



**MILPITAS CITY COUNCIL MEETING AGENDA
JUNE 5, 2007**

**6:30 P.M. (CLOSED SESSION) • 7:00 P.M. (PUBLIC BUSINESS)
455 E. CALAVERAS BOULEVARD**

SUMMARY OF CONTENTS

- I. CALL TO ORDER/ROLL CALL (6:30 p.m.)**
- II. ADJOURN TO CLOSED SESSION**
- CONFERENCE WITH LABOR NEGOTIATORS - COLLECTIVE BARGAINING**
(Pursuant to CA Government Code §54957.6) City Negotiator: Carmen Valdez
Employee Groups: Milpitas Employees Association (MEA)
Under Negotiation: Wages, Hours, Benefits, and Working Conditions
- III. CLOSED SESSION ANNOUNCEMENT:** Report on action taken in Closed Session, if required pursuant to Govt. Code Section 54957.1, including the vote on abstention of each member present
- IV. PLEDGE OF ALLEGIANCE (7:00 p.m.)**
- V. INVOCATION** (Councilmember Giordano)
- VI. APPROVAL OF MINUTES** (May 15 and 16, 2007)
- VII. SCHEDULE OF MEETINGS/COUNCIL CALENDAR**
- VIII. PRESENTATIONS**

Proclamations:

Hand and Arm Therapy Public Awareness Injury Prevention Week – June 11-17, 2007
Children’s Health Day – June 7, 2007

Certificates of Commendation:

Santa Clara County Association of Realtors Essay Contest “HOMEWORDS”

- Hanna Tran – 2nd Place Winner, Thomas Russell Middle School
- Mark Schoeller, Hanna’s 7th Grade Teacher, Thomas Russell Middle School

Certificate of Appreciation:

Bill Reisinger, Commissioner and retiring Chair of the Bicycle Pedestrian Advisory Commission

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 unagendized item, 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 agendize the item for a future meeting.

- X. ANNOUNCEMENTS
- XI. ANNOUNCEMENT OF CONFLICT OF INTEREST
- XII. APPROVAL OF AGENDA
- XIII. CONSENT CALENDAR (Items with Asterisks*)
- XIV. UNFINISHED BUSINESS
 - 1. Waive First Reading of Ordinance No. 197.10, Approving the Reorganization of Parks and Recreation by Amending Section 1.00 of Chapter 3, Title VI of the Milpitas Municipal Code Related to City Departments (Staff Contact: Emma Karlen, 586-3145)
- XV. JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING
 - RA1. Call to Order by the Mayor/Chair
 - RA2. Roll Call
 - RA3. Approval of Minutes (May 15, 2007)
 - RA4. Approval of Agenda and Consent Calendar
 - RA5. Receive Progress Report and Actions on Library, East Parking Garage and Related Projects No. 8154, 8161, 8162 and 8165 (Staff Contact: Mark Rogge, 586-3403)
 - PUBLIC HEARING (ITEM RA6)**
 - RA6. Review the 2007-08 Capital Improvement Budget and the Preliminary Five Year (2007-2012) Capital Improvement Program (Staff Contact: Greg Armendariz, 586-3317)
 - *RA7. Final Acceptance of the 2007-2008 Operating Budget and Capital Improvement Program (Staff Contact: Emma Karlen, 586-3145)
 - RA8. Introduce Ordinances No. 192.20 and No. 192.21 of the City Council Regarding the Milpitas Redevelopment Agency Program to Acquire Real Property by Eminent Domain (Staff Contact: Diana Whitecar, 586-3059)
 - *RA9. Adopt Resolution Granting Initial Acceptance of the Ball Park Fence Field Extension, Project No. 5064 (Staff Contact: Greg Armendariz, 586-3317)
 - *RA10. Adopt Resolution Granting Final Acceptance of North Main Street Hazardous Materials Remediation and Demolition, HSR Incorporated, Project No. 8154 (Staff Contact: Mark Rogge, 586-3403)
 - *RA11. Adopt Resolution Granting Final Acceptance of the Sports Center Pools, Project No. 8180 (Staff Contact: Greg Armendariz, 586-3317)
 - *RA12. Adopt Resolution Granting Final Acceptance of the Coyote Creek Trail, Reach 1, Project No. 4206 (Staff Contact: Andrew Brozyna, 586-3415)
 - *RA13. Approve Certificate of Completion for Certain Residential Units within Tract No. 9698 for KB Home, Project No. 3160 (Staff Contact: Mehdi Khaila, 586-3328)

- *RA14. Approve Budget Amendment and Purchase Order to Meyers Nave for Public Works Litigation Costs (Staff Contact: Steve Mattas, 586-3040)**

RA15. Agency Adjournment

XVI. REPORTS OF OFFICERS, COMMISSIONS, AND COMMITTEES

City Council

- * 2. Approve Mayor Esteves' Recommendations for Re-Appointments to City Commission (Contact: Mayor Esteves, 586-3029)**

Bicycle Pedestrian Advisory Commission

- * 3. Receive Request from the Bicycle Pedestrian Advisory Commission for a Pedestrian Over-Crossing Study between S. Milpitas Boulevard and the Midtown District (Staff Contact: Jaime Rodriguez, 586-3335)**

Community Advisory Commission

- * 4. Adopt a Resolution Approving August 9, 2007 as "Milpitas National Night Out" (Staff Contact: Cindy Maxwell, 586-3287)**

Sister Cities Commission

- * 5. Approve Memorandum of Understanding to Continue Sister City Relationship with Dagupan, Philippines (Staff Contact: Cindy Maxwell, 586-3287)**

XVII. NEW BUSINESS

- 6. Accept Draft Valuation Report of the City's Post-retirement Medical and Dental Benefits Plan and Approve Participation in the CalPERS Pre-funding Plan (Staff Contact: Emma Karlen, 586-3145)**
- * 7. Authorize City Manager to Submit a Letter to the Governor and State Legislators Requesting Accelerated Disbursements of Proposition 1B Funding (Staff Contact: Greg Armendariz, 586-3317)**

XVIII. ORDINANCES

- 8. Introduce Ordinance 65.135 Adding Chapter 170 to Title II of the Milpitas Municipal Code Related to Required Installation of Automatic Gas Shut-Off Devices (Staff Contact: Keyvan Irannejad, 586-3244)**
- * 9. Waive Second Reading and Adopt Ordinance 43.208, an Amendment to the Traffic Code (Staff Contact: Jaime Rodriguez, 586-3335)**

XIX. RESOLUTIONS

- * 10. Adopt Resolution of Intention to Levy Assessment for Fiscal Year 2007-2008, Preliminary Approval of the Annual Engineer's Report and Providing for Notice of Public Hearing for the Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon, Project No. 9489 (Staff Contact: Mehdi Khaila, 586-3328)**
- * 11. Adopt Resolution of Intention to Levy Assessment for Fiscal Year 2007-2008, Preliminary Approval of the Annual Engineer's Report and Providing for Notice of Public Hearing for the Landscaping and Lighting Maintenance Assessment District No 95-1, McCarthy Ranch, Project No. 9474 (Staff Contact: Mehdi Khaila, 586-3328)**

- * 12. **Adopt a Resolution to Release Unclaimed Checks (Staff Contact: Dante Ong, 586-3132)**

XX. BIDS AND CONTRACTS

- * 13. **Authorize City Manager to Execute Contract Agreement with Wildlife Center of Silicon Valley for Animal Control Services (Staff Contact: Felix Reliford, 586-3071)**
- * 14. **Authorize City Manager to Execute Payment for Spay and Neuter Services to the County of Santa Clara (Staff Contact: Felix Reliford, 586-3071)**
- * 15. **Approve Amendment to Temporary Construction and Access Permit on Levin Park with County of Santa Clara, Project No. 3163 (Staff Contact: Mehdi Khaila, 586-3328)**
- * 16. **Approve Budget Appropriation for the 2007 Street Resurfacing Project, Project No. 4236, to O'Grady Paving, Inc. (Staff Contact: Andrew Brozyna, 586-3315)**
- * 17. **Award the Bid for Communications Cable Supplies to Azco (Staff Contact: Chris Schroeder, 586-3161)**
- * 18. **Approve Amendment No. 1 to the Agreement with Kimley-Horn & Associates for On-Call Traffic Engineering Services (Staff Contact: Chris Schroeder, 586-3161)**
- * 19. **Authorize City Manager to Execute Amendment No. 2 to the Agreement with RMC Water and Environment, Inc. for the Developers Water and Sewer Impact Fee Analysis and Connection Fee Update (Staff Contact: Kathleen Phalen, 586-3345)**
- * 20. **Authorize City Manager to Execute Cost Sharing Agreement with McCarthy Ranch Limited Partnership for the Main Sewage Pump Station Site Improvements, Project No. 6103 (Staff Contact: Greg Armendariz, 586-3317)**

XXI. ADJOURNMENT

SPECIAL MEETING: THURSDAY, JUNE 14, 2007, AT 6:00 P.M.

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, JUNE 19, 2007, AT 7:00 P.M.**

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, boards, councils 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 OF THE ORDINANCE, CONTACT THE OPEN GOVERNMENT SUBCOMMITTEE

at the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035

E-mail: rpioroda@ci.milpitas.ca.gov / Fax: 408-586-3030 / Phone: 408-586-3040

A free copy of the Open Government Ordinance is available from the City Clerk's Office or by visiting the City's website www.ci.milpitas.ca.gov, select Open Government Ordinance under News Features.

BECOME A CITY COMMISSIONER!

Currently, there are openings on the following Commissions:

Bicycle Pedestrian Advisory Commission

Community Advisory Commission

Economic Development Commission (rep. for Hotel Industry)

Library Advisory Commission

Mobile Home Park Rental Review Board

Planning Commission

Recycling & Source Reduction Advisory Commission

Applications are available online at www.ci.milpitas.ca.gov or outside the City Council Chambers.

Contact the City Clerk's Office (586-3003) for more information.

AGENDA REPORTS

XIV. UNFINISHED BUSINESS

1. **Waive First Reading of Ordinance No. 197.10, Approving the Reorganization of Parks and Recreation by Amending Section 1.00 of Chapter 3, Title VI of the Milpitas Municipal Code Related to City Departments (Staff Contact: Emma Karlen, 586-3145)**

Background: During the May 15, 2007 Budget Public Hearing, the City Council conceptually approved the City/Agency Proposed FY 2007-2008 Annual Budget and postponed the remaining items to tonight's agenda.

In October 2006, the City Council approved combining the Parks function (formerly of Public Works) with Recreation Division into one department. The combination of Parks Services and Recreation Services under one department will allow for improved efficiencies for the delivery of services to the community. Staff requests that the City Council now introduce and adopt an ordinance amending the Milpitas Municipal Code section related to City Departments to reflect the change.

Recommendations:

1. Waive the first reading beyond the title of the ordinance.
2. Introduce Ordinance No. 197.10, providing for the Parks and Recreation Department.

XV. JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING

RA1. Call to Order by the Mayor/Chair

RA2. Roll Call

RA3. Approval of Minutes (May 15, 2007)

RA4. Approval of Agenda and Consent Calendar

RA5. Receive Progress Report and Actions on Library, East Parking Garage and Related Projects No. 8154, 8161, 8162 and 8165 (Staff Contact: Mark Rogge ,586-3403)

Background: The Library Subcommittee met on May 22 and heard a progress report on the Library, Garage, N. Main Streetscape and related projects. Construction continues on each of these redevelopment projects as well as other N. Main Street development projects. Staff will provide a brief presentation on the progress of these projects.

Library

The contractor submitted a schedule of values, providing more detail on its bid prices. Although the schedule of values does not change the total contract amount, the information does indicate that certain items of work were included in the wrong bid item, and therefore would be charged to the wrong project. The current schedule of values places the work in the correct bid items. Since some of the bid items are charged to library related projects, staff recommends that the purchase order be adjusted to reflect the figures shown in the revised schedule of values. (See schedule of values included in the Council's packet). There are sufficient funds in the various capital improvement projects and cost plans for these purposes.

The contractor poured the concrete mat slab for the north wing, as well as foundations around the historic Grammar School. The contractor is continuing installation of reinforcing in the south wing in preparation of placement of concrete. Steel for the structure is in fabrication.

Parking Garage

Devcon Construction Inc. continues with construction of the parking garage. The contractor is in the process of installing the t, electrical, security systems and steel rails and screens. PG&E installed the electrical transformer to provide permanent electrical service to the garage.

N. Main Streetscape

Construction continues on N. Main Streetscape Phase 1, from Weller to the 237-off ramp. Traffic has been routed to the east edge of the right-of-way to allow construction along the west. Construction is being staged to maintain traffic and access.

Recommendations:

1. Authorize staff to revise the S.J. Amoroso purchase order to reflect the amounts for each line item, as shown in the schedule of values summary.
2. Receive oral progress report on the Library and Parking Garage projects.

PUBLIC HEARING (Item RA6)

RA6. Review the 2007-08 Capital Improvement Budget and the Preliminary Five Year (2007-2012) Capital Improvement Program (Staff Contact: Greg Armendariz, 586-3317)

Background: During the May 16, 2007 Budget Public Hearing, the City Council postponed the hearing of the FY 07-08 Capital Improvement Budget and Preliminary Five Year (2007-2012) Capital Improvement Program to June 5, 2007.

The City's Public Works Director/City Engineer will present the FY 07/08 Capital Improvement Budget and the Preliminary Five Year (2007-2012) Capital Improvement Program.

Recommendations:

1. Re-open the Public Hearing for any comment from the public.
2. Close the Public Hearing.
3. Move to approve the Fiscal Year 2007-08 Capital Improvement Program Budget.
4. Move to approve the Preliminary Five Year (2007-2012) Capital Improvement Program.

***RA7. Final Acceptance of the 2007-2008 Operating Budget and Capital Improvement Program (Staff Contact: Emma Karlen, 586-3145)**

Background: During the May 16, 2007 Budget Public Hearing, the City Council conceptually approved the City/Agency Proposed FY 2007-08 Annual Budget. In addition, Council requested staff to add several performance measures in the individual departments' budgets. An errata memo is included in the agenda packet, which identifies the changes that will be incorporated in the Final Operating Budget.

The published Final Budget documents will be distributed to the City Council prior to the September 4, 2007 City Council meeting.

Earlier, the Agency/Council reviewed and voted on the staff recommendation to approve the FY 2007-08 Capital Improvement Program (CIP) Budget and the Five Year Capital Improvement Program (2007-2012). Based on these actions, the recommended resolutions are submitted for the Council's approval for the Final 2007-08 Annual Budget, totaling \$128,806,631.

Recommendations: Adopt the following six resolutions:

1. Resolution of the City of Milpitas adopting the FY 2007-08 Appropriations Limit of \$60,096,261 for the City of Milpitas.

2. Joint Resolution of the Redevelopment Agency and the City of Milpitas approving the City's Final FY 2007-08 Budget of \$128,806,631, including the FY 2007-08 Capital Improvement Budget of \$8,445,000.
3. Joint Resolution of the Milpitas Redevelopment Agency and the City of Milpitas making findings following a Public Hearing for use of Redevelopment funds.
4. Resolution of the Milpitas Redevelopment Agency authorizing payments to the City of Milpitas, pursuant to the Second Amended and Restated Public Works Agreement.
5. Resolution of the Milpitas Redevelopment Agency determining that the planning and administration expenses to be funded in FY 2007-08 by the Housing Reserve Fund are necessary for the production, improvement and/or preservation of affordable housing for the low and moderate-income households.
6. Resolution of the City of Milpitas amending Resolution No. 6449, the comprehensive fee schedule.

RA8. Introduce Ordinances No. 192.20 and No. 192.21 of the City Council Regarding the Milpitas Redevelopment Agency Program to Acquire Real Property by Eminent Domain (Staff Contact: Diana Whitecar, 586-3059)

Background: Milpitas has two redevelopment project areas: Project Area No. 1, comprised of six sub-areas totaling 2,230 acres, and the Great Mall Project Area, comprised of 153 acres (see Exhibit A). In 2003, Project Area No. 1 was amended by the Eighth Amendment to increase the size of the project area by including the Midtown Added area, to extend the plan time limits, provide for eminent domain and increase the project area debt limit. The eminent domain provision applies only to the two added sub areas and not to other areas of Project Area No. 1.

The Great Mall Project Area was amended in 2001 to add two non-contiguous parcels that would allow the continued use of freestanding highway signs for the Great Mall Shopping Center. The Great Mall Project Area does not generate tax increment, nor does it provide authority for eminent domain.

In the fall of 2006, the Milpitas Redevelopment Agency approved an Amendment to fiscally merge the two redevelopment projects allowing signage along the freeway and highway corridors within the Project Areas that would otherwise be barred by the Outdoor Advertising Act. The merger of the Project Areas did not add territory to the project areas and did not alter the time or financial limits of the plans. As the merger was a fiscal amendment, the two redevelopment project areas remain separate geographic entities with individual redevelopment plans.

Senate Bill 53, which became effective in 2007, amended California Redevelopment Law and requires all redevelopment agencies to adopt an ordinance by July 1, 2007 that describes the redevelopment agency's program concerning the use of eminent domain in the acquisition of property. This requirement applies to all existing redevelopment plans adoption prior to January 1, 2007, including those that have no, or limited, use of eminent domain.

Project Area No. 1

The following statement is from Section 309 of the Amended and Restated Redevelopment Plan for Project Area No. 1 approved by Ordinance 192.11 in 2003.

“It is in the public interest and is necessary in order to execute this Plan for the power of eminent domain to be employed by the Agency to acquire real non-residential property in the Midtown Added Area only. Subject to the limitations and exceptions thereto contained in this Plan, no eminent domain proceeding to acquire non-residential property within the Midtown Added Area shall be commenced after twelve (12) years following the effective date of the ordinance approving and adopting the Eighth Amendment to this Plan. Such time limitation may be extended only by amendment of this Plan. The Agency shall not have eminent domain authority in the Existing Project Area.”

Ordinance 192.11 became effective on June 17, 2003; therefore the Agency is only authorized to use eminent domain on non-residential properties and until June 17, 2015 – twelve years after approval of the Eighth Amendment.

Great Mall Project Area

The Redevelopment Plan for the Great Mall Redevelopment Project Area does not provide the authority for eminent domain. The City is required to adopt an Ordinance indicating that in the Eminent Domain program for the Great Mall Plan there is no eminent domain authority.

Recommendations:

1. Waive the first reading beyond the title of the Ordinance No. 192.20.
2. Introduce Ordinance No. 192.20, describing the Redevelopment Agency's Eminent Domain Program for the Amended and Restated Redevelopment Plan for Milpitas Project Area No. 1 for the purpose of complying with Section 33342.7 of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; "CRL").
3. Waive the first reading beyond the title of the Ordinance No. 192.21.
4. Introduce Ordinance No. 192.21, describing the Redevelopment Agency Eminent Domain Program for the Great Mall Redevelopment Plan for the purpose of complying with Section 33342.7 of the California Community Redevelopment Law (Health and Safety code Section 33000 *et seq.*; "CRL").

***RA9. Adopt Resolution Granting Initial Acceptance of the Ball Park Fence Field Extension, Project No. 5064 (Staff Contact: Greg Armendariz, 586-3317)**

Background: This project provided for the installation of foul line fence extensions and backstops to meet ABAG (Association of Bay Area Governments) height recommendations at the Milpitas Sports Center Fields. This Project also included spectator protection facilities at the Dixon Landing Park Little League Fields. The City Council awarded the project to Central Fence Company on February 6, 2007. The project has been successfully completed and staff recommends that Council grant an initial acceptance and authorize the reduction of the contractor's faithful performance bond to 10% of the contract amount or \$9,616.38.

Recommendation: Adopt Resolution granting initial acceptance of Project No. 5064, subject to the one year warranty period and reduction of the faithful performance bond to \$9,616.38.

***RA10. Adopt Resolution Granting Final Acceptance of North Main Street Hazardous Materials Remediation and Demolition, HSR Incorporated, Project No. 8154 (Staff Contact: Mark Rogge, 586-3403)**

Background: This contract with HSR Incorporated which was initially accepted on June 6, 2006, has passed the one-year warranty period. A satisfactory final inspection has been made of the public improvements that included removal of five buildings from the North Main Street area, and abatement of various hazardous conditions and materials. Therefore, the Council may grant final acceptance and the contractor's bond may be released.

Recommendation: Adopt Resolution granting final acceptance and release of the contractor's bond with HSR Incorporated for Project No. 8154.

***RA11. Adopt Resolution Granting Final Acceptance of the Sports Center Pools, Project No. 8180 (Staff Contact: Greg Armendariz, 586-3317)**

Background: This project, which was initially accepted on May 16, 2006, has passed the one-year warranty period. A satisfactory final inspection has been made of the public improvements that included the resurfacing of the Sports Center swimming pools. Therefore, the Council may grant final acceptance and the contractor's bond may be released.

Recommendation: Adopt Resolution granting final acceptance of the Sports Center Pools, Project No. 8180, and release of the contractor's bond.

***RA12. Adopt Resolution Granting Final Acceptance of the Coyote Creek Trail, Reach 1, Project No. 4206 (Staff Contact: Andrew Brozyna, 586-3415)**

Background: This project, which was initially accepted on March 7, 2006, has passed the one-year warranty period. A satisfactory final inspection has been made of the public improvements that include a new pedestrian and bicycle trail, with trail amenities, along Coyote Creek that extend from North McCarthy Boulevard at Coyote Creek to the Ranch Drive cul-de-sac. Therefore, the Council may grant final acceptance and the contractor's bond may be released.

Recommendation: Adopt Resolution granting final acceptance of Coyote Creek Trail Reach 1, Project No. 4206 and release of the contractor's bond.

***RA13. Approve Certificate of Completion for Certain Residential Units within Tract No. 9698 for KB Home, Project No. 3160 (Staff Contact: Mehdi Khaila, 586-3328)**

Background: On January 18, 2005, the City of Milpitas Redevelopment Agency and KB Home South Bay, Inc., entered into a Disposition and Development Agreement (DDA) concerning the residential development, Terra Serena, north and east of the county's Elmwood Correctional Facility. The recorded grant deed, which conveyed the subject real property from the Agency to KB Home, requires that the Redevelopment Agency issue a Certificate of Completion upon the completion of the infrastructure improvements in accordance with the DDA. Certain improvements have been satisfactorily completed to serve certain residential units as shown on the Certificate of Completion, and therefore occupancy may be granted to only those housing units.

Recommendation: Authorize the Agency Executive Director to execute the Certificate of Completion, pertaining to certain residential units (described on the Certificate of Completion document), for KB Home Terra Serena Project No. 3160, subject to approval of the City Attorney as to form.

***RA14. Approve Budget Amendment and Purchase Order to Meyers Nave for Public Works Litigation Costs (Staff Contact: Steve Mattas, 586-3040)**

Background: Upon receipt of \$4,500,000 as part of the City Hall litigation settlement, the City Attorney has assembled the outstanding fees and direct costs associated with the litigation. To pay these fees and costs, it is necessary to augment the approved City Attorney Department budget for this fiscal year by \$125,000. The outstanding amounts include attorney's fees, expert witness fees, discovery costs including transcripts, deposition fees, exhibit preparation fees, photocopy and travel reimbursement costs. The additional funds authorized herein plus existing funding within the City Attorney Department approved budget will cover all remaining City Hall litigation costs.

Recommendation: Move to approve a Budget Amendment to add \$125,000 to the City Attorney's Department Budget for Fiscal Year 2006-2007 from the Redevelopment Agency Undesignated Reserve Funds and approve a purchase order to Meyers Nave in the amount of \$125,000 for fees and costs associated with the City Hall litigation.

RA15. Agency Adjournment

XVI. REPORTS OF OFFICERS, COMMISSIONS, AND COMMITTEES

City Council

- * 2. **Approve Mayor Esteves' Recommendations for Re-Appointments to City Commission (Contact: Mayor Esteves, 586-3029)**

Background: Mayor Esteves recommends the following Milpitas residents be re-appointed:

Library Advisory Commission:

Re-appoint Carmen Montano to a term that expires in June 2009.

Re-appoint Sonny Wang to a term that expires in June 2009.

Recommendation: Move to approve two Library Commission re-appointments.

Bicycle Pedestrian Advisory Commission

- * 3. **Receive Request from the Bicycle Pedestrian Advisory Commission for a Pedestrian Over-Crossing Study between S. Milpitas Boulevard and the Midtown District (Staff Contact: Jaime Rodriguez, 586-3335)**

Background: During the April 9, 2007 meeting of the Milpitas Bicycle Pedestrian Advisory Commission (BPAC), the Commission requested staff to forward a recommendation to the City Council to include a Capital Improvement Project (CIP) project in FY 2007-08 to study and identify an appropriate location for the construction of a pedestrian over-crossing to link the industrial business parks on the west side of Milpitas Blvd. to the Midtown District/Great Mall. The City had a grant project in 2002 to study, design and construct a pedestrian over-crossing in this location but was unable to build community support from the business owners west of Milpitas Blvd. to provide an easement dedication to allow for the construction of the project. The City returned the grant funding in 2004 because the project was identified as non-feasible.

The City is currently working with the Santa Clara Valley Transportation Authority (VTA) to identify areas where a pedestrian/bicycle access between the Piper Drive-Montague Expressway area of the Transit Area Plan and the Great Mall can be provided via a bridge over the future retained-cut alignment of the BART project.

Recommendation: Receive request from the Bicycle Pedestrian Advisory Commission for a Pedestrian Over-Crossing Study between S. Milpitas Blvd. and the Midtown District.

Community Advisory Commission

- * 4. **Adopt a Resolution Approving August 9, 2007 as "Milpitas National Night Out" (Staff Contact: Cindy Maxwell, 586-3287)**

Background: National Night Out is a program that encourages residents to gather at neighborhood block parties and become better acquainted with their neighbors. National Night Out is a coordinated effort between Police and community members to form a partnership in order to learn better how to prevent crime in neighborhoods. This year marks the 23rd Annual National Night Out sponsored by the National Association of Town Watch (NATW).

The NATW designates National Night Out as the first Tuesday of August. Since the Milpitas City Council meets on the first Tuesday of the month, and members of the City Council typically attend the neighborhood block parties, Milpitas' past National Night Out celebrations have been held the following Thursday.

On May 2, 2007, the Community Advisory Commission recommended the City Council designate Thursday August 9, 2007, as "Milpitas National Night Out."

Recommendation: Adopt a Resolution approving Thursday, August 9, 2007 as “Milpitas National Night Out.”

Sister Cities Commission

- * **5. Approve Memorandum of Understanding to Continue Sister City Relationship with Dagupan, Philippines (Staff Contact: Cindy Maxwell, 586-3287)**

Background: The Memorandum of Understanding (MOU) establishing a Sister City relationship between the City of Milpitas and Dagupan City was executed in April 2005 for a two-year term. On May 24, 2007, the Sister City Commission recommended that the existing Memorandum of Understanding (MOU) be extended to June 2009 so the Sister City relationship with Dagupan City may continue for another two years.

Student delegates from Dagupan City visited Milpitas in May 2006. Benjamin Lim, Mayor of Dagupan, visited in June 2006. A Milpitas delegation to Dagupan City, scheduled for February 2007, was canceled primarily due to security concerns in the Philippines. The MOU does not propose a specific number of visitor exchanges between the cities.

Recommendation: Approve the draft Memorandum of Understanding continuing a Sister City relationship with Dagupan City, Philippines.

XVII. NEW BUSINESS

- 6. Accept Draft Valuation Report of the City’s Post-retirement Medical and Dental Benefits Plan and Approve Participation in the CalPERS Pre-funding Plan (Staff Contact: Emma Karlen, 586-3145)**

Background: Beginning in FY 2007-08, Statement No. 45 issued by the Government Accounting Standards Board (GASB 45) requires governmental agencies to accrue retiree medical benefits expenses and display any shortfall of funding on its financial statements. In anticipating compliance with GASB 45, the City has included funding of retiree medical benefits in its FY 2007-08 operating budget. The proposed funding is approximately \$1.9 million or 5% of payroll next year.

GASB 45 also requires an actuarial study be updated every two years and that the funding be deposited in a fund that cannot be touched by general creditors. The trust fund is irrevocable meaning that the money cannot be used for any purposes other than for payment of retiree medical benefits.

The City entered into a contract with Nicolay Consulting Group to perform the actuarial study. The results of the draft valuation report show that the City’s unfunded liability as of July 1, 2007 is \$36.4 million. The unfunded liability amount is the amount that the City should have funded for retiree medical benefits that were already earned by the retirees and active employees.

There are several organizations or commercial banks that offer pre-funding plans that can be set up as a trust account to meet the requirements of GASB 45. Recently, CalPERS also came out with a pre-funding trust plan. Staff compared these various plans with the CalPERS Trust Plan and found the CalPERS Trust Plan to be more advantageous for several reasons. CalPERS is a known entity with vast experience in investment and administration of pension plans. Due to the size of the investment portfolio and longer investment horizon, CalPERS was able to diversify its investments and achieve a high average investment yield. CalPERS assumption is 7.75% average investment yield but had exceeded that percentage consistently in the past. Fees are also lower than other plans due to economy of scale. Staff recommends entering into an agreement with CalPERS to participate in their Prefunding Plan.

Upon execution of an agreement which needs to be approved by both the City Council and CalPERS Board, staff recommends that the Council approve one of the two following funding options:

- 1) Immediately deposit \$4,140,884 in the CalPERS Prefunding Plan to reduce the unfunded liability to \$32.2 million. Future annual funding amount is approximately 7.5% of payroll. The \$4.14 million is money that has been set aside in the General Fund reserve for the specific purpose of retiree medical benefits.
- 2) Immediately deposit \$9,496,160 in the CalPERS Prefunding Plan to reduce the unfunded liability to \$26.9 million. Future annual funding amount is approximately 6.7% of payroll. In addition to the \$4.14 million that has been set aside for retiree medical benefits, the Council has previously designated in the General Fund reserve approximately \$5.6 million for accrued sick leave and vacation leave payable. The designated amounts remain stable over the years. Historically, the General Fund budgeted sufficient money annually to pay for sick leave and vacation leave cashouts without using any of the designated reserves.

Staff's recommendation is to deposit the \$9.5 million in the Prefunding Plan with CalPERS to reduce the unfunded liability. Any accumulated assets deposited in the pre-funding plan can potentially generate investment earnings at an average yield of 7.75% to further reduce future annual contribution. Currently, the City investment portfolio yield is less than 4%.

Recommendations: City Council is requested to move the following actions:

1. Accept the Draft Actuarial Valuation Report of the City's Postretirement Medical and Dental Benefits Plan.
2. Adopt and Execute the Agreement and Election to Prefund Other Post Employment Benefits with CalPERS.
3. Approve the funding option of depositing \$9,496,160 in the Prefunding Plan upon execution of the Agreement with CalPERS.
4. Delegate the City Manager and the Finance Director as the City's representatives to request disbursements from the Prefunding Plan.

- * 7. **Authorize City Manager to Submit a Letter to the Governor and State Legislators Requesting Accelerated Disbursements of Proposition 1B Funding (Staff Contact: Greg Armendariz, 586-3317)**

Background: The current Governor's proposed budget includes \$600 million for local streets and roads, split evenly between cities and counties in FY 2007-08, \$300 million split evenly for FY 2008-09 and \$150 million split evenly each year beyond that until the \$2 billion Proposition 1B funds are expended. Both the State Senate and Assembly budget committees will make their recommendations for allocating these funds in the next few weeks.

Cities and Counties are all experiencing dramatic increases in paving costs resulting in less streets being paved in the foreseeable future. Cities and Counties are requesting the Governor and the State Legislature to accelerate the disbursements of Proposition 1B funding to a \$1 billion appropriation in FY 2007-2008.

Milpitas and other cities can put this money to use immediately for street pavement resurfacing. Delays in receiving funds will result in devaluation of purchasing power of the State Proposition 1B bonds due to continued construction cost increases.

Recommendation: Authorize the City Manager to submit a letter to the California Governor and State Legislators requesting accelerated disbursements of Proposition 1B Funding for FY 2007-08.

XVIII. ORDINANCES

8. **Introduce Ordinance 65.135 Adding Chapter 170 to Title II of the Milpitas Municipal Code Related to Required Installation of Automatic Gas Shut-Off Devices (Staff Contact: Keyvan Irannejad, 586-3244)**

Background: On May 1, 2007, the City Council made a motion to request that staff prepare an ordinance to require installation of Automatic Gas Shut-off devices on gas lines serving new buildings, as recommended by the Milpitas Citizens Emergency Preparedness Advisory Commission (CEPAC).

The proposed ordinance is included in the agenda packet and staff requests that the City Council waive the first reading and introduce the new ordinance.

Recommendations:

1. Waive the first reading beyond the title of Ordinance No. 65.135.
 2. Introduce Ordinance Number 65.135, enacted as Chapter 170, Title II of the Milpitas Municipal Code to require the installation of Excess Flow Gas Shut-Off Devices (non-motion sensitive) or Seismic Gas Shut-Off Devices that are activated by motion in new construction.
- * 9. **Waive Second Reading and Adopt Ordinance 43.208, an Amendment to the Traffic Code (Staff Contact: Jaime Rodriguez, 586-3335)**

Background: Traffic Ordinance No. 43.208 was initiated by staff upon completion of an Engineering and Traffic Survey study on Yosemite Drive between Sinclair Frontage Rd and Milpitas Boulevard. The City prepares these studies to determine the appropriate speed limits on streets. City Council action is required whenever a survey recommends rezoning of speed zone boundaries or modifications to the posted limits of a street.

The purpose of this ordinance is to change and document the posted speed limit on the street listed below to make it more consistent with existing traffic patterns.

Street	Speed Zone Segment	Existing Speed Zone Segment	Proposed Speed Limit
Yosemite Drive.	Sinclair Frontage Road to Milpitas Boulevard	40-MPH	35-MPH

The first reading and introduction of this ordinance occurred at the May 15, 2007 City Council meeting.

Recommendations:

1. Waive the second reading of the Ordinance.
2. Adopt Traffic Ordinance No. 43.208, an Amendment to the Traffic Code.

XIX. RESOLUTIONS

- * 10. **Adopt Resolution of Intention to Levy Assessment for Fiscal Year 2007-2008, Preliminary Approval of the Annual Engineer's Report and Providing for Notice of Public Hearing for the Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon, Project No. 9489 (Staff Contact: Mehdi Khaila, 586-3328)**

Background: Landscaping and Lighting Maintenance Assessment District (LMD) No. 98-1 provides for servicing and maintaining the public landscaping along Sinclair Frontage Road, Los

Coches Creek and Berryessa Creek abutting the Sinclair Horizon residential subdivision. On May 15, 2007, the City Council directed the City Engineer to prepare an annual engineer's report for LMD 98-1. It is now necessary for the Council to preliminarily approve the Annual Report and set the date of June 19, 2007 for a public hearing. Upon conclusion of the public hearing on June 19, 2007, and subsequent City Council approval of the Annual Engineer's Report, the assessment for the work will be added to the tax bills for those property owners included within the boundaries of the District.

Recommendation: Adopt Resolution of Intention to Levy Assessment for Fiscal Year 2007-2008, preliminarily approving the Annual Engineer's Report and providing for Notice of Public Hearing for Landscaping and Lighting Maintenance Assessment District No. 98.1.

- * 11. **Adopt Resolution of Intention to Levy Assessment for Fiscal Year 2007-2008, Preliminary Approval of the Annual Engineer's Report and Providing for Notice of Public Hearing for the Landscaping and Lighting Maintenance Assessment District No 95-1, McCarthy Ranch, Project No. 9474 (Staff Contact: Mehdi Khaila, 586-3328)**

Background: Landscaping and Lighting Maintenance Assessment District (LMD) No. 95-1, provides for servicing and maintaining the public landscaping and additional lighting along North McCarthy Boulevard and Ranch Drive Gateway Improvements. On May 15, 2007, the City Council directed the City Engineer to prepare an annual engineer's report for LMD 95-1. It is now necessary for the Council to preliminarily approve the Annual Report and set the date of June 19, 2007 for a public hearing. Upon conclusion of the public hearing on June 19, 2007, and subsequent City Council approval of the Annual Engineer's Report, the assessment for the work will be added to the tax bills for those property owners included within the boundaries of the District.

Recommendation: Adopt a Resolution of Intention to Levy Assessment for Fiscal Year 2007-2008, preliminarily approving the Annual Engineer's Report and providing for Notice of Public Hearing for Landscaping and Lighting Maintenance Assessment District No. 95.1.

- * 12. **Adopt a Resolution to Release Unclaimed Checks (Staff Contact: Dante Ong, 586-3132)**

Background: According to City of Milpitas Standard Operating Procedure No. 26-1, which conforms with California Government Code Section No. 50055, unclaimed checks of less than \$15, or any amount if the depositor's name is unknown, which remain unclaimed for more than one year may be transferred to the General Fund by the City Council. In the agenda packet is a list of unclaimed checks of less than \$15, which remain unclaimed for more than one year.

Recommendation: Adopt a resolution to transfer a total of \$143.89 unclaimed checks, per the prepared list, to the General Fund in accordance with Standard Operating Procedure No. 26-1.

XX. BIDS AND CONTRACTS

- * 13. **Authorize City Manager to Execute Contract Agreement with Wildlife Center of Silicon Valley for Animal Control Services (Staff Contact: Felix Reliford, 586-3071)**

Background: Since the establishment of the previous Cost Sharing Agreement in October 1993, cities within Santa Clara County have received animal wildlife services free of charge from the Wildlife Center of Silicon Valley (WCSV). In providing service to the City, wildlife animals were dropped off at the Humane Society and held until the Wildlife Center staff transported them to its center for care and treatment. The animals were then released back into the wild.

Because of the lack of funding, the Wildlife Center of Silicon Valley's Board of Directors decided years ago (effective September 1, 1999), to eliminate free services to those cities that have chosen

not to pay for them. Contracts from cities represent only 17% of WCSV budget; the balance is obtained from grants, memberships and fundraising venues.

Each City bears its proportionate share of the cost of the rehabilitation services. The Wildlife Center received over 200 animals from Milpitas residents in the past year. The total cost of these services has not changed from last year, at \$6,336.

Included in the Council's agenda packet are the contract agreement and a letter from the Wildlife Center of Silicon Valley.

Recommendation: Authorize the City Manager to execute a contract agreement with Wildlife Center of Silicon Valley to provide wildlife services in the amount not-to-exceed \$6,336, subject to approval as to form by the City Attorney.

*** 14. Authorize City Manager to Execute Payment for Spay and Neuter Services to the County of Santa Clara (Staff Contact: Felix Reliford, 586-3071)**

Background: The City of Milpitas Spay and Neuter Voucher Program was discontinued on June 30, 2005. Over the past five years, the City has contracted with the City of San Jose to provide animal control services. The City of San Jose only provides spay and neuter services for cats and does not provide this service for dogs. Some Milpitas residents were unaware that these services (spay and neuter for cats) are being provided by the City of San Jose and have received these services from the County of Santa Clara.

The County of Santa Clara has sent the City a bill for \$2,290 for the period July 1, 2006 to December 31, 2006, for the sixty-six (66) Milpitas residents whose pets received spay and neuter services. Of the 66 Milpitas residents whose pets used these services, only four residents requested spay and neuter for their dogs, while the remaining 62 residents requested services for their cats.

In the future, staff will place an ad in the Milpitas Post informing and reminding Milpitas residents that the City of Jose can provide spay and neuter services for their cats.

Sufficient funds to reimburse the County for these services can be paid from the Neighborhood Preservation budget. Included in the Council's agenda packet is the letter from the County of Santa Clara requesting the reimbursement and the chart illustrating the number of Milpitas residents that have used the spay and neuter services during this time period.

Recommendation: Authorize the City Manager to execute the payment of \$2,290 to the County of Santa Clara for spay and neuter services.

*** 15. Approve Amendment to Temporary Construction and Access Permit on Levin Park with County of Santa Clara, Project No. 3163 (Staff Contact: Mehdi Khaila, 586-3328)**

Background: City Council, at its December 6, 2005 meeting, approved an agreement for the sale of a Waterline Easement and the Temporary Construction and Access Permit with the County of Santa Clara to accommodate the installation of a waterline on Ed Levin Park, which will serve Spring Valley Heights Association (SVHA). An amendment to the subject agreement is required by the County to permit Spring Valley Heights' contractor to stage its equipment and material on Ed Levin Park. The Spring Valley Heights Association (SVHA) is required under a separate agreement with the City to comply with the City/County agreement and this amendment, more specifically with County's requirements for staging equipment and material on the County's property.

Recommendation: Authorize the City Manager to execute the amendment with County of Santa Clara regarding the access to waterline at Ed Levin Park for the Spring Valley Heights residents, subject to the approval of the City Attorney as to form.

- * 16. **Approve Budget Appropriation for the 2007 Street Resurfacing Project, Project No. 4236, to O’Grady Paving, Inc. (Staff Contact: Andrew Brozyna, 586-3315)**

Background: The City Council awarded the 2007 Street Resurfacing Project to O’Grady Paving, Inc. on April 17, 2007, and construction is underway. The project consists of pavement resurfacing and of roadway reconstruction of a number of streets selected from the City’s Pavement Management System. Completion of this work is anticipated by September 2007.

Staff recommends a budget appropriation of \$95,000 (or 10% of the contract amount) as a contingency for contract change orders, in order to address unforeseen extra work. As the resurfacing work proceeds, it is cost effective to include additional areas of resurfacing where continued deterioration has increased the project work scope.

Sufficient funds for this appropriation are available in the Street Fund.

Recommendation: Approve a budget appropriation of \$95,000 from the Street Fund for the Street Resurfacing Project No. 4236 to O’Grady Paving.

- * 17. **Award the Bid for Communications Cable Supplies to Azco (Staff Contact: Chris Schroeder, 586-3161)**

Background: On May 8, 2007 staff went out to bid for Communications Cable Supplies. Purchasing worked with Traffic Engineering staff to develop specifications for the bid, which were sent to six regional and Bay Area Communications Cable Suppliers on Purchasing’s bidders list. In addition, the bid was advertised in the Milpitas Post and on the City’s website.

Three bids were received and are summarized below:

<u>Bidder</u>	<u>Total Bid</u>
Azco	\$55,073.03
Arrow	\$55,135.34
Realm	\$55,769.18

Sufficient funding has been allocated in the Capital Improvement Project budget for this purchase from the following projects:

CP4237 – Traffic Management 2007
CP8093 – Telecommunications Infrastructure
CP8143 – N Main St Utility Improvements

Recommendation: Award the bid for Communications Cable Supplies to Azco for the not-to-exceed amount of \$55,073.03.

- * 18. **Approve Amendment No. 1 to the Agreement with Kimley-Horn & Associates for On-Call Traffic Engineering Services (Staff Contact: Chris Schroeder, 586-3161)**

Background: The City of Milpitas conducted consultant interviews in November 2005 to create a candidate list of consultants to use for various engineering projects. Kimley-Horn & Associates was identified as one of the qualified traffic engineering consulting firms. Kimley-Horn and Associates had demonstrated extensive experience in completing traffic studies and design, including traffic signal interconnect and traffic management projects. An On-Call Service contract was set up to provide additional staff support on projects and it expires on June 30, 2007.

Kimley-Horn and Associates is currently working on several minor traffic projects and continues to provide support for ongoing capital projects, including the Milpitas Communications Enhancement project for which it was the lead design firm. Staff proposes to amend the contract to accommodate the completion of these projects.

Amendment No. 1 will extend the term of the contract to June 30, 2008 and increase the total compensation under the contract from \$100,000 to a maximum of \$125,000.

Funding for this work is available through the Traffic Engineering – Contractual Services budget.

Recommendation: Approve Amendment No. 1 to the Kimley-Horn and Associates contract, subject to approval as to form by the City Attorney, and authorize an increase in the not to exceed amount to a maximum compensation of \$125,000.

* 19. **Authorize City Manager to Execute Amendment No. 2 to the Agreement with RMC Water and Environment, Inc. for the Developers Water and Sewer Impact Fee Analysis and Connection Fee Update (Staff Contact: Kathleen Phalen, 586-3345)**

Background: On November 8, 2006, Council approved a consultant agreement with RMC Water and Environment, Inc. to perform a Developers Utility Impact Fee Analysis and Connection Fee Update study. Council amended the Agreement on March 6, 2007 to revise the land use designations in the City's sewer and water distribution system models, update sewer and water impact fees, and review the treatment plant fee rate structures for adequate cost recovery. Staff is now recommending that the Council approve a second amendment to the agreement for additional water and sewer flow and impact analyses. This additional work will integrate the earlier findings to update the City's Water and Sewer Master Plan flow and capacity projections, thereby improving the cost-effectiveness of the City's infrastructure and capacity planning.

The City's 2002 Water Master Plan and 2004 Sewer Master Plan are intended to guide the City's utility infrastructure improvement and source and treatment capacity acquisition planning through the year 2018. The analysis was based on the planned land usage known in June 2001, including the Midtown Specific Plan. Subsequent projects, including the Transit Area Specific Plan and numerous smaller General Plan Amendments, have significant impact on future land use assumptions. In addition, several large industrial water and sewer customers changed operations or left Milpitas after 2001, thereby reducing demand on the City's utility services. Quantifying and adjusting for these various impacts will improve the usefulness of the Master Plans for their remaining planning horizon.

The scope of work of the second amendment to the agreement consists of:

- (1) Using the City's hydraulic models to analyze impacts from the new projects on upstream and downstream infrastructure, the Santa Clara Valley Water District turnout capacity, and the Milpitas pressure reducing valves capacity;
- (2) Defining the recycled water supply and infrastructure needed for the Transit Area Specific Plan; and
- (3) Determining the amount that large industrial water customers have permanently reduced water and sewer use through changed ownership or operations and quantifying the impact on the City's need for treatment, and distribution and collection system capital improvements, and upon cost and revenue assessments.

The cost of amendment No. 2 is \$131,470. Approving this amendment brings the total Agreement not to exceed value to \$180,062. There is sufficient funding in the Engineering Department operations budget to pay this cost. RMC wrote the City's Water and Sewer Master Plans,

developed the City's hydraulic models, and has reviewed other water and sewer fees for the City, and so is well qualified to conduct this work.

Recommendation: Authorize the City Manager to execute Amendment No. 2 to the Consultant Agreement with RMC Water and Environment, Inc. for the developers water and sewer impact fee analysis and connection fee update for the cost not to exceed \$131,470.

* 20. **Authorize City Manager to Execute Cost Sharing Agreement with McCarthy Ranch Limited Partnership for the Main Sewage Pump Station Site Improvements, Project No. 6103 (Staff Contact: Greg Armendariz, 586-3317)**

Background: In October 2006, the City Council approved execution of a land exchange agreement with McCarthy Ranch Limited Partnership ("McCarthy") in the vicinity of the main sewage pump station. The land exchange resulted in City acquisition of the property that separated the pump station from North McCarthy Boulevard. This acquisition facilitated the construction of the new Main Sewage Pump Station which is now underway, and allowed for a new permanent driveway into the pump station site to improve access and circulation.

Lands along North McCarthy Boulevard are almost all served by underground electrical services. However, the service to the main sewage pump station remains an overhead one. The overhead lines continue beyond the pump station and over McCarthy property to serve the street lighting and landscape irrigation systems for McCarthy Boulevard. The land exchange agreement contained a provision to pursue the opportunity to jointly underground these overhead electrical lines. Removal of the lines will benefit both parties through removal of overhead and underground obstructions, elimination of PG&E line clearance requirements, removal of restrictions on tree and landscape plantings near the lines and poles, improved site access, aesthetic improvement, and consistency with adjacent properties.

A cost-effective opportunity has been identified to remove overhead lines from the pump station northward to the current service cabinet, and to underground this service along the McCarthy Boulevard frontage within an existing easement. Related inactive overhead lines can also be removed. Total cost is expected to be approximately \$82,450. McCarthy is willing to contribute a pro-rata share of the total cost, calculated at \$41,225.

Secondly, implementation of the land exchange has created new parcel perimeters. The resulting new property corners should be set by a licensed surveyor and a record of survey prepared. This work will cost approximately \$3,600. McCarthy is willing to share half the cost of this effort, which will benefit both the City and McCarthy parcels.

A Cost Sharing Agreement (in the agenda packet) has been prepared to formalize a cost-sharing arrangement between the City and McCarthy. The Agreement covers both the undergrounding work and the survey work resulting from the land exchange. Staff recommends that the City Council authorize the City Manager to execute the Cost Sharing Agreement and to apply the cost reimbursements received from McCarthy to Project No. 6103, construction of the Main Sewage Pump Station.

Recommendation: Authorize the City Manager to execute the Cost Sharing Agreement, subject to approval as to form by the City Attorney, and appropriate reimbursements received from McCarthy Ranch Limited Partnership to the Main Sewage Pump Station, Project No. 6103.

XXI. ADJOURNMENT

**SPECIAL MEETING
THURSDAY, JUNE 14, 2007, AT 6:00 P.M.**

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, JUNE 19, 2007, AT 7:00 P.M.**