

**MEETING MINUTES
CITY OF MILPITAS**

Minutes of: Special Meeting of Milpitas City Council
Date: Monday, May 11, 2015
Time: 6:30 PM
Location: Council Chambers, Milpitas City Hall,
455 East Calaveras Blvd., Milpitas

- CALL TO ORDER** Mayor Esteves called the meeting to order at 6:30 PM. The Deputy City Clerk noted the roll.
- PRESENT:** Mayor Esteves, Vice Mayor Montano, Councilmembers Barbadillo and Grilli
Councilmember Giordano (arrived at 6:38 P.M.)
- ABSENT:** None
- CLOSED SESSION** City Council convened in Closed Session to discuss one item. Closed session ended at 7:32 P.M.
- ANNOUNCEMENT** (None out of Closed Session.)
- PUBLIC FORUM**
- Rob Means, 1421 Yellowstone Ave. Milpitas resident, did a continuation PowerPoint presentation from last meeting regarding Skyweb Express, Echo Control System pods and Sunnyhills Neighborhood Association.
- Voltaire Montemayor, Milpitas resident, commented regarding Santa Clara County water reservoirs and offered suggestions for water sources during the drought.
- AGENDA APPROVAL** Vice Mayor Montano moved and seconded the approval of the agenda and it was approved by unanimous vote of the Council.
- ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS**
- City Attorney Ogaz asked the Mayor and Councilmembers if they had any personal conflicts of interest or reportable campaign contributions. No conflicts or contributions were reported.
- 1. CIP FY 2015-2020**
- City Engineer Machida provided the following documentation for distribution to City Council, City Manager, and City Attorney:
1. PowerPoint presentation slide handout entitled *Draft 2015-2020 Capital Improvement Program: City Council Meeting, May 11, 2015*
 2. Errata sheet for Summary-6, *Community Improvement Projects Summary* sheet
- City Engineer Machida enumerated CIP accomplishments during FY 2014-15. He also outlined the 5-year CIP plan for FY 2015-20, starting with the proposed projects for FY 2015-16.
- Vice Mayor Montano inquired on the cost of building a small sidewalk or a 50-foot walkway on the west side of Abel Street (nearby Casa Azteca Restaurant), and the possibility of including

this suggestion as part of the work plan due to citizens' requests. City Engineer Machida replied that the cost would be an estimated \$20 per square foot.

City Manager Williams added that if the majority of the Council wishes to provide direction for this particular project, Staff will conduct research, a field survey, and determine ownership of right-of-way. He also suggested that to help define between comments made during discussion versus Council direction to Staff, it would be best for Council to place a motion on such items.

To respond to Mayor Esteves' question, City Engineer Machida and City Manager Williams said that it would take approximately 30-40 hours of Staff time.

Motion: Direct Staff to conduct research on the addition of a small sidewalk or a 50-foot walkway on the west side of Abel Street (nearby Casa Azteca Restaurant).

Motion/Second: Vice Mayor Montano / Councilmember Giordano

Motion carried by a vote of:

AYES: 5

NOES: 0

City Engineer Machida continued with his presentation regarding the 2015-16 Pavement Resurfacing Program. Currently, the City has a Pavement Condition Index (PCI) of 72, and that approximately \$4.5 million annually is required to maintain the current PCI. He explained that expenditures for Fiscal Year 2014-15 were slightly higher than the prior years due to key projects such as the \$3.9 million rehabilitation of Main Street in January 2015. He further reported that the Main Street project's estimated completion date is in September 2015.

Councilmember Giordano inquired as to which streets are considered as "high priority." She clarified by adding as to what criteria or basis were used to determine which streets would be done first for pavement resurfacing. City Engineer Machida replied that certain factors including the street's physical condition and citizen complaints. He pointed out that the Department does its best to spread out the improvements throughout the City, aiming to take care of "high visibility" streets first.

In reply to Councilmember Giordano's follow-up inquiry, he said that a street should ideally get pavement resurfacing once every three to five years—all while efforts would be made to prolong that given timeline.

City Engineer Machida then proceeded with his presentation by reporting on the Utilities—Water, Sewer & Storm Program. He made special mention to projects such as the Dempsey Road Waterline Replacement, the Water System Seismic Improvements, the BART Project Water Improvements, the Sewer System Replacement 12-13, and the San Jose / Santa Clara Regional Waste Water Plant Improvements.

Councilmember Giordano mentioned about the water breaks that have occurred this year, including the water break near Temple Drive, and asked as to whether the City was having a higher incidence of water breaks than prior years. City Engineer Machida clarified that although there were more water breaks this year, the percentage rise in such incidents were not significant. He added that the Department continues to focus more closely on the Dempsey Road Waterline due to its age as well as the damage that could occur due to soil movement and shifting.

City Engineer Machida reported that there could be an opportunity for a private-public partnership with the Santa Clara Valley Water District and Spring Valley Golf Course in terms of extending the City supply of recycled water up the hill for the golf courses. This would not only provide water to the golf courses, but would also provide additional supply for Ed Levin Park as well as a pond to be used by CalFire when needed. In response to Vice Mayor Montano's inquiry, he replied that there would be "cost sharing" between the County, Spring Valley Golf Course, and the City if the project is approved.

Councilmember Giordano asked City Engineer Machida and Mayor Esteves further direction on how to proceed in terms of the recommendations put forth by the Planning Commission.

After a brief discussion, consensus was reached that Council should make a series of motions to approve (or disapprove) specific items in the proposed CIP for FY 2015-16 aside from making the overall motion to approve (or disapprove) the proposed CIP for FY 2015-16. Staff, on the other hand, would make note on items specified per Council direction—with studies being conducted to explore the feasibility of the projects, and to determine a “target fiscal year” to complete projects deemed feasible.

Councilmember Giordano then suggested for the Council to approve the Planning Commission’s recommendations for FY 2015-16.

Mayor Esteves agreed with Councilmember Giordano’s motion, with the removal of the last recommended item—the “Circulator Loop.” He noted that the project would be “redundant” since the City already has a good amount of pedestrian amenities. He then opened the floor to the rest of the Council. This is Item #6 on the Planning Commission Recommendations.

Councilmember Grilli wished to move the Skate Park timeline back to its original Fiscal Year 2017-18 target date. Noting that the item needed further consideration, she requested this item to be removed from the motion. This is Item #5 on the Planning Commission Recommendations.

Vice Mayor Montano had more inquiries regarding Item #3 on the Planning Commission Recommendations: Encourage residents to install rooftop solar water heaters and provide incentives for low income seniors. She then agreed with Mayor Esteves’ suggestion for Staff to conduct a feasibility study regarding this item.

Motion: Approve Planning Commission Recommendations for Fiscal Year 2015-16 as follows:

- Accept Item #1
- Accept Item #2
- Item #3 to be investigated further via feasibility study
- Accept Item #4
- Remove Item #5
- Remove Item #6

Motion/Second: Councilmember Giordano / Vice Mayor Montano

Motion carried by a vote of:

AYES: 5

NOES: 0

City Engineer Machida continued his CIP Report with the proposed 2016-20 CIP Community Improvements.

Vice Mayor Montano asked regarding the renovation of City parks while ensuring equity. She asked for a list of all City parks, delineating which parks have been renovated within the past 10 years. Staff provided preliminary information via overhead projector. She and Mayor Esteves requested more information regarding this topic on the next Council meeting.

Councilmember Barbadillo shared that the Parks, Recreation & Cultural Resources Commission (PRCRC) did consider factors such as equity. Recreation Services Manager Renee Lorentzen, per Councilmember Barbadillo’s request, clarified and explained that the Recreation and Engineering Departments worked together in reviewing the 2009 Master Plan. In the review process, parks that have not been renovated were identified. The parks listed as un-renovated were then plotted as points in a City map, ensuring that the renovations proposed and eventually made would be “spread” throughout the City.

City Engineer Machida continued with his report by discussing the CIP unidentified funding summary as well as possible funding sources for Fiscal Year 2016-20. Possible funding sources identified were:

- 0.25% sales tax increase – generation of \$5 million annually
- 2% Transient Occupancy Tax (TOT or “hotel tax”) increase—generation of \$2 million annually
- Implementation of storm drain fee to sufficiently fund storm drain operation and CIP
- Pay-as-you-go whenever the General Fund / Utility Funds have excess revenues

City Engineer Machida then concluded his report to Council with the following Recommendations:

- Review Proposed 2015-20 CIP
- Provide staff with direction and comment on the CIP
- Provide staff direction to hire a consultant to analyze and implement an increase in Sales Tax and / or TOT

Vice Mayor Montano commented that raising the sales tax would “make sense” and then inquired as to which neighboring cities have recently raised their sales tax.

Assistant City Manager Emma Karlen replied that the City of Campbell raised their sales tax by .25% a few years ago and that the City of San Jose is currently considering the same increase for the November 2016 Election. She added that the cities of Fremont and Hayward currently have 9.5% and 10% sales tax respectively.

Councilmember Giordano asked City Manager Williams that discussions were made regarding sales tax and TOT increases as alternative sources of funding due to the dissolution of the Redevelopment Agency and the funding that came with it. City Manager Williams answered that upon Council direction, Staff would report back to Council with a Request for Proposal (RFP), a work plan with a feasibility study which would explore tax revenue generation opportunities via a .25% sales tax increase, and a random community survey to determine support for the increase. He further added that the information gathered would help facilitate discussion on how the additional revenue should be used.

Per Councilmember Grilli’s request, City Engineer Machida clarified that revenue generated via storm drain fee would be earmarked to offset costs related to storm drain operations and infrastructure.

Vice Mayor Montano inquired whether all City facilities are seismically retrofitted. City Engineer Machida replied that although some City facilities would need to be reviewed for seismic retrofitting, the majority of City-owned buildings are seismically sound and “up to Code.” Vice Mayor Montano and Mayor Esteves requested for Staff to provide a list of all City-owned public facilities and whether or not the facility is seismically sound or needs seismic retrofitting.

Mayor Esteves proposed to pass the sales tax increase first, and then pass the TOT increase next time. He stated that he would like to pursue the “more meaningful” additional revenue via the sales tax increase. He added that residents would most probably vote to pass the TOT increase since this does not directly affect residents.

As much as Councilmember Grilli noted her agreement with Mayor Esteves, she suggested for the consultant’s feasibility study to provide the direction on whether the City should go for both, one, or no increases based on what the public would support.

Vice Mayor Montano expressed her agreement with Mayor Esteves regarding the TOT increase. She said that it would be more cost efficient to have voters consider both increases at the same time.

In response to Mayor Esteves' inquiry regarding this issue, City Manager Williams said it would generally be more cost efficient to have voters vote on the sales and TOT tax increases at the same time rather than separately. He expressed his agreement on Councilmember Grilli's suggestion. He added that part of the consultant's consideration would be whether the tax increase(s) would be placed in the June or November 2016 ballot.

Councilmember Giordano expressed her agreement with Mayor Esteves' comments on tackling one increase instead of both at the same time, adding that she would like more information regarding the TOT increase through the consultant's feasibility study.

To clarify direction given to Staff, City Manager Williams requested the Council to make a motion regarding the four identified potential funding sources.

Motion: Direct staff to explore the four identified potential funding sources and to report back to Council with gathered information for consideration.

Motion/Second: Councilmember Giordano / Vice Mayor Montano

Motion carried by a vote of:

AYES: 5

NOES: 0

In response to Mayor Esteves' inquiry, City Engineer Machida stated that the Department would provide status reports on all CIP projects from start to finish. The status reports would indicate as to whether each project timeline was being met.

Councilmember Grilli wanted clarification regarding the breakdown of the \$500,000 identified funding source for the International Park project during Fiscal Year 2015-16. Mayor Esteves offered the explanation that the appropriation would cover "common area" costs such as parking, lighting, drainage, water, and infrastructure. This fund is mutually exclusive from the \$50,000 "community participant" fee.

Councilmember Grilli asked for clarification regarding the Fiscal Year 2015-16 estimated start date for the Sports Center / Sports Field project, and as to whether this project needed to be completed first before the Skate Park project can be started. City Manager Williams replied that the recommendation on construction timeline were based on factors such as funding, community input on project priorities, minimizing disruption to the community and end-users.

Citizen Rob Means proposed possible tax revenue sources which encourage ecology and environmental conservation.

Citizen Robert Marini shared his comments regarding street repaving, improving parks that currently do not utilize recycled or "gray" water, and prioritizing street repairs on the intersection of Abel Street and Calaveras Boulevard.

Citizen Voltaire Montemayor stated that Council should approve the CIP recommendation.

Citizen Martha Landon urged Council to consider prioritizing the construction of the Skate Park for Fiscal Year 2015-16 instead of the currently proposed 2017-18 timeline.

In response to citizen Landon's comment, Councilmember Giordano expressed that the Council did prioritize the Skate Park by moving the timeline from the initially-proposed project start date in 2020. Mayor Esteves also agreed with Councilmember Giordano's response by adding that although the Planning Commission recommended a project start date in Fiscal Year 2018-19, City Council moved to have the Skate Park's currently-proposed project start date of Fiscal Year 2017-18.

Vice Mayor Montano mentioned that opportunities exists to move the Skate Park's currently-projected start date to an earlier timeline depending upon additional funding generated from

additional sales tax.

Mayor Esteves further added that while considering limited funding available, Council is doing its best to uphold the Skate Park's priority along with other high-profile projects even though other projects have been requested years before requests for the Skate Park had been brought forward for the Council's consideration last year.

Motion: To accept and approve the proposed CIP for FY 2015-20

Motion/Second: Councilmember Giordano / Vice Mayor Montano

Motion carried by a vote of:

AYES: 5

NOES: 0

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Draft 2015-2020 Capital Improvement Program



City Council Meeting
May 11, 2015

Planning Commission Recommendations

The Planning Commission on April 8, 2015 found the 2015-2020 Capital Improvement Program in compliance with the City's General Plan.

The Planning Commission recommends the following:

- Installation of Electrical Vehicle Charging Stations
- Installation of additional bike lanes.
- Encourage residents to install rooftop solar water heaters and provide incentives for low income seniors.
- Add LED lighting to the trail near Augustine Park.
- The plan for a skate park should be pushed out from 2017-18 to 2018-19.
- Study the feasibility of a BART circulator loop (shuttle) as suggested earlier in the meeting.

2. Odor Report Update

ODOR CONTROL REPORT HANDOUT PROVIDED BY STEVEN MACHIDA FOR DISTRIBUTION.

City Engineer Steven Machida updated City Council with number of complaints about odor, as reported both to the City and to the Bay Area Air Quality Management District hotline. Per Council request from the last Odor Control Report update, staff began splitting complaints coming from Milpitas residents versus non-Milpitas residents.

City Engineer Machida also announced the following:

- (1) City Staff attended the first South Bay Stakeholder Odor Group Meeting on Thursday, April 30, 2015
- (2) City Manager and Staff attended meeting at the State Capitol to support AB 385—a bill introduced by Assemblymember Kansen Chu. This would require that the Local Enforcement Agency (LEA) notify and discuss any received odor complaints with stakeholders
- (3) San Jose Planning Commission continued consideration of the Planned Development Permit for Newby Island on May 6, 2015. Commission will proceed with an odor study.

After Mayor Esteves opened the floor to the public, Citizen Voltaire Montemayor shared his opinion regarding the issue.

Motion: To receive the oral report from the City Engineer on odor update

Motion/Second: Councilmember Giordano / Vice Mayor Montano

Motion carried by a vote of:

AYES: 5

NOES: 0

3. International Park

Mayor Esteves mentioned that he pulled this issue from Consent to include more items to the Criteria List submitted by Staff which the City would require for Community Project participants. Additional items suggested by Mayor are criteria pertaining to:

- (1) Project measurements or dimensions
- (2) Structure finishing
- (3) Structure material
- (4) Structure quality
- (5) Observance to City water conservation policies
- (6) Minimal maintenance

Planning and Neighborhood Services Director Bill Ekern clarified for Mayor Esteves that census data that Staff proposed to use would be used to determine demographic representation in the City of Milpitas. The study results would not be used to determine “group priority.”

Councilmember Giordano stated that she is not in favor of locating International Park at Tom Evatt Park. She is in favor of having the park located in a different site.

Mayor Esteves expressed support in having Tom Evatt Park as the location for the new International Park.

Director Ekern replied to Councilmember Giordano’s and the Mayor’s follow-up inquiries that for clarity and efficiency, it would be advisable for a park site to be identified prior to conducting feasibility study.

Councilmember Barbadillo expressed support for an International Park. He asked Mr. Ekern to clarify details regarding the \$50,000 participation fee.

Councilmember Grilli also expressed support for the project, stating that everyone who wants to participate should not be left out. She further added that the feasibility study should also address parking and accessibility issues. She also recommended for the \$50,000 participation fee to be placed in the CIP fund and let staff move forward with the feasibility study.

Councilmember Giordano clarified her position by restating that she is in support of the International Park concept. She said that she would be okay with adding another park location and not losing what the City now has with Tom Evatt Park. She wished for staff to look for another location for the new International Park, and that Tom Evatt Park would be a “fallback” proposed location if there would be no alternative location.

Vice Mayor Montano mentioned her support for the International Park concept and the proposed Tom Evatt Park location. She concurred with Councilmember Grilli that the new park project should be more inclusive, and that community participation would not be hindered due to that community/demographic group’s lack of funds or money towards to \$50K participation fee.

Mayor Esteves suggested that (1) countries represented in International Park should be members of Milpitas’ diverse population, (2) the City should take the lead by contributing \$50K of CIP funds towards the International Park project, and (3) allow each community participant should pay or fund 100% of developing their part of the project. The suggestions given would allow for the City to be fair, include everyone, and encourage community groups.

Citizen Robert Marini shared his disapproval of the name “International Park.”

Citizen Voltaire Montemayor shared his opinion regarding the project.

Motion: To direct staff to further refine the International Park concept with \$50,000 of CIP funds to be shouldered by the City and prepare a feasibility study and a preliminary plan starting with the location at Tom Evatt Park.

Motion/Second: Mayor Esteves / Councilmember Grilli

Motion carried by a vote of:

AYES: (4) Mayor Esteves, Vice Mayor Montano, Councilmembers Grilli and Barbadillo

NOES: (1) Councilmember Giordano

ADJOURNMENT

Mayor Esteves adjourned the meeting at **9:45PM**.

The foregoing minutes were approved by the Milpitas City Council on May 11, 2015.

Pam Caronongan
Milpitas Deputy City Clerk

Draft 2015-2020 Capital Improvement Program



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