteves asked how the value of DARE program was assessed, and was it effective to thwart drug abuse at Milpitas High School. Chief Graham reported that Milpitas was a desirable high school in Santa Clara County, despite its large student size, with a safe environment and low gang activity. Drugs in the overall picture were not a big issue. Mayor Esteves would like information on the number of crimes related to drugs at the high school, so the Chief agreed to provide that information.

On the issue of the Milpitas pre-school, the City Manager's alternative could be a two-phased approach, where older children could attend next year, and phase out younger children in the first year program. A Request for Proposals was sent out but due to the fact that the current pre-school program was not a licensed one, no responses came in. The Mayor noted the City could charge full cost recovery, which the Parks & Recreation Director agreed and it would double the revenue.

Mayor Esteves was not comfortable with cost recovery as a term. He wanted it to be cost-competitive with the outside market, so that the City must compete for customers.

Councilmember Polanski remarked that there were 32 licensed pre-schools in the city today versus none when the City's program began. So there were many private day care and recreation facilities in the City. She did not believe the City should be in this business.

Vice Mayor McHugh agreed with Councilmember Polanski. The Citizens Budget Task Force suggested finding cost recovery or eliminate the pre-school.

In response to Councilmembers, the City Manager said his expectations were to get feedback in terms of what programs were the priority, feedback on the budget methodology (as on the slide) suggested by staff and to make sure they were "on the right page."

Vice Mayor McHugh would like to have a chief of protocol. Budget decisions should be made at a published budget hearing, he felt and asked the City Attorney to comment. Mr. Ogaz replied that would be appropriate, at a public hearing.

Councilmember Polanski said direction had been given, to pursue options with the MUSD for DARE alternatives, on the pre-school cost recovery or get out, and to discuss the future of the Tidal Waves program.

Councilmember Giordano was ok with eliminating pre-school entirely, as City should not be in that business. On Tidal Waves, it should have been a cost recovery program from the beginning, and now if the gap was too huge right now, she's ok with eliminating that program.

Mayor Esteves agreed with the Vice Mayor, this evening was only for discussion purposes. He would not decide without input at a public hearing. The Council must be sincere to the public. Everyone should have a chance to comment, including those affected.

Councilmember Gomez, on the DARE program, he agreed with the group to have the MUSD come to table. Ms. Polanski was right on pre-school: there were community programs available. On Tidal Waves, he recalled that a roomful of parents came to the Council for support on this program. Now he had no problem to cut it, if it was not full cost recovery.

Councilmember Polanski reiterated the need to look at core services, and suspend or eliminate some programs in these economic times. She felt everyone needed to step up to the plate to get through this economic difficulty.

Councilmember Gomez inquired about outsourcing and what was being pursued and what was the goal. City Manager Williams responded on park maintenance first, which was to save \$1 million, and staff had sent letters of interest on Police and Fire services. The goal for this depended on the

program and the savings. Labor costs must go down, and he sought to do that with the employee unions. Nothing was cemented at this time, but he was trying to get there in one month.

Vice Mayor McHugh knew they would have to make hard decisions. All would do so at a meeting when the public was aware of the meeting, and the Mayor agreed. More information was provided to the Council, detailing the amount of City reserve funds.

Mayor Esteves encouraged the public to participate in the process on the budget, and invited all to come to public hearing meetings to provide input on the new FY 2011-12 budget.

The budget study session concluded at 7:19 PM.

REGULAR MEETING

The open session regular City Council meeting convened at 7:20 PM.

PLEDGE

Boy Scouts Troop No. 92 led all in the pledge of allegiance.

INVOCATION

Councilmember Giordano invited comments from Mr. Denny Weisgerber, Marine Corps veteran and Chair of the Milpitas Veterans Commission and provided a quote about veterans' service to the nation.

MINUTES

Motion: to approve City Council meeting minutes of March 1, 2011 as submitted

Motion/Second: Councilmember Polanski/Councilmember Giordano

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

SCHEDULE OF MEETINGS

Motion: to approve the Council Calendar/Schedule of Meetings for March and April 2011, as amended

Vice Mayor McHugh announced the following changes: in March and April, the Treatment Plant Advisory Committee meetings were canceled, and the March 24 Sister Cities Commission meeting was moved to March 16 at 7:00 PM.

Motion/Second: Vice Mayor McHugh/ Councilmember Giordano

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

PRESENTATIONS

Mayor Esteves proclaimed:

- 1) *World Water Day* on March 22, 2011 (Merryhill School) – 5th grade class of teacher Kanchan Bhandare attended and accepted the proclamation.
- 2) Colorectal Cancer Awareness Month for March 2011 – accepted by James Bouquin, executive director of Cancer Support Community.

PUBLIC FORUM

Carol Kassab, Chamber of Commerce executive, commented on City support for the Chamber in the budget upcoming. True needs of the business community must be determined and met in the City of Milpitas. The Chamber helped businesses to start, grow and expand. She would be preparing a contract with measurable goals and objectives, and do that by June 2012.

Robert Marini, Milpitas resident, spoke on sewer rate charges. He inquired why single family rates were calculated the way they were. Staff Kathleen Phalen came to the podium to respond. Mr. Marini further commented on assumptions made to calculate the rates and the way the City was doing it would harm seniors most.

Brian Riley, San Francisco resident, wanted reconsideration of the city's current moratorium on medical marijuana facilities in Milpitas. Last time, Councilmember Gomez asked for information on this subject, so Mr. Riley wanted to know if there was any headway on this topic, especially with the budget gaps previously discussed. He wanted to help generate revenue in the City.

City Attorney Mike Ogaz responded there was a ban in plan now, as a land use policy made by the City Council. Recent case law was somewhat in keeping with the City's ban and nothing prevented it. The City Council can continue with the current policy.

Gary Long, Milpitas resident, spoke on the Water and Sewer rates issue and had sent a letter to Councilmembers. He had another sheet to go with his letter, offering suggestions.

A man, Milpitas resident, addressed Council on pedestrian-related injuries. He asked Council to get involved with the schools to develop material to educate children between ages 4 – 11, affected so severely. Mayor Esteves asked if he would speak to the Milpitas Unified School District Board also, and he said yes.

ANNOUNCEMENTS

Councilmember Giordano noted at the last Council meeting, they talked about an additional community meeting for water and sewer rates. She asked if Council could get a report on the three town hall meetings regarding redevelopment held recently, with details on how many people attended, how many staff, and information provided. She announced again the Library's essay contest "What Library Means to Me" with deadline on March 21, for Milpitas students.

Vice Mayor McHugh announced the March 21 deadline for County Grand Jury applications. He thanked the Mayor for issuing "Irish Week" Proclamation presented to the Mayor of Dublin, Ireland who was in San Jose recently. He thanked Fire Dept. staff Sean Simonson on an excellent presentation given on disaster preparedness at the Rotary Club recently. He had received complaints from residents on overzealous Walmart-related petition signature gatherers. One person asked him if there was any way to remove her name. Given the recent calamity in Japan and Milpitas' sister city in Tsukuba, he asked the City Manager if the City's website could provide notice about raising contributions to sending support. Mayor Esteves also suggested putting the information on Channel 15, in the local newspaper and other media.

Councilmember Polanski noted at last two Council meetings, there were announcements about Council compensation. She earned \$18,023.24 in the last year as Councilmember. She agreed with the process on the budget public hearings and wanted a study session on a different night than a regular Council meeting. She wanted to hear from the public and not have constrained time.

Mayor Esteves noted that Arbor Day was celebrated in Milpitas last Saturday, so he thanked participants and staff. He thanked the new Cathedral of Faith for opening in Milpitas. Thanks were received in writing from a resident for outstanding services provided by Fire Department staff recently from Captain Ray Deliz, Mike Wong, and Jonathon Bankston.

ANNOUNCEMENT OF CONFLICT OF INTEREST

None.

APPROVAL OF AGENDA

Motion: to approve the agenda, as amended

Councilmember Giordano asked if Closed Session could happen after Unfinished Business, just prior to the RDA meeting. She moved that, it was seconded by Councilmember Polanski and the Council voted unanimously to do so.

Next, Councilmember Giordano asked to continue Item No. 8 and move it out to the next agenda in April. She needed more time to study and review it. Mayor Esteves commented that it was a good budget item, related to use and rental of city facilities.

Motion/Second: Councilmember Giordano/Vice Mayor McHugh

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

CONSENT CALENDAR

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

Mayor Esteves asked one question regarding Item No. 17, asking how far away in complying with all Americans with Disabilities Act (ADA) requirements was the City. Public Works Director

Greg Armendariz responded that over the last decade and a half, City workers had been methodically installing ADA compliant improvements on roads and crosswalks, prioritizing the start with school areas. Ramps on most minor streets were now installed, and he estimated there were approximately 200 locations remaining to install pedestrian ramps city-wide.

Motion/Second: Vice Mayor McHugh/Councilmember Gomez

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Polanski)

Councilmember Polanski stepped away from dais at 8:06 PM and returned shortly thereafter.

- *6. Commission Appointment Re-appointed Albert Alcorn to Telecommunications Commission
- *9. VTA VTP 2040 Approved and authorized staff to submit a list of projects for inclusion into the VTA's Valley Transportation Plan 2040.
- *10. Approve 2 Grants to Youth Awarded two Youth Sports Assistance Fund Grants of \$1,000 each to Milpitas Knights PAL Football and to Milpitas Junior Giants Baseball.
- *11. Design of I880 Sign Approved the design of the lighted freeway advertising sign by CBS Outdoors along Interstate Highway 880 in Milpitas.
- *12. Resolution Granting Acceptance of Project No. 6111 Adopted Resolution No. 8074 granting final acceptance of the Sewer Replacement Program, Project No. 6111 and release of the contractor's bond.
- *13. Resolution Granting Acceptance of Project No. 4251 Adopted Resolution No. 8075 granting initial acceptance of the Abbott Avenue Resurfacing, Project No. 4251, subject to a one year warranty period and reduction of the faithful performance bond to \$73,042.
- *14. Resolution Requesting TDA funds for Project No. 4254 Adopted Resolution No. 8076 requesting the allocation of FY 2011-12 Transportation Development Act, Article 3 funds for the Enhanced Crosswalk Bicycle/Pedestrian Improvements – Phase III (Sidewalk Replacement 2011), Project No. 4254.
- *15. Increased Contract Amount for AVASA Approved the total contract amount in the amount of \$22,000 for abandoned vehicle abatement services, with Christopher Schaller.
- *16. Amendment to Contract with CSG for Fire Plan Review Authorized the City Manager to execute Amendment No. 1 with CSG for fire inspection and plan review services for an increase of \$10,000 and a total amount-not-to-exceed \$40,000 annually.
- *17. Amendment No. 3 to Contract with JJR for repairs Authorized the City Manager to execute Amendment No. 3 with JJR Construction to increase the amount of the contract by \$50,899 to the not-to-exceed total amount of \$235,899 for on-call sidewalk, curb, and gutter repairs.
- *18. Authorize Purchase of Power Supply equipment Authorized the City Manager to execute a contract for the purchase and installation of 90 uninterrupted power supply batteries with US Power Inc. for the not-to-exceed amount of \$35,605.63.

PUBLIC HEARING

- 1. Residential Development on Los Coches by Robson Homes Senior Planner Sheldon Ah Sing described the proposed development project by Robson Homes for 83 single family residences at the site of a roller skating rink in Milpitas. He displayed visuals of the design and houses. 274 parking spaces would be provided, which was more than required. The Planning Commission recently reviewed the project and recommended approval to the City Council.

Councilmember Gomez asked about past proposals at this location, since this was not the

first project idea on site, and staff confirmed this was a new design proposed.

Mayor Esteves asked about compatibility with other development in the area, density of this project versus a neighboring one, compatibility, height of buildings, the park's location against the freeway, noise levels, guest parking spaces, school issues and what school new children here would attend, the project as "smart growth and other concerns. Planning staff responded to his inquiries.

Mayor Esteves made a disclosure regarding campaign contributions from the Robson family to three elected officials. He did so upon request he'd received from a resident.

Mark Lavin spoke about the project on behalf of the family owner of the property and developer Robson Homes. With the new Town Center zoning, this would be the first project in that new category. Mayor Esteves asked if it would be a prevailing wage project and Mr. Lavin said no.

Ms. Chris St. Germain, of the family that owned CalSkate rink property, spoke on behalf of her family stating the decision to sell that land came down to quality of life issue for her family, and to decide to permit the development project to move forward. The entire family was in agreement that the land should be sold, for a project they support. Robson Homes is a family owned company, and had been respectful of her family and the development plans. She asked the Council to support this residential project.

Mayor Esteves opened the public hearing for comments.

Speakers:

Robert Marini, resident, was against any new development in Milpitas because it added to the costs for water and sewer service, with more traffic, marginalized the vote on rates, and Councilmembers also got generous contributions to campaigns.

Natasia, 20 year resident, thanked Chris St. Germain for providing a great place for recreation, which helped to keep her out of trouble. She was member of skating team and would like to see a replacement rink put in this City.

Ms. Noe, supported the decision of the owner. She would like to see a replacement rink in Milpitas, that helped it remain a family friendly City.

A man with a 5 year old son said his son had a lot of fun skating, and joined the team to practice at CalSkate. But he understood the family's decision.

A man, a 4 resident of Milpitas, had a son who is a skater with the team at CalSkate, and really enjoyed it very much. There was a need to have a replacement rink, and consider the cost for entertainment and recreation. Kids should continue to skate, he urged.

Nicole Matthews, a San Jose resident, joined the speed team in 1992 and had been coming to Milpitas to skate for most of her life. CalSkate was a landmark and City Council should re-consider this change, and should provide a replacement rink.

A woman, involved in with CalSkate for many years as a speed skater and now was the coach. She supported Chris and Trace St. Germain and the family's decision. It brought joy to see kids skate and compete. A new rink would make business grow.

Reggie Dickerson, a student at San Francisco State University, was now in the skate dance program at college, thanks in part to the CalSkate rink. He supported Milpitas as the fun place for young and old people. There should be something where everybody comes together to have fun, like the skating rink.

(1) Motion: move to close the public hearing

Motion/Second: Councilmember Gomez/Councilmember Polanski

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

Vice Mayor McHugh recalled going to CalSkate in 1970s with his daughter. He would be happy to look at any new proposal at a different site. The Planning Commission and Kaiser next door were happy with the project, so he supported the proposal.

Councilmember Gomez appreciated what an asset CalSkate had been in Milpitas, having attended many birthday parties at the rink and he wanted to support the St. Germain family. The project was consistent with zoning and the general plan, and he did not support the previous proposal for this site. This new project was a good one, would be built of quality and enhance the City.

Councilmember Polanski thanked the St. Germain family for their many years of business in Milpitas. She supported their decision to sell and to develop a project. She would like to support a new rink, if a project came forward.

Councilmember Giordano termed the St. Germain family as “awesome” and all of her children had skated there at CalSkate and had birthday parties at the rink.

Mayor Esteves commented that the issue of selling property was a private issue, and he understood the matter for the family. The City cannot stop a land sale or project proposal. CalSkate has long benefited Milpitas community and it was a private venture. His issues on the project were specific to the plan, stating density was very high, guest parking would be a problem (quantity) with much of it on Los Coches, the 34 ft. high buildings with only a 15 ft. soundwall that would be noisy. He thought the buildings could have better architectural touch than what he saw on the drawings. So, he would not support the project.

(2) Motion: to adopt Resolution No. 8072 approving the site development Permit No. SD10-0009, Tentative Map No. MT10-0001 and Conditional Use Permit No. UP 10-0021 to allow for development of 83 single family housing units located at 905 and 980 Los Coches Street

Motion/Second: Councilmember Gomez /Councilmember Giordano

Motion carried by a vote of: AYES: 4
NOES: 1 (Esteves)

UNFINISHED BUSINESS

2. Council Liaison

Mayor Esteves recalled that two years ago there had been a liaison to the Milpitas Chamber of Commerce. He would like to be that now and volunteered to serve.

Councilmember Gomez responded that he was interested in that too, in part due to the fact that some daytime meetings were easier for him to attend. He would do this if the Mayor would take on one of his Commissions, such as CAC.

Mayor Esteves responded that he would like to serve in the Chamber spot, and would be happy to review in six months time the new appointment.

Motion: to appoint Mayor Esteves to serve as Council liaison to the Chamber of Commerce

Motion/Second: Mayor Esteves/Vice Mayor McHugh

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

3. Policy on Service on One Commission

Vice Mayor McHugh agreed with the current Council policy for maximum citizen participation on Commissions. There were reasons for Council exception at times, and that was ok. He mentioned residents Mr. Dana Arbaugh and Mr. Denny Weisgerber, who currently served on two Commissions (by a vote of exception by the Council last year). The Vice Mayor highlighted their experience and qualifications.

Mayor Esteves spoke on his concern of having one resident to serve only on one Commission at a time, when there are additional applications on file (in essence, a waiting list). The Mayor read aloud emails from the two men.

Councilmember Polanski felt the policy was a good one and noted history based on the former Mayor's idea for the Veterans Commission.

Councilmember Gomez supported the Vice Mayor and his comments. The exception policy was acceptable to him, especially as regards the Veterans Commission. Both men were exceptional Commissioners and well qualified to continue serving.

Councilmember Giordano inquired how long the policy was in place and staff responded since 2004. She agreed with leaving folks in place who were currently serving. The Mayor had a choice. It should remain the Mayor's prerogative at all times and did not need to be in writing as a policy.

Vice Mayor McHugh served as liaison to two Commissions the two gentlemen serve on and both do a great job. The Sister Cities Commission was recently canceled due to lack of a quorum. If there was to be any policy change, should be made by the City Council. The Mayor had a choice to let the men serve out the current terms of service, and then he had the choice to appoint a new Commissioner or re-appoint those Commissioners.

Mayor Esteves explained his rationale for seeking to change this matter, primarily to encourage as many residents as possible to volunteer. He reminded the community that all Commissioners were volunteers.

Motion: to thank the two gentlemen currently serving on two City Commissions, and allow them to continue to serve on two Commissions until their terms expire

Councilmember Giordano asked about a review of the policy and to bring that back to City Council.

Motion/Second: Vice Mayor McHugh/Councilmember Giordano

Motion carried by a vote of: AYES: 3
NOES: 2 (Esteves, Polanski)

Councilmember Polanski was okay with the basic motion but she did not want the policy to be reviewed. It was ok as is, she felt.

4. Odor Control Report

Councilmember Polanski had removed this item from consent at the last City Council meeting. She did so to let community members know that there had been an increase in calls in about odor problems and had called the hotline 1-800 #. There were statistics in the agenda packet, while processes and procedures needed to be worked on since odors were still being produced.

Mayor Esteves had a question about best action possible that City could do, on odors. Principal Engineer Kathleen Phalen responded, stating the hotline existed since 2003. She reported that there were very few citations issues, possibly two, to known violators.

Furthermore, Ms. Phalen did speak to the Bay Area Air Quality Management District staff in response to Councilmember Polanski's experience. She described that callers must say affirmatively "I want to make a complaint" when phoning after business hours.

Motion: to receive the staff report on the two months Odor Control report

Motion/Second: Councilmember Polanski/Councilmember Giordano

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

5. Facility Use Update

Parks and Recreation Director Bonnie Greiner reviewed the current use of the Sal Cracolice building at 540 S. Abel St., with recent facility rentals and ongoing plans for use this year.

Councilmember Polanski asked when would staff return to Council with what will happen with the facility moving forward? Ms. Greiner replied that would be whenever Council would like that to happen. Ms. Polanski responded as part of budget process would be good and then, there would be a need to notify all those in the neighborhood. She suggested bringing to the Subcommittee, since it was last discussed in September.

Councilmember Giordano wished to know what was communicated to groups, for meetings with neighborhood residents. Staff responded on the information provided.

Mayor Esteves wished to know the percentage of occupancy or utilization. Ms. Greiner said it was in use every day. Rentals were on Saturday and Sunday while City-offered classes were held Monday through Friday. He wanted to know the vacancy rate and if it was fully booked all the time.

Councilmember Polanski wished to ensure the uses met the needs of the community at this time, while still there should be some closure to the long term use of the site.

Motion: to receive the staff report on current use of the Sal Cracolice building

Motion/Second: Councilmember Polanski/Councilmember Gomez

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

CLOSED SESSION

At 9:39 PM, the City Council adjourned to Closed Session to discuss one matter of potential litigation.

ANNOUNCEMENT

City Attorney Ogaz reported a settlement with the Milpitas Historical Society for that organization to pay \$83,392.79 to the City of Milpitas on or before November 16, 2011.

JOINT REDEVELOPMENT AGENCY & CITY COUNCIL MEETING

RA 1. CALL TO ORDER

Mayor/Agency Chair Esteves called to order the regular meeting of the Redevelopment Agency jointly with the City Council at 9:56 PM.

ROLL CALL

PRESENT: Chair/Mayor Esteves, Vice Chair/Vice Mayor McHugh, Agency/Councilmembers Giordano and Polanski

ABSENT: Councilmember Gomez was absent at roll call and arrived at 9:57 PM.

RA 2. MINUTES

Motion: to approve the Agency meeting minutes of February 15, 2011

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

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Gomez)

RA 3. Agenda Approval and Consent Calendar

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

Councilmember Giordano asked to remove Item No. RA6 from the agenda and bring it back at next meeting.

Vice Mayor McHugh asked to remove Item No. RA8 from the consent calendar for discussion.

Mayor Esteves asked if money for the Redevelopment Agency was in jeopardy, if the Governor's budget moved forward, and the City Manager responded - possibly.

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

Motion carried by a vote of: AYES: 3
NOES: 2 (Esteves, Polanski)

Councilmember Polanski was not favorable to continue Item No. RA6, and the contract did not go out to bid as it should have.

PUBLIC HEARINGS

RA4. 5 Year Implementation Plan for Redevelopment

Economic Development Manager Diana Barnhart highlighted accomplishments of the Agency over the last five years and listed those for 2005-2010 (next five year plan period), including affordable housing development.

Planning Director James Lindsay responded to questions from the Mayor about affordable housing, the units that were bought back. City Manager Williams explained further the deed restricted properties and the affordable housing units offered for sale. The Agency bought back several units that were restricted to assist the owners and those could then become rental units or sold to other low-income families.

Vice Mayor McHugh asked about several specific housing units. He asked Mr. Lindsay to explain the S. Main Street housing scenario and what developed.

Councilmember Gomez asked about status of the League of California Cities and the California Redevelopment Agency actions in Sacramento. Staff reported that CRA offered an alternative proposal in Sacramento on this date regarding direct payments to schools rather than pass through payment, as now. It could add longer years to an Agency's plan life. The alternative however was not accepted and the state legislature was expected to vote soon on the Governor's plan including elimination of redevelopment. He complimented Ms. Barnhart for all her work on the RDA issues.

Mayor Esteves asked additional questions on risks when buying back some affordable housing units. Staff explained there really were none and it was a common practice of the Agency. The Mayor asked about a projected financial report and staff pointed to Table B in the plan document. He further asked about detailed questions about the financials predicted for the next five years. He asked what projects were staffed and was pointed to those completed accomplishments on the list in the presentation.

Mayor Esteves opened the public hearing for comments.

Robert Marini, a Milpitas resident, had a question and wanted to know who gets the profit when a unit was sold. The City Manager replied that the Agency would receive any profit when sold of those units it owned. He also explained the formula based on median income for the residents eligible to participate in the affordable housing program.

(1) Motion: move to close the public hearing

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

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

Mayor Esteves asked if the facts were audited. Staff responded yes, and Finance Director Emma Karlen replied external auditors do that. He asked for an explanation of internal and external auditing. Vice Mayor McHugh commented on required internal audits.

(2) Motion: to approve the 2010-2015 Implementation Plan for the Milpitas Redevelopment Agency

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

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

RA5. Wrigley–Ford Creek Maintenance project

Engineer Fernando Bravo explained the project including the sequence of required steps including the preparation of environmental documents, the timeline and the budget for the project to conduct improvements of the Wrigley-Ford Creek.

Mayor Esteves opened the public hearing for comments, and none were heard.

(1) Motion: move to close the public hearing

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

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

(2) Motion: to adopt Resolution No. RA410, adopting a mitigated negative declaration for the Wrigley-Ford Creek Maintenance Work and adopting the mitigation monitoring and reporting program, pursuant to California Environmental Quality Act

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

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

***RA6.** Resolution Approving Contract Amendment

This item was removed from agenda.

***RA7.** Resolution Granting Acceptance of Project

Adopted the joint Resolution No. RA411/8072 granting initial acceptance of, and reducing the faithful performance bond to \$7,154, of the Storm Water Pump Station Improvements (Re-roofing), Projects No. 8188 and No. 8162, subject to a one year warranty period.

RA8. Approve Plans and Specifications

Vice Mayor McHugh had asked for this item to be removed from consent calendar. He had questions about the plan to spend City funds for the Heating-Ventilation-Air Conditioning at the Community Center, when there was previous discussion at the Council about possible re-use of the site as a conference center.

City Manager Williams reported that the building did require urgent repair now. Any re-use or re-build on that site would be at least five years out, meanwhile there was a dire need to replace the HVAC system on site.

City Engineer/Public Works Director Greg Armendariz added that the HVAC system was on its last legs right now, with constant maintenance work required. It could fail quite soon and was necessary for continued use of the popular City facility.

Motion: to approve the plans and specifications for Project No. 8182 and authorize advertisement for bid proposals

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

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

*RA9. Approve Budget Appropriation re: BART

Approved a budget appropriation for the not-to-exceed amounts of \$154,468 for RMC Water and Environmental Agreement, and \$16,000 for Schaaf & Wheeler for the Valley Transportation Authority BART project.

*RA10. Approve Assignment of Contracts to EDC

Adopted Resolution No. RA412 reiterating the authorization for the assignment, transfer and management of funds to the Milpitas Economic Development Corporation.

RA 11. ADJOURNMENT

Chair/Mayor Esteves adjourned the Redevelopment Agency meeting at 10:37 PM.

REPORT OF MAYOR

One item was approved on the consent calendar.

NEW BUSINESS

7. Economic Development Report

Economic Development Manager Diana Barnhart highlighted activity related to development at the former Mervyn's store site, update of freeway sign designs, recent property acquisition by the Redevelopment Agency in last two months, work with KLA Tencor for sales tax sharing agreement. Also, she and the Mayor held a recent meeting with McCarthy Ranch shopping center's owners (out of Dallas, TX) who were responsible for management of that property, seeking improvements.

Councilmember Gomez commented on McCarthy Ranch stating he would support its continued return to success at that site.

Mayor Esteves asked would any retail study be city-wide or only at McCarthy Ranch. Staff responded city-wide, if possible. The Mayor remarked that the property managers were doing their best to try to secure the best tenants. He requested that the study cost be deferred and bring that issue to the Economic Development Commission first.

Motion: to receive the monthly economic development report from the Economic Development Manager

Motion/Second: Councilmember Polanski/Councilmember Giordano

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

8. Rental of City Facilities

This item was removed from the agenda.

RESOLUTIONS

Three resolutions were adopted on the consent calendar.

CONTRACTS

Three items were approved on the consent calendar.

ADJOURNMENT

Mayor Esteves adjourned the City Council meeting at 10:56 PM.

The foregoing minutes were approved by the Milpitas City Council as amended on April 5, 2011.


Mary Lavelle, City Clerk