

**MEETING MINUTES
CITY OF MILPITAS**

Minutes of: Special Meeting of the Milpitas City Council
Date: Wednesday, April 10, 2018
Time: 5:30 PM
Location: Milpitas Senior Center, Rooms 140/141
40 N Milpitas Blvd., Milpitas

ROLL CALL

Mayor Tran called the meeting to order at 5:40 PM and City Clerk Mary Lavelle called the roll. All pledged allegiance to the flag.

PRESENT: Mayor Tran, Vice Mayor Grilli, Councilmembers Barbadillo, Nuñez and Phan

ABSENT: None

Senior Staff present: City Manager Julie Edmonds-Mares, Finance Director Will Fuentes, Deputy City Attorney Heather Lee, all Department Directors, and Assistant Finance Director Jane Corpus

PUBLIC FORUM

Frank DeSmidt invited all to a meeting sponsored by the local newspapers the following day at 6:00 PM at Milpitas Community Center to discuss the future of the Mercury News and the Milpitas Post. He also invited all to the Rotary Club fundraiser on Friday, April 13 at Ta Restaurant, and tickets were available.

Voltaire Montemayor, resident, spoke of projects, scanned topics, and all in good order.

**STUDY SESSION
FY 2018-2019 BUDGET**

City Manager Julie Edmonds-Mares introduced Finance Director Will Fuentes, who reviewed the agenda for the evening regarding the upcoming Fiscal Year budget.

She reviewed the purpose of the meeting, the agenda, staffing needs, plan for an exercise and opportunity for input from the Council on the proposed budget for the next fiscal year 2018-19. She described the five previously identified City Council priorities: public safety, infrastructure and community facilities maintenance, transportation and transit, economic development and job growth, and fiscal responsibility. Presentation of the budget would occur in four City Service Areas, grouping together several departments.

Acting Fire Chief Rick Frawley was the first presenter. He reviewed Fire Department accomplishments, highlighting its 4 minutes, 20 second response time and resuscitation of ten cardiac arrest patients.

Next, Police Chief Armando Corpuz highlighted Police accomplishments, including the new Police Recruitment Team to work on filling vacancies in the police officer role, and hosted a Police Citizens Academy. He reviewed a list of new personnel requested and capital outlay requests for public safety.

Councilmember Nuñez asked if EMS was taking over the Coordinator position in the Fire Department. Chief Frawley said it would be a joint effort, a collaborative team, with the new Battalion Chief (40 hours), including training. Mr. Nuñez spoke of the League of California Cities' efforts to seek more funding for required emergency training. He'd found the budget process very valuable, going to Council and the community first, in

preparing this budget. He asked who requested the positions on the list. He asked if the capital items were part of the CIP. The Police Chief explained staff requests for personnel, made after meeting with the City Manager. The Fire Chief too went over his request for new positions.

Councilmember Phan wanted to focus on development in the City. He noticed there was not more funds for Fire code enforcement. So in that area, if anticipating more activity, did that group need more support? The Fire Chief explained why the Assistant Fire Marshal would help. Mr. Phan asked if enforcement could work better with coordinated effort by Building, Planning and Fire. He asked about recruitment efforts. Both chiefs described their respective Explorer programs.

Councilmember Phan asked about modernizing, digitizing records and records management. Police Chief Corpuz described software being implemented for records retention and explained dispatch response and software at the Police Department.

Vice Mayor Grilli asked about police officer vacancies, when there were eight last year and now eleven, so she hoped there was a long term plan in place. Parking issues were of concern in the coming year and needed to be addressed.

Councilmember Barbadillo knew the top priorities were on a list (from the sticky notes). He asked if the priority items were just determined in the last few months for personnel and equipment. He wanted to know if these were data driven, and the City Manager responded with the rationale for the requested new positions. The Councilmember inquired how this would affect reserves, due to spending from those.

Public Works Director Tony Ndah next presented for Public Works and Recreation Services. He, then Recreation Services Director Renee Lorentzen, reviewed major accomplishments in the last year. He highlighted funding and acquisition of the new pothole repair truck, so helpful in response to resident reports. Ms. Lorentzen highlighted Recreation accomplishments including five new special events, increases in program participation, and City designation as an “Age Friendly City.” She identified key initiatives, with personnel and capital requests.

Mayor Tran complimented Recreation Services for the many programs and how busy the department was over the last year. The Mayor asked Mr. Ndah who did environmental compliance work now, since a request was for one Deputy Director to supervise Environmental Services. Staff said it was dispersed among 4 or 5 people now.

Mayor Tran wanted to make sure at Public Works that grass and streets were taken care of and stay beautiful. He was concerned for mid-management being filled along with the front line of service to the community. He sought explanation of funding for positions that were outside of the General Fund and Mr. Ndah explained use of the utility enterprise funds for the new positions requested.

Vice Mayor Grilli asked about the current status of the Deputy Director of Public Works. It was unfilled ever since the Director was appointed.

Councilmember Barbadillo asked previously about shuttle service and supporting or subsidized park rental fees. He was requesting that part of the services increased to cover that need. Ms. Lorentzen responded about future fees. Mr. Barbadillo said the Council could lower fees, if it decided to. Ms. Lorentzen said yes, which would affect revenues.

Councilmember Nuñez sought more explanation and background of 2016 fee increases. The City Manager commented about fees for cost recovery where appropriate and seeking fees to support services where needed.

Councilmember Barbadillo wanted to look at a senior shuttle program. He asked about the lower seeming cost for two FordF150 trucks at only \$8000 in the proposed budget. Assistant Finance Director Jane Corpus explained the set-aside replacement funds, and that extra amount needed to cover the full cost of purchasing the vehicles.

Councilmember Nuñez asked about water/sewer funds going toward some expenses, as Mr. Ndah discussed. He mentioned homeless seniors and services to homeless per a potential grant mentioned. Recreation Director Renee Lorentzen said a case manager was on site at the Senior Center who pointed seniors to available services or resources. Some funds could support more service to homeless people. He was amazed at how few people did the work in the Public Works Department while only requesting for a few new positions.

Mayor Tran asked for an update on a Comprehensive Homeless Strategy, as Council voted on last year.

Next, Building Official Gary King spoke for four grouped departments: Building & Safety, Economic Development, Engineering, and Planning & Neighborhood Services. Mr. King highlighted statistics to describe the currently very active pace of development throughout the City. He next reviewed major accomplishments of the Building Department staff in FY 2017-18.

Mayor Tran asked about possible incentive, cash sign-on bonus, for getting new employees in the Building Department via incentives. The Human Resources Director responded.

Next, Economic Development Director Edesa Bitbadal read eight Economic Development office accomplishments in the past year. Mayor Tran asked for year over year statistics/data to see the increases, since last year when additional staff was approved. The Director said she would send information to the City Council.

City Engineer Steve Erickson reviewed Engineering accomplishments including the list of completed major CIPs over the last year. Also noted were the Sanitary Sewer rehabilitation on Marilynn Drive, recycling requirements met and a review of many projects.

Planning & Neighborhood Services Director Brad Misner described work completed in his department's three divisions, including work on the General Plan update, an Affordable Housing ordinance anticipated in next several months and CDBG grants of \$450,000. He listed statistics on planning projects processed or approved. Permanently hired planning staff rather than contracted workers had helped his office. He described a need for specific new personnel or changes to existing staff. The City's population was expected to grow from 79,600 to 86,300 between the years 2020 to 2025.

Mayor Tran asked about the fiscal impact of all the staff increases and re-classifications.

Councilmember Phan directed his questions to the Building Department staff: he wanted to know if there could be preliminary building permits, to pay first and review after construction started. Mr. King said yes, temporary permits and permits for demolition

were available already. The staffing request was to speed up the process. He was seeking to get more inspections by appointment. Mr. Phan asked about software and making it faster to submit. Mr. King explained that Building staff was testing and implementing it very soon, as was happening all across the South Bay.

Planning Director Misner expressed pride that his department would soon have “ProjectDox” software, which would speed up plan review and permit issuance. Information Services Director Mike Luu talked about costs and how those were covered for the new software.

Councilmember Nuñez inquired about staffing and the City Manager responded regarding organizational review and the role of a new Deputy City Manager. Mr. Nuñez believed this group seemed to have the most reclassifications, and asked about the process. He mentioned a possible Youth (teen) Center, as part of Recreation Services as a stated goal for resident families.

Next, Ms. Edmonds-Mares explained the grouping of seven departments grouped into Leadership & Support Services. She reviewed accomplishments of the City Council and City Manager office. Attorney Heather Lee of BBK reviewed the City Attorney’s office accomplishments on behalf of City Attorney Chris Diaz. Mayor Tran said he was very satisfied with services provided by that law firm to the City.

City Clerk Mary Lavelle reviewed her office’s accomplishments related to City Council agendas and minutes, passport acceptance program, receipt of mandatory Forms 700 and campaign documents, and records management. She responded to questions from Councilmember Phan, including his goal for electronic forms online.

Finance Director Will Fuentes described nine Finance Department accomplishments. He emphasized moving away from paper to more e-files and records.

Councilmember Phan asked about a change in purchasing and city contracts, and if the Finance Director had seen any impact from those changes. An increased amount of contracts go to Council following that change. Mr. Phan would like to revisit the amount of City Manager’s contract authority (currently \$50,000) and maybe increase it, if that would help with delivery of services and to streamline.

Councilmember Nuñez believed that some part of that went to the City Council Finance Subcommittee, for which he sought confirmation. Mr. Nuñez supported Mr. Phan’s suggestion since there was review and transparency.

Human Resources Director Tina Murphy reviewed Human Resources accomplishments for FY 2017-18, including more than 60 training opportunities for employees, and progress on labor negotiations with employee groups.

Information Services Director Mike Luu reviewed many completed projects his team worked on with City departments. Councilmember Phan asked about small cell technology, and ongoing demand to have these agreements with the City. Mr. Luu responded, describing the City’s approach.

Councilmember Phan noted the City was the first to take on some topics, so he asked could the City take impact fees in bitcoin currency, potentially to increase getting more fees. Mr. Luu responded that using the same concept, staff could study the possibility and legality. The Finance Director said there may be state law that prevents use of bitcoin.

City Manager Edmonds-Mares described requests for staff and changes in the Leadership & Support services. Mr. Luu explained the need in his area for a Senior Information Analyst. Mr. Fuentes explained the need for three new employees in Finance.

Vice Mayor Grilli asked about the request for an Assistant to the City Manager. After some information provided by the City Manager, the Vice Mayor stated she was not comfortable with that being added to the budget.

Mayor Tran, on Finance, asked if in the last fiscal year any new positions were added. Mr. Fuentes responded, yes - one Senior Accountant was added the prior year.

Councilmember Nuñez would like to have an organization chart and to understand who was reporting to whom. He needed to be clear on this, and was a bit confused with the new positions requested.

The City Manager next reviewed a budget summary of revenues and expenditures, which comprised the balanced budget proposed, with a very slight excess (General Fund operating surplus) anticipated of \$681,000. She and Mr. Fuentes defined the General Fund reserves, reviewing the amounts displayed. Consideration for planning reserve funds, including saving for future facilities replacement (including the turf playing field) and technology upkeep and replacement, was displayed.

Two areas that the City Manager had heard from Councilmembers about maybe funding were to conduct an assessment of teen programs for the City, consider bringing programs on-site to the high school possibly. A rough estimate was \$120,000 for a program annually. Also, the employee Classification and Compensation Study had been done and consideration may be made on how to fund results of the study. That would include an amount of \$450,000 - \$500,000 estimated to get employees whose salaries were under market up to the median, per the study, for non-sworn City personnel.

City Engineer Steve Erickson rapidly reviewed the previously discussed proposed Capital Improvement Program (CIP) for FY 2018-2023. He described where adjustments had been made, based on a prior study session.

Mayor Tran remarked on the Sports Center Snack Shack, and he wanted that to be pushed ahead sooner, not three years out as on the list, as a high priority. It could be difficult to have two construction projects at the same time at the same site, when the skate park was already planned next year. Mayor Tran stated affirmatively that the condition of the restrooms was unacceptable.

Councilmember Nuñez had recently visited the restroom facility at the playing field/ snack shack and agreed conditions were bad, and needed attention right away. When fixed, he knew it would be appreciated by the community.

Vice Mayor Grilli asked about the snack shack in FY 2019-20, and to move another project in the CIP. Mr. Nuñez suggested to flip playing field renovation and snack shack/ restrooms getting re-done. She asked when the skate park was anticipated to start construction.

Councilmember Nuñez wanted to add consideration for the City working with the Chamber of Commerce, to have a joint effort to have small businesses supported.

Councilmember Phan requested to add to the budget one Community Outreach liaison, for service delivery to the City's diverse community. The City Manager asked him if he meant a professional with cultural competency and he agreed.

Mayor Tran asked if the Council could choose to hold on with no plan immediately for the \$681,000. He preferred to allow saving it for when things come up throughout the year. Staff replied yes. Councilmembers were next asked to put colored dot stickers up on the signs on the wall to prioritize possible spending of the anticipated surplus amount.

The City Manager stated there was no need for an additional budget meeting on Thursday (April 12), as had been reserved if needed. Staff could come back with an update at a future Council meeting with results of the dots.

Next, the Mayor invited comments from the audience.

Bob Livengood, resident, agreed with the priorities listed on the first slide. The City Manager's distilling departments into groups was something he had never seen before, but it made a lot of sense, especially in the development/building area. On the revenue portion, he wished to remind Councilmembers that there were two Community Facilities Districts (CFDs) in the City where homeowners paid into those districts to pay for city services. He would like to meet with staff on the impact of those CFDs. He commended the Council for the time spent discussing budget priorities at this meeting.

Voltaire Montemayor, resident, said everyone cooperated, all the sides, public safety, finance, and the questions from Council were great.

Vice Mayor Grilli said it could be good to have a report on CFDs and to bring that back in the future. On developer fees in the Transit Area Specific Plan area, it would be educational for the Council to learn and understand, specifically to know how developers and builders were contributing to infrastructure.

Mr. Fuentes had summed up the prioritized dots results, for allocation of \$681,000:

1. Teen programing
2. Community Outreach
3. Park rental fee subsidy
4. General Fund Reserves
5. Class and comp study
6. Youth Jobs

The City Manager responded to the list, saying staff would review all the comments at this meeting, make some adjustments and return to the City Council with a response to various requests made regarding the proposed new budget and CIP.

Mayor Tran said one of the slides that stood out was about CalPERS and the ongoing costs to the City. He was concerned, and perhaps the City should look at new revenue streams. He suggested the hotel tax could go up to even 14% to generate revenue. Aggressive investments were needed to support the demand for city services.

ADJOURNMENT

Mayor Tran adjourned the special meeting at 9:53 PM.

The foregoing minutes were approved by Milpitas City Council on May 1, 2018.

Mary Lavelle, Milpitas City Clerk