



**JOINT MEETING OF THE
MILPITAS CITY COUNCIL AND
HOUSING AUTHORITY COMMISSION
AGENDA**

TUESDAY, MARCH 1, 2016

**455 EAST CALAVERAS BLVD, MILPITAS, CA
6:00 P.M. (CLOSED SESSION) • 7:00 P.M. (PUBLIC BUSINESS)**

SUMMARY OF CONTENTS

- I. CALL TO ORDER/ROLL CALL** by the Mayor (6:00 p.m.)
- II. ADJOURN TO CLOSED SESSION**

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Pursuant to Government Code Section 54956.9(d)(2) City as Defendant
- III. CLOSED SESSION ANNOUNCEMENT:** Report on action taken in Closed Session, if required pursuant to Government Code Section 54957.1, including the vote or abstention of each member present
- IV. PLEDGE OF ALLEGIANCE** (7:00 p.m.)
- V. INVOCATION** (Councilmember Barbadillo)
- VI. APPROVAL OF COUNCIL MEETING MINUTES** – February 16, 2016
- VII. SCHEDULE OF MEETINGS – COUNCIL CALENDAR** March 2106
- VIII. PRESENTATION** Proclaim February as *Black History Month*
- IX. PUBLIC FORUM**

Members of the audience are invited to address the Council on any subject not on tonight's agenda. Speakers must come to the podium, state their name and city of residence for the Clerk's record, and limit their remarks to three minutes. As an item not listed on the agenda, no response is required from City staff or the Council and no action can be taken. However, the Council may instruct the City Manager to place the item on a future meeting agenda.

- X. ANNOUNCEMENTS**
- XI. ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS**
- XII. APPROVAL OF AGENDA**
- XIII. CONSENT CALENDAR (Items with asterisks*)**

Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a member of the City Council, member of the audience, or staff requests the Council to remove an item from or be added to the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar. If removed, this item will be discussed in the order in which it appears on the agenda.

XIV. UNFINISHED BUSINESS

- * 1. Receive Update of the Odor Control Report (Staff Contact: Steven Machida, 408-586-3355)

XV. NEW BUSINESS

- 2. Receive a Report on Water Supply Outlook from the San Francisco Public Utilities Commission (Staff Contact: Steven Machida, 408-586-3355)
- 3. Receive Staff Report of the Milpitas Sports Fields Project (Staff Contact: Steve Erickson, 408-586-3301)
- * 4. Receive Update Report on Customer Service Training for City of Milpitas Employees (Staff Contact: Tina Murphy, 408-586-3086)
- * 5. Approve the City of Milpitas as a Co-sponsor of the 2016 Milpitas Chamber of Commerce International BBQ and Festival (Staff Contact: Sarah Fleming, 408-586-3248)
- 6. Consider Approving More Than 4 Hours of Staff Time Related to a Request for a Possible Ballot Measure (Contacts: Mayor Esteves, 408-586-3029 and Tom Williams, 408-586-3050)
- * 7. Request to Remove Two Members of the Campaign Finance Reform Committee (Contact: Mary Lavelle, 408-586-3001)

XVI. AGREEMENTS & BID

- * 8. Approve Amendment No. 1 to the Agreement with RMC Water and Environment for the Marylin Drive Sanitary Sewer Replacement, Projects No. 6115 and No. 6116 (Staff Contact: Steve Erickson, 408-586-3301)
- * 9. Approve Amendment No. 3 to the Consultant Agreement with HF&H Consultants for Solid Waste Procurement Services in the Amount of \$200,000 and Approve a Budget Appropriation in the Amount of \$200,000 for CIP No. 3401 (Staff Contact: Steven Machida, 408-586-3355)
- *10. Award the Bid and Authorize the City Manager to Execute the Contract with DataProse, Inc. for Utility Bill Printing and Mailing Services (Staff Contact: Chris Schroeder, 408-586-3161)

XVII. JOINT MEETING OF THE CITY COUNCIL & HOUSING AUTHORITY COMMISSION

CALL TO ORDER/ROLL CALL by the Chair

APPROVE AGENDA and CONSENT CALENDAR

- *11. Adopt a Joint Resolution Establishing the New Milpitas Municipal Financing Authority and Authorize City Manager to Execute Joint Powers Authority Agreement (Staff Contact: Russell Morreale, 408-586-3111)

XVIII. ADJOURN JOINT MEETING

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, MARCH 15, 2016**

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review.

For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on the City website. Phone 408-586-3040

All City Council agendas and related materials can be viewed online here:
www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Current Vacancies on

Parks, Recreation and Cultural Resources Commission
Recycling and Source Reduction Advisory Commission
Telecommunications Commission
Veterans Commission

Commission application forms are available online at www.ci.milpitas.ca.gov or at Milpitas City Hall. Contact the City Clerk's office at 408-586-3003 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, call the City Clerk at 408-586-3001 or send an e-mail to mlavelle@ci.milpitas.ca.gov prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the City Council Chambers for all meetings in that facility.

AGENDA REPORTS

XIV. UNFINISHED BUSINESS

*** 1. Receive Update of the Odor Control Report (Staff Contact: Steven Machida, 408-586-3355)**

Background: From January 7 through February 2, 2016, the Bay Area Air Quality Management District (BAAQMD) forwarded 129 complaints originating in Milpitas. 45 complaints identified a garbage odor, 7 complaints identified a sewage odor, and 77 complaints did not identify an odor source. As of the last Council update, the City's odor reporting website has received 34 reported complaints.

Recommendation: Receive the monthly update of the odor control report.

XV. NEW BUSINESS

2. Receive a Report on Water Supply Outlook from the San Francisco Public Utilities Commission (Staff Contact: Steven Machida, 408-586-3355)

Background: The City of Milpitas purchases potable water supply from San Francisco Public Utilities Commission (SFPUC) and Santa Clara Valley Water District (SCVWD). Both suppliers have been impacted by aging infrastructure and drought conditions. A representative from SCVWD provided an update at the February 2, 2016 Council meeting. A representative from SFPUC will provide a verbal update to the Council regarding water supply outlook and potential impact on wholesale water rates.

Recommendation: Receive a report at the City Council meeting on the water supply outlook from a representative of the San Francisco Public Utilities Commission.

3. Receive Staff Report of the Milpitas Sports Fields Project (Staff Contact: Steve Erickson, 408-586-3301)

Background: The Milpitas Sports Fields improvements, CIP Project No. 5104, was issued a Notice to Proceed on December 14, 2015. The contractor has completed demolition work and is currently rough grading the site and working through the construction submittal process. Staff will provide an oral report describing the status of the project.

Recommendation: Receive staff report and presentation.

*** 4. Receive Update Report on Customer Service Training for City of Milpitas Employees (Staff Contact: Tina Murphy, 408-586-3086)**

Background: The Human Resources Department will be enhancing the City-wide training program to include skills development training for staff, in addition to mandatory compliance training. The Department has engaged an outside trainer, Marilyn Manning and The Consulting Team, to deliver three-hour training sessions to all employees on four separate topics: Exceptional Customer Service, Conflict Resolution, Managing Change, and Coaching and Motivation.

The first step of the process was to hold a focus group meeting to customize the training towards Milpitas employees, and ensure the training includes components of our Strategic Plan Values. Approximately twenty senior management staff members were trained as facilitators to contain costs and to provide consistency with on-the-job application of the lessons learned through the training sessions. An additional benefit of this approach was to enhance management development through Facilitation Skills training.

The first workshop for City employees focused on our Strategic Plan Value “Superior Customer Service,” and how to maximize customer contact skills. All employees were invited to attend one of the workshops, and there were 140 participants on Wednesday, February 10.

The next workshop will be scheduled for late March or early April and will focus on conflict resolution.

Fiscal Impact: There is no immediate fiscal impact at this time. Mid-year funding adjustments were approved by City Council to cover the cost of the four training classes.

Recommendation: Receive update on staff customer service training for City employees.

*** 5. Approve the City of Milpitas as a Co-sponsor of the 2016 Milpitas Chamber of Commerce International BBQ and Festival (Staff Contact: Sarah Fleming, 408-586-3248)**

Background: At the February 16, 2016 City Council Hearing, Milpitas Chamber of Commerce President Liz Ainsworth addressed the City Council to announce the Chamber’s intent hold the annual Milpitas International BBQ and Festival in 2016 and to request that the City participate in the event as a co-sponsor. The City has recently co-sponsored this event in both 2014 and 2015.

As a co-sponsor, the Chamber requests the City provide assistance with traffic handling and event security and waive all permit and inspection fees. The event application is currently under review by City staff. Based on cost for the City’s participation in 2014 (\$14,612.14) and 2015 (\$16,679.77), costs for co-sponsoring the 2016 event are estimated at \$18,000.00. The Chamber will fund any extraneous expenses for the event and procure all beverage, entertainment, contestants, vendors, and miscellaneous necessities for the event’s success and safety.

Fiscal Impact: Not to exceed \$18,000.00. Upon final review of the event application, should costs exceed \$18,000.00 staff will return to City Council for further authorization.

Recommendation: Approve the City of Milpitas’ co-sponsorship of the International BBQ and Festival event in an amount not to exceed \$18,000.00, or an amount specified by the City Council. Authorize use of the City’s name and logo for promotional and marketing materials.

6. Consider Approving More Than 4 Hours of Staff Time Related to a Request for a Possible Ballot Measure (Contacts: Mayor Esteves, 408-586-3029 and Tom Williams, 408-586-3050)

Background: City Council policy states that any staff work not part of an approved work program or budgeted item requiring more than four hours of staff time obtain approval of a majority of the City Council. Upon direction from a majority of the City Council, staff will commence with work effort necessary to fulfill the request to prepare a ballot measure requiring voter approval for any change to the Town Center Zoning.

If the City Council so directs, the City Attorney and City Clerk will prepare the required documents for the ballot measure which includes writing the ballot question and ordinance to be submitted to voters and a resolution calling for the Special Election to be sent to the Santa Clara County Registrar of Voters no later than eighty-eight (88) days prior to the primary election - required by Friday, March 11, 2016.

Fiscal Impact: If the Council directs work on this item, and it proceeds to the upcoming June election, the approximate cost for placement of the item in the Sample Ballot booklet and on the June 7, 2016 primary election ballot is \$83,631.

Recommendations:

1. Direct staff as desired by a majority of the City Council on preparation of a ballot measure regarding Town Center zoning.
 2. If directed to move ahead on a measure, schedule a special City Council meeting on Monday, March 7, 2016 to adopt the resolution calling for the special election, the ballot question and draft ordinance for the ballot measure. This would be necessary to meet the 88-days deadline.
- * 7. **Request to Remove Two Members of the Campaign Finance Reform Committee (Contact: Mary Lavelle, 408-586-3001)**

Background: The Chair of the Campaign Finance Reform Committee, Althea Polanski, contacted Mayor Esteves with a request to ask City Council to vote remove two members of the Committee. The group is working to conclude its work and bring final recommendations to the City Council. However, a failure to achieve a quorum at the last scheduled meeting date of February 22 has necessitated a new meeting date in March or later. Two appointed members participated at the beginning of the Committee's efforts in 2015, however, they have been unavailable to attend the more recent meetings. If the Council will take action to officially remove the two, and the number of Committee members is reduced to 7 rather than 9 in total, a quorum will be simpler to achieve for the next meeting.

A report of attendance provided by the Committee Chair is included in the agenda packet.

Recommendation: move to remove Rohit Sharma and Lokesh Krishnarajpet as members of the City's Campaign Finance Reform Committee, reducing the total number of Committee members to seven, from nine originally.

XVI. AGREEMENTS & BID

- * 8. **Approve Amendment No. 1 to the Agreement with RMC Water and Environment for the Marylinn Drive Sanitary Sewer Replacement, Projects No. 6115 and No. 6116 (Staff Contact: Steve Erickson, 408-586-3301)**

Background: On January 7, 2014, the City entered into a consultant agreement with RMC Water and Environmental in the amount of \$475,000 to provide design services for the replacement of City sewer mains within portions of Marylinn, Drive including the trunk main under State Route 880.

These sewer pipelines were installed in the 1950's and range in size from 10 to 30 inches in diameter, and transmit up to 40% of the City's sewer flows to the main sewage pump station. The sewer lines experience frequent backups and problems requiring staff time to correct to maintain flow. A video inspection of the lines was completed in 2013 and proved the pipelines are in poor condition and reached the end of their service life.

The original project design concept was to replace up to 700 feet of sewer pipeline by traditional excavation, removal, and replacement construction, and to bore and jack a new pipeline under State Route 880. As the conceptual design process progressed, it was determined there were several significant problems that would add additional cost and time to the project schedule. These problems include an extensive amount of restoration to private property along Marilynn and McCarthy Drive affected by open cut excavation; the relocation of a steel PG&E transmission tower located above the existing sewer; and the modification of a buried Caltrans soundwall foundation over the existing pipeline, the extent of which is unknown.

Due to the additional cost and time to complete the design and construction, staff requested RMC value engineer a design alternative. RMC determined that the installation of a cured-in-place (CIPP) lining inside the existing pipelines would provide the required structural repair and would allow the existing sewer lines to remain in service. This less costly lining alternative could be completed at significant lower cost and would be completed in a few weeks. The CIPP lining

process installs a flexible liner inside the existing host pipe that is inflated and cures to form a ridged liner that adds strength and a smooth surface to the old pipe. The CIPP process does not require the removal and replacement of the old pipe. The estimated construction cost to line the existing sewers is anticipated to be around \$1M, compared to an estimated \$8M cost for the open cut excavation and bore work under State Route 880.

Staff recommends moving forward with the design change to specify the CIPP lining method for construction. This change will correct the existing sewer problems and will allow construction to be completed timely at less cost, and with less disruption to the community.

The value engineering process also determined that an additional 350 feet of pipe repair along Marylinn Drive from Heath to Smithwood streets be included in the design. Staff negotiated a fee for the additional design of the 350 feet of pipe repair. The proposed fee is not to exceed \$55,000, which is considered reasonable for the extent of the work, and the approval of this amendment brings the total compensation to \$530,000. There are sufficient funds in the project budget to cover this additional expense.

Alternative: Denial of the amendment would result in not proceeding with the rehabilitation alternative design and construction work.

California Environmental Quality Act: This project is categorically exempt under Section 15301 of CEQA guidelines for maintenance of existing facilities.

Fiscal Impact: None. Sufficient funds are available in the project budgets.

Recommendation: Approve Amendment No. 1 to the agreement with RMC Water and Environment Inc. in the amount of \$55,000 for Marylinn Drive Sanitary Sewer Replacement, Projects No. 6115 and No. 6116.

- * 9. **Approve Amendment No. 3 to the Consultant Agreement with HF&H Consultants for Solid Waste Procurement Services in the Amount of \$200,000 and Approve a Budget Appropriation in the Amount of \$200,000 for CIP No. 3401 (Staff Contact: Steven Machida, 408-586-3355)**

Background: The City's 30-year solid waste collection and disposal agreements with Republic Services expires in September 2017. On December 2, 2014, the City entered into an agreement with HF&H Consultants (HF&H) for \$55,525 to identify and analyze the City's options for obtaining future services. On April 7, 2015, Council chose to conduct a competitive process. On May 5, 2015 and June 16, 2015 staff received Council direction regarding the policies governing and the content of the solid waste services Request for Proposals (RFP). Proposals were received on October 27, 2015 as required in the RFP schedule.

On June 16, 2015, Council approved Amendment 1 in the amount of \$49,925 to include the next phase of work, which involved developing a list of proposers, completing development of, and issuing the RFP including two draft agreements, posting the RFP to a dedicated website, responding to proposer questions, and receiving and conducting an initial review of the proposals. On November 17, 2015, Council approved Amendment No. 2 to the Agreement with HF&H in the amount of \$106,800 to allow continuation of work related to initial proposal review for both disposal and collection proposals and to conduct most of the work necessary for the evaluation, negotiation and public presentation of information related to the selection of a disposal services contractor. In each case, staff recommended use of a phased approach for the consultant work due to unknowns that have included the number and content of proposals that were to be submitted, the extent of alternatives/exceptions proposed, needs for added public outreach, and Council direction in negotiating agreements with one or more finalists for disposal and for collection.

It is necessary to amend the consultant agreement to address the remaining effort now anticipated to complete the procurement process as described in Consultant's letter and fee estimate of February 16, 2016. In addition, staff recommends including an optional task of \$31,380 that would be authorized by staff, if needed, for a total amendment cost of \$200,000.

The total not-to-exceed amount of this agreement is increased by \$200,000 to \$412,250. A budget appropriation in the amount of \$200,000 is necessary. Staff continues to recommend a phased approach for the consultant work due to the unknowns as work proceeds.

California Environmental Quality Act: The item is not considered a project under CEQA as there will be no direct, or reasonably foreseeable indirect physical change to the environment, as it merely provides for staffing needs to address solid waste procurement services.

Alternative: If the amendment is not approved, engineering staff will not receive procurement consulting services to complete the RFP process and the City will not have the resources available to make an informed decision, when selecting a hauler, which will best meet the needs of the City.

Fiscal Impact: A budget appropriation of \$200,000 from the Solid Waste Fund to CIP No. 3401 is necessary to perform this work.

Recommendations:

1. Approve a budget appropriation in the amount of \$200,000 from the Solid Waste Fund to CIP No. 3401.
2. Approve Amendment No. 3 to the consultant agreement with HF&H Consultants for solid waste procurement services in the amount of \$200,000.

***10. Award the Bid and Authorize the City Manager to Execute the Contract with DataProse, Inc. for Utility Bill Printing and Mailing Services (Staff Contact: Chris Schroeder, 408-586-3161)**

Background: On December 18, 2016, the City issued a Request for Proposals (RFP) for Utility Bill Printing and Mailing Services. Purchasing worked closely within Finance to develop the specification and bid package for the RFP. The RFP was advertised in the local newspaper and through Public Purchase. Three proposals were received and evaluated by a committee of three: the Finance Manager, Senior Accountant, and Information Services Director. The committee scored the proposals based on five criteria including price, quality and responsiveness of the proposal, technical abilities, and references. Bid award to DataProse, Inc. is based on the offering that is considered to be the most advantageous to the City. The new contract for Utility Bill Printing and Mailing Services includes a four month implementation period through June 30, 2016, then continues annually commencing July 1, 2016. The proposed contract includes four 1-year options for renewal. A price increase may be considered, with support of additional documented costs submitted by the contractor and/or actual increases to postage, up to a not-to-exceed maximum of 5% annually.

The base price for the Utility Bill Printing and Mailing Services portion of the contract is \$19,000, not including postage. Postage is approximately \$45,000 annually. Assuming a 5% maximum annual increase, the total contract value for the five year period is not-to-exceed \$347,325. After posting the Notice of Intent to Award (Pending Bid Results), there was no protest filed.

Fiscal Impact: Funds are available from the Water and Sewer Funds Operating Budget for this service. The current annual cost of the existing contract is \$62,500.

Recommendations:

1. Award the bid to DataProse Inc. and authorize the City Manager to execute a contract with DataProse, Inc. for Utility Bill Printing and Mailing Services for the annual not-to-exceed amount of \$64,000.
2. Authorize the Purchasing Agent to exercise up to four annual renewal options with an annual price increase up to 5% without further City Council action, except for appropriation of funds.

XVII. JOINT MEETING OF THE CITY COUNCIL & HOUSING AUTHORITY COMMISSION

CALL TO ORDER/ROLL CALL by the Chair

APPROVE AGENDA and CONSENT CALENDAR

- * 11. Adopt a Joint Resolution Establishing the New “Milpitas Municipal Financing Authority” and Authorize the City Manager to Execute the Related Joint Powers Authority Agreement (Staff Contact: Russell Morreale, 408-586-3111)**

Background: Articles 1 and 2, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permit two or more public agencies, by agreement, to exercise jointly powers common to the contracting parties. This is done via the creation of a Joint Powers Authority (JPA) agreement. Such an agreement, the subject of this staff report, is entered into to facilitate the financing and/or refinancing of certain public programs, projects and public improvements of the members.

As it relates specifically to the recommended action, the City of Milpitas is anticipating the issuance of Water Revenue bonds, as noted in the adopted December 2015 Water Rates Study, issued pursuant to the Proposition 218 public process and mail-in vote formalized earlier in 2015. The proposed JPA agreement will result in the creation of a new finance entity titled the “Milpitas Municipal Financing Authority,” the entity through which the bond financing will be authorized and issued.

By way of information, the anticipated revenue bonds will not obligate the general credit of the City. They will be backed fully by water utility rates and their ensuing revenue stream. Such bonds are intended to finance much needed capital improvement costs over an extended period of time, which can be the life of the assets or a longer term (i.e. 20 years), with the goal of smoothing out the cost impact. As staff pursues this process, various administrative and informational items will be brought back to Council with bond issuance expected in the summer or fall of 2016.

Fiscal Impact: None. This action bears no fiscal impact, but merely establishes the JPA authority necessary to facilitate financing for public programs.

Recommendations:

1. Adopt a joint resolution of the Milpitas City Council and the City of Milpitas Housing Authority authorizing the execution of a joint exercise of powers agreement related to the Milpitas Municipal Financing Authority.
2. Authorize the City Manager to execute the Joint Exercise of Powers Agreement for the new Milpitas Municipal Financing Authority.

XVIII. ADJOURN JOINT MEETING

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, MARCH 15, 2016**