2009-2010 Budget & Financial Plan

PROPOSED BUDGET

New 60,000 square foot Milpitas Public Library renovated from the historic Milpitas Grammar School

City of Milpitas

CALIFORNIA

2009-2010 Proposed Budget

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CITY OF MILPITAS
455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479 www.ci.milpitas.ca.gov

May 1, 2009

Honorable Mayor and City Council
City of Milpitas
Milpitas, California 95035

Members of the City Council:

Submitted for your review and approval is the Proposed Annual Budget for Fiscal Year 2009-2010. This budget includes the City's operating and capital improvement budget, the Redevelopment Agency's activities and the City's water and sewer utility operations.

This budget has been developed to assist the City Council in the achievement of its vision for Milpitas and to ensure the delivery of quality, timely, and cost effective services to the community while continuing to meet fiscal challenges in the most professional and responsive manner. Consequently, it is appropriate to begin this discussion of the budget with a review of the City Council's primary policies.

Policy Direction

The Fiscal Year 2009-10 ("FY 09-10") budget was developed to incorporate the following City Council's priorities and policy direction:

- Continue to improve and provide a high level of vital public services to the community in the most effective way
- Evaluate and review all City functions to eliminate duplications and achieve cost efficiencies
- Work towards becoming a recession-resistant City by developing and implementing fiscal strategies to ensure against economic uncertainties and long-term budget structural deficit
- Initiate economic development strategies that will recruit and retain businesses in the City
- Focus on Redevelopment projects that will provide for the economic stability of the community and implementation of the Midtown Specific Plan and Transit Area Plan
- Encourage commercial and residential development focused in the Midtown and Transit areas that will center on the new light rail system and the future BART system to alleviate traffic congestion
- Develop employee training program for succession planning and next generation leaders

The following Budget Highlight section describes how staff has implemented the Council's policy direction through the budget. In January 2008, the City Council approved the goals and objectives of a Long-Term Strategic Plan. In addition to reaffirming the Council's priorities stated above, staff identified the challenges and opportunities of long term residential and commercial

growth and the related impacts on service demands. The first objective of the Plan was to complete a Compensation study that compares the total salary and benefits package of each employee classification with other neighboring cities. The Total Compensation Study provided guidance to the management team in further developing an approach to a Total Compensation Program. The second objective was to focus on development opportunities in the Midtown and Transit areas. The City Council adopted the Transit Area Specific Plan in June 2008. The Plan envisions development of approximately 7,100 new homes and 1.4 million square feet of commercial space in the next twenty five years. The City also established a new Community Facilities District in the Transit Area to ensure that funding for vital community service will be available and that services will be maintained at a high level. The adoption of the Transit Area Specific Plan and the Community Facilities District laid the groundwork for future development.

In March and April 2009, staff provided an overview of the Five Year Capital Improvement Plan and the FY 09-10 Proposed Operating Budget to the Finance Subcommittee. The Subcommittee accepted staff's recommendations to address the FY 09-10 General Fund budget shortfall and approved moving forward of both the Five Year Capital Improvement Plan and the Proposed Operating Budget to the full City Council for the Budget Hearing meeting in May. Both the Finance Subcommittee and the Budget Hearing meetings are scheduled with advance public notices to ensure public participation.

BUDGET HIGHLIGHT

The FY 09-10 Proposed Operating Budget was developed to address the fiscal challenges faced by the City. Staff anticipated that General Fund revenues will decrease about 5.7% compared to the FY 08-09 original revenue projection and approximately 3.4% decrease compared to the FY 08-09 revised revenue projection. The proposed expenditures decrease of approximately 3.7% from the FY 08-09 budget is primarily due to defunding nine additional vacant positions and final payment of the 2000 Technology Certificates of Participation in FY 08-09. The City continues to use attrition as a cost saving strategy. In FY 09-10, 93.5 vacant positions, approximately 19% of the 498.5 authorized positions will not be funded. Limited by resources, the Proposed FY 09-10 Operating and Capital Budgets were prioritized to provide services that are most cost effective and beneficial to the community and capital improvement projects that will bring economic stability to the City. Some significant highlights from the budget are described below:

- Balance the General Fund budget without any program cuts and without using any General Fund reserves.
- Increase work efficiencies by utilizing online technology to save time and costs. For example, citizens can apply for basic building permits and schedule building inspection appointments online thus providing convenience to the public and saving staff processing time at the counter. Similarly, citizens can view and pay utility bills online and bid on City's surplus properties online thus freeing up some of the staff's time to perform other duties.
- Continue to look for opportunities for grants, developers' fees and outside agencies' funding to finance several capital improvement projects. The Light Rail Median Landscaping, Alviso Adobe Renovation and Hwy 237/I-880 Interchange projects are examples of using outside agencies' funding to leverage capital improvement financing.
- Continue to monitor fee adjustments and fee structure to ensure that customer service revenues keep up with costs. The Proposed Budget recommend fee adjustments for several operating departments to offset cost increases over the last few years.
- Continue funding the annual required contribution for retiree medical benefits to systematically reduce the outstanding unfunded liability. The City is one of the first few

cities that began pre-funding through an irrevocable trust account established with the California Public Employees Retirement System ("CalPERS").

- Careful evaluation of infrastructure and programming needs in the Five-year Capital Improvement Program to fund and deliver the Council's highest priority projects. These projects will include construction of major infrastructure and street improvement such as the Hwy 237/I-880 Interchange and Light Rail Median Landscaping. These projects are centered in the Midtown area and are prioritized to encourage commercial and residential development that will provide economic stability in that area.
- Address the needs of maintaining traffic and road conditions by funding a capital Improvement project for street resurfacing in the amount of $2 million.
- Retain and recruit businesses in the City. It is anticipated that a Honda car dealership will open in the fall of 2009. Other economic development programs that are on-going include the Business Cooperation Program that will increase sales or use tax revenue to the City, business outreach to the hotel industry, advertising in the San Jose Airport and consideration of several Freeway signs for business advertisements.
- Continue to stabilize the General Fund expenditure and revenue in order to maintain a high "AA" general credit rating.

BUDGET OVERVIEW

The total Proposed Budget for FY 2009-10 is $147,981,691. This is a 2.2% decrease from the FY 2008-09 Annual Budget. Excluding the City's FY 09-10 Capital Improvement Budget, the total operating budget is $128,317,142, a 2.6% increase from last year. The total budget includes the City's Water and Sewer Utility enterprise budgets of $18,167,242 and $14,048,913 respectively. It also includes the City's Redevelopment Agency ("RDA") budget of $26,172,898. The total budget for capital improvements for FY 09-10 is $19,664,549. A separate Capital Improvement Program ("CIP") budget document is produced annually that provides a detailed description of each project. The CIP document includes all projects for the budget year as well as profiling anticipated community needs over the subsequent four years. A summary of each project description and funding requirement can be found on pages 163 through 175 of this document.

The General Fund budget is $69,940,669, a decrease of 3.7% compared to FY 2008-09. Salaries and Benefits show a decrease of 1.9% from last year due to defunding of nine additional vacant positions. The Salaries and Benefits budget includes negotiated salary increases of approximately 2%, anticipated increase of medical insurance premium of 10% in January 2010, and required annual contribution for retiree medical benefits of approximately 7% of payroll. Employer pension contributions as a percentage of payroll are about the same as FY 08-09. The employer contribution percentages for FY 09-10 are 14.585% and 21.683% for the Miscellaneous Employees group and Public Safety Employees group respectively.

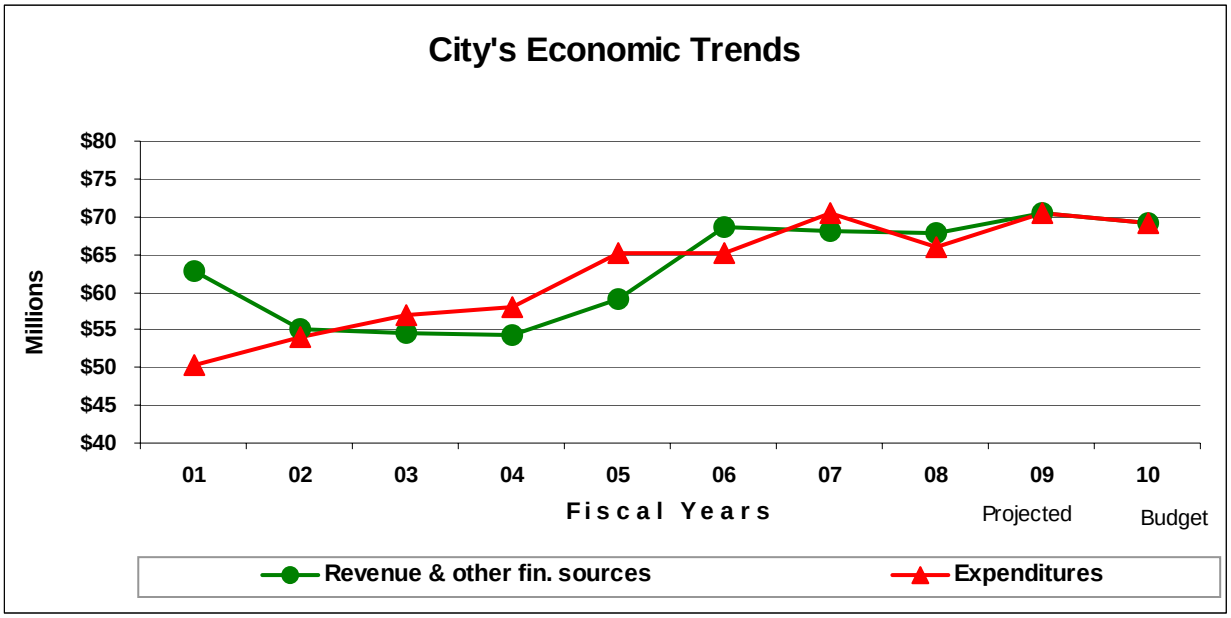
General Fund services and supplies budget for FY 09-10 decreased 1.9% compared to last year primarily due to prioritizing spending on contractual services and supplies for various departments and allocation of about $250,000 fuel costs to the Water Fund based on analysis of the actual usage.

The Proposed FY 09-10 General Fund budget anticipates an overall decrease of 6.1% in revenue and other financing sources compared to the FY 08-09 original estimate. Similar to other parts of the country, local economy has been impacted by sub-prime mortgages, decline of the housing market and meltdown of the financial industry. The economic outlook is not encouraging in the short term especially when the City has been challenged with structural budget deficits since early this decade. Due to the dot-com bust affecting local economy,

General fund revenue experienced significant decreases between FY 2002 and 2004. Expenditures however continued to increase thus created a situation where expenditures began to outpace revenue growth. The recent economic recession further exacerbated the gap between the General Fund revenues and expenditures. To resolve the structural deficit issue, the City implemented strategies such as prioritizing services, holding vacant positions unfunded, cross-training of employees, and reorganization. Simultaneously, the City initiated strategies to increase revenues such as business outreach to retain and recruit businesses, freeway signs for business advertisements, and fee adjustments. There was an initial budget gap of approximately of $8.7 million but the City was able to close the gap using the following cost saving measures and strategies:

- Continue the allocation of resources including staffing at an optimal level. This strategy includes defunding of nine vacant positions from attrition, saving the General Fund approximately $1.5 million.
- Hold the line on contractual services and supplies by performing more work in-house and only purchasing goods and supplies that are most essential to perform the work. This strategy contributes about $260,000 savings to the FY 09-10 General Fund budget.
- Demand a loan payment of $6 million from the Redevelopment Agency. The Agency purchased several properties from the City for redevelopment purposes. Simultaneously, the Agency entered into a loan agreement with the City for the cost of the properties which amounted to $26.3 million including interest on unpaid balance. The City has the right to demand payments when needed. It is projected that at the end FY 08-09, approximately $23.2 million of the loan amount will remain outstanding.
- Negotiate with the employee groups to increase employees' contribution to the CalPERS pension plans. Currently, miscellaneous and public safety employees contribute 8% and 9% of their payroll to the pension plans respectively. If the City and the employee groups come to agreement, the miscellaneous and public safety employees will increase their contribution rates to 10.5% and 11.5% respectively while the employer's contribution rates will be reduced to 12.085% and 19.183% respectively. This strategy will save the General Fund about $900,000 in employer contribution cost.
- FY 09-10 Operating budget does not anticipate utilizing any of the General Fund reserve balance. The remaining unreserved, undesignated fund balance will be approximately $14.7 million which at 21% of the FY 09-10 proposed budget appropriations is in compliance with the City's budget policy of maintaining a 15% reserve.

The following chart provides the historical trend of the General Fund revenues and expenditures from FY 00-01 through FY 08-09, along with the budget projections for FY 09-10.



Economic Trends, Development and Profile

Milpitas is situated within the Silicon Valley region, known throughout the world as the home of high technology, innovation and research. Milpitas, considered the "Crossroads of Silicon Valley," with most of its 13.6 square miles of land situated between two major freeways, I-680 and I-880, has experienced tremendous growth since its incorporation in 1954. Over the past 30 years, the population growth has increased from 26,561 in 1970 to 62,698 in 2000 (latest census). The Bay Area has experienced significant employment growth from 1992 through 2000, adding more than 170,000 jobs. However, in 2001, Santa Clara County experienced its first negative job growth since 1992. Between 2001 and 2004, over 130,000 jobs were lost as a result of the dot-com bust. Between 2005 and 2007, local economy began to recover slowly until 2008 when the economy went into global recession due to subprime mortgages, plummeting home sales and meltdown of the financial market. This region is severely impacted due to the concentration of the high-tech industry, heavy reliance on exports, decline of home prices, and reduced consumer spending. Milpitas is similarly impacted because of its location and comparable economic mix. The only exception in Milpitas is that retail sales tax revenue still held up pretty well from the Great Mall of the Bay Area which is a discount value shopping mall and the addition of a Toyota car dealership. The following section entitled "Major Development Activities in the City" will discuss some of the development activities that are occurring in Milpitas.

There are approximately 1,790 acres or 2.9 square miles of land area in the City limits designated for various industrial uses; about 271 acres are vacant and available in parcels ranging in size from ½ acre to 75 acres. Included in this acreage total are eight industrial parks and 550 manufacturing plants. An estimated 350 acres of land are dedicated to regional and community retail centers supporting 3.5 million square feet of commercial shops. The Great Mall of the Bay Area is the largest enclosed mall in Northern California, with approximately 1.1 million square feet of leasable space for retail and entertainment operations. Several local shopping centers serve regional needs for Asian-oriented retail and services.

The leading economic segments in sales tax are apparel stores, restaurants and electronics equipment. The five largest manufacturing employers are Cisco Systems, Inc., Lifescan Inc., LSI Logic Corporation, Flextronics, and SanDisk Technology. Other major employers include KLA-Tencor and Seagate Technology. Several of these top employers make Milpitas their corporate headquarters. The two largest non-manufacturing employers in Milpitas are The Great Mall of the Bay Area and the Milpitas Unified School District.

The Redevelopment Agency of Milpitas is one of the top ten redevelopment agencies in the State. With the 2003 expansion of the RDA, the combined Redevelopment Project Area 1 encompasses 2,230 acres or 26% of the City. The Project area produces over $36 million in annual gross tax increment. In November 2003 the RDA issued $200 million in tax allocation bonds to refund prior bonds and to generate funds for key City and Agency projects including a new library, major infrastructure improvements and a new senior center.

Major Development Activities in the City

Midtown Specific Plan – The vision for this area includes high density housing within walking distance to light rail and BART to support the public investment in mass transit, transforming neighborhoods into an attractive and economically vital district with plazas and network of pedestrian and bicycle trails, a vibrant streetscape along the north end of Main Street and a mixture of housing, shopping, employment, entertainment, and cultural and recreational opportunities. The implementation efforts began with several capital improvement projects such as the new Library, parking garage, Main Street and Abel Street infrastructure improvements. Other development activities undertaken by outside agencies include the construction of a County Health Center and a parking garage. A 103-unit Senior Housing restricted for low-income seniors was completed in 2008.

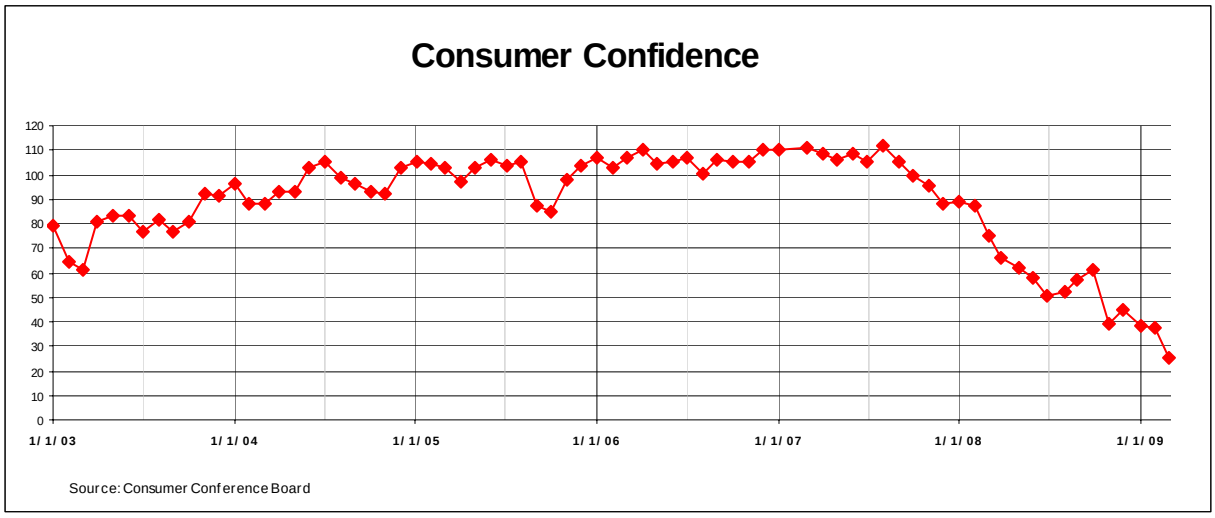
Transit Area Specific Plan – The City adopted a Transit Area Specific Plan in June 2008 which provides for medium to high density development surrounding the future Montague/Capitol BART station and two VTA Light Rail Stations. The intent of the Plan is to foster economic development of the area, strengthen and expand retail uses to increase sales tax revenues, attract major retailers and provide housing and amenities such as parks, retail and restaurants. In February 2009, the Council approved the first high density residential project in this area. The project consisted of 639 housing units will be developed by Citation Homes. However, there is no estimated construction start date yet.

Residential Development – Residential development activities in this region were impacted by the soft housing market. Several residential developments that received their application approvals were on hold. Nevertheless, Milpitas represents one of the more affordable alternatives in Santa Clara County, with median home prices at $447,500. There are other residential developments that are under construction which include Shapell Town Center (65 townhouse units) and Paragon (141 townhouse units).

Non-residential Development – There are no large scale commercial developments currently. Non-residential development primarily consists of tenant improvements in existing commercial buildings. In FY 08-09, building permits were issued to Cisco Corporation for occupancy in several vacant office buildings and Linear Technology for site improvements and renovation. Other commercial development activities include the development of land adjacent to the KB Homes for another car dealership.

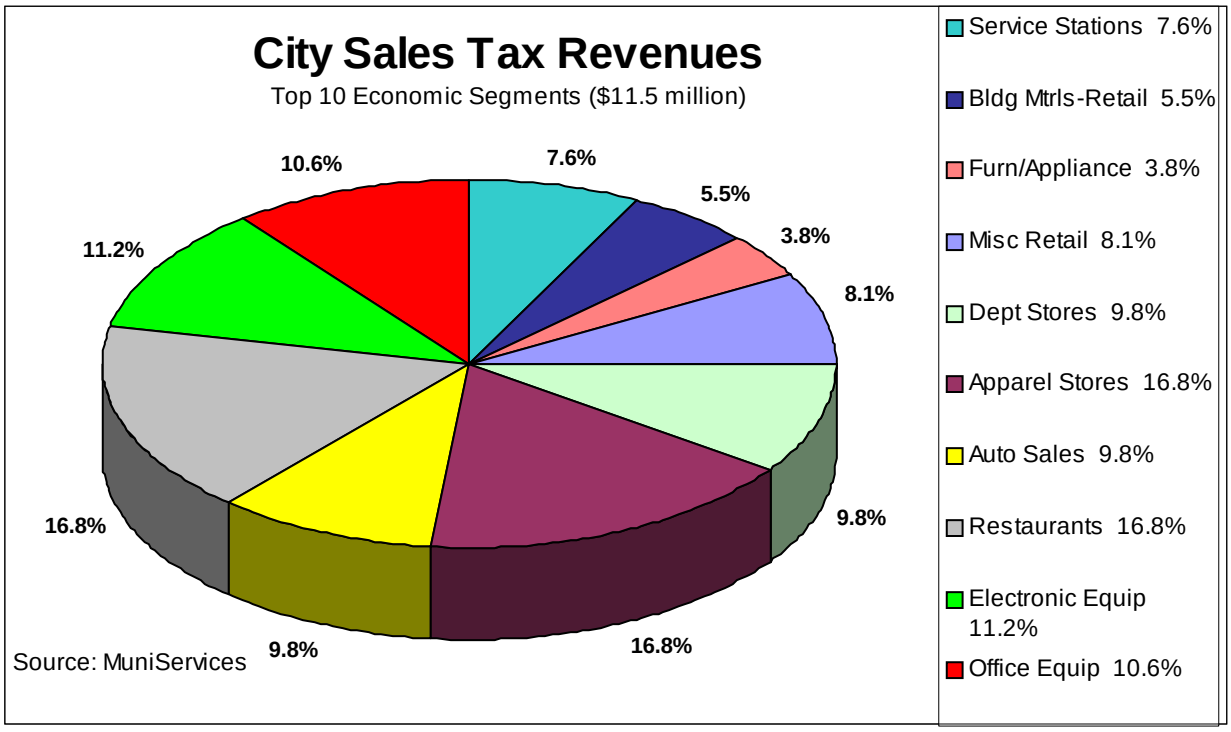
Consumer Confidence Level

The consumer confidence index in February 2009 was at its all time low since the index was tracked beginning in 1967. Consumers' appraisal of overall current conditions, which was already bleak was further weakened by the deteriorating job market and increasing concerns about business conditions. The outlook for the economy continues to worsen and consumers do not anticipate improvement in conditions over the next six months.



Top Ten Sales Tax Generators by Economic Segment

The chart below provides a snapshot of the City's sales tax revenue by economic segment in the last four quarters. Total amount of sales tax revenue for the latest benchmark year was about $14.0 million, with the top ten economic segments generated about $11.5 million. Sectors such as auto sales, service stations and apparel stores lead the increases over a year ago while furniture/appliance and building materials were at their lowest in four quarters.



Revised General Fund Revenue Estimates for Current Fiscal Year 2008-2009

In order to reasonably project FY 09-10 revenues, it is important to look at the trends and recent economic events in FY 08-09. The sub-prime mortgage and housing market decline impacted building permit and all other development related revenues. Transient occupancy tax revenues were lower than original budget projection in FY 08-09. Interest income was below budget due to reinvestment yield on matured investments that was much lower than anticipated. **The revised revenue estimates for FY 2008-09 assume that General Fund revenues will be approximately $1.3 million (2.3%) less than budget.**

Sales tax revenues are expected to be $797,000 more than budgeted due to a combination of factors. Despite the dismal economy, retail sales in Milpitas performed better than expected because of the Great Mall shopping center and Walmart store, both featuring discount value shopping. The addition of the Piercey Toyota car dealership greatly enhanced and diversified the City's sales tax revenues. The Business Cooperation Program also contributed to increased sales tax revenues as the City worked with major hi-tech manufacturing companies to identify and accrue use tax revenue generated from the purchase of equipment to the City.

Property tax revenues are expected to exceed budget by approximately $335,000 due to the pass-through of tax increments from the Redevelopment Agency. As some of the new homes that were developed in the Midtown were completed and occupied, the Redevelopment Agency

received tax increment revenues above the AB1290 base year values and is required by Redevelopment law to pass through a certain percentage of these revenues to various taxing entities within the Project area. The City is one of the taxing entities that received a share of the tax increment pass-through. However, it is anticipated that the decline in property values will have a significant impact on the City's property tax revenues next year. FY 09-10 projected property tax revenue will be discussed in the General Fund Revenue Estimates Section.

Building permit and other development related revenue experienced decrease of approximately $750,000. As a result of the housing market decline, several residential developments that received their application approvals were on hold.

Transient Occupancy Tax ("TOT") revenue is expected to be less than original estimate by close to $1 million primarily due to reduction of business travels and less conferences held in local area hotels. Other tax revenues are lower than budget by $280,000 due to decreased real estate transfer tax revenue as the value and number of real estate transactions declined.

Other revenues such as interest income and Intergovernmental revenue are less than original estimates. Interest income is about $200,000 less than budget due to lower reinvestment yield on securities that matured in recent months. Intergovernmental revenue decreased about $150,000 from budget due to the reduction of mandated cost reimbursements and lower motor vehicle in lieu tax receipts.

Despite an overall General Fund revenue decreases, staff projected General Fund will close the FY 08-09 without using any reserve balance primarily due to budget savings from City departments. However, the General Fund will require the loan payment from the Redevelopment Agency to balance the budget in FY 08-09 as planned. It is projected that the General Fund will demand about $5 million to $6 million of the loan payment.

REVENUES AND OTHER FINANCING SOURCES

Revenue detail is shown in the Financial Information section of the budget. A summary of revenues and other financing sources transfers between funds is shown on the following chart as a comparison between the FY 08-09 Adopted Budget and FY 09-10 Proposed Budget.

REVENUES AND OTHER FINANCING SOURCES

Fund	Adopted Budget FY 08-09	Proposed Budget FY 09-10	Over (Under) Prior Year
General	$ 72,609,087	$ 69,940,669	$ (2,668,418)
Library	370,000	433,000	63,000
Special Revenue	4,187,297	4,749,021	561,724
Capital Project	1,817,000	14,469,948	12,652,948
Redevelopment	43,114,456	26,172,898	(16,941,558)
Water	17,155,975	18,167,242	1,011,267
Sewer	12,033,692	14,048,913	2,015,221
Total	$151,287,507	$147,981,691	$ (3,305,816)

Revenue Estimates for Fiscal Year 2009-10

Total estimated revenue and other financing sources that include the use of reserves are estimated to decrease by $3.3 million compared to the FY 2008-09 budget. This is due to FY 09-10 decreased use of Redevelopment funding for capital improvement projects. In FY 08-09, the Redevelopment Agency provided funding for the Senior Center project using the 2003 Tax Allocation bond proceeds. The funding for the Senior Center is completed and construction is currently underway. The Capital Project Fund on the other hand will increase its funding for Street improvement projects and Transit Area infrastructure improvement projects next year.

In FY 09-10, General Fund revenue and other financing sources are projected to be $69.9 million, approximately $2.7 million lower than FY 08-09's budgeted revenue and other financing sources of $72.6 million. The difference is due to decreased revenue projection for property tax, sales tax, building permit and other development related fees. The assumptions for projection and analysis of the major revenue sources are discussed below.

General Fund Revenue Estimates

FY 2009-10 General Fund revenue (not including other financing sources) is projected to decrease by 5.7% or $3.1 million less than the FY 08-09 adopted budget revenue. When compared to the FY 08-09 revised revenue projection, it is an estimated 3.4% or $1.9 million decrease. Some of the changes include the following:

Sales tax revenues for FY 08-09 are revised to be more than budget by $797,000. Although the Association of Bay Area Governments (ABAG)'s forecast is 1.3% increase for the Santa Clara County next year, our assumption for FY 09-10 sales tax revenue is a 0.4% decrease from FY 08-09 revised estimate, much more conservative than ABAG's projection. The City's forecast is more consistent with our sales tax consultant's estimate based on analysis of recent sales tax revenue trend. Total sales tax revenue is estimated to be $17.3 million. The decrease in sales tax revenue is due to a combination of factors: decreased sales in the business-to-business and construction economic segments, the one-time use tax revenue generated from the Business Cooperation Program is not factored in the projection, however the potential sales tax generated from the new Honda car dealership in included.

Building permit revenue for FY 08-09 is estimated to be $750,000 less than budget due to decreased residential development activities. In FY 09-10, building permit revenues are projected to be $3.4 million, approximately $550,000 or 14% less than the FY 08-09 revised revenue. The projection is based on the number of recent applications submitted and potential commencement of construction of some of the projects. Other more routine building permit and inspection revenues from home improvement and commercial tenant improvement are included in the projection.

Property tax revenues are estimated to decrease by 2% in FY 09-10 from the FY 08-09 revised revenue. The decrease can be attributed to assessed valuation appeals and the proactive reduction of assessed valuation by the County Assessor based on decline of local home values. The County Assessor provided a report on assessed valuation changes which showed a 2% decrease for the properties located in the City, due to reduction of the assessed valuation for a number of properties that were purchased at the peak of the housing market.

Hotel/motel Transient Occupancy Tax (TOT) revenue showed a decrease of $1 million or 17.2% from FY 08-09 budget but will remain at approximately the same level as the FY 08-09 revised projection of $4.8 million. The TOT revenue is not projected to worsen but is not anticipated to recover anytime soon.

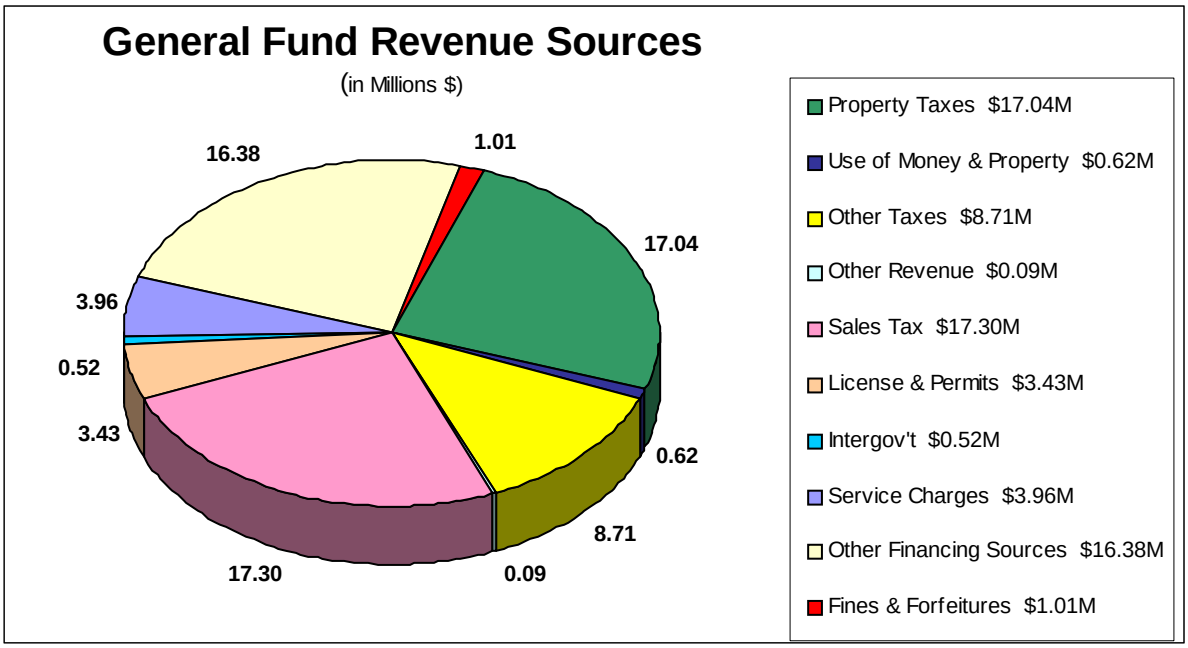
Interest income is anticipated to decrease by $339,000 compared to the FY 08-09 budget, primarily due to lower investment earnings from the pooled portfolio attributable to lower reinvestment yield. Projected interest income for FY 09-10 is approximately $620,000 for the General Fund. It is assumed that the reinvestment rate for matured securities will be at 1.8%. Investment earnings are allocated to the various funds based on their projected cash balances.

Other Financing Sources shown as operating transfers in the budget document consisted of two sources. The first financing source is a $6 million loan payment from the Redevelopment Agency to the City. This payment will repay a portion of the outstanding principal and interest owed by the Agency pursuant to a loan agreement. The payment was discussed in detail in the Budget Overview section. The second component of the other financing sources are operating transfers between funds primarily to allocate operating costs and capital budget contributions from one project fund to another.

Cost Allocation A cost allocation worksheet is utilized to allocate central service costs that are typically budgeted in the General Fund to various programs and funds in order to determine the full cost of providing City services. In FY 06-07, the City conducted an updated Cost Allocation Plan to calculate the percentage of costs that should be allocated to each major program and major operating fund. The City continues to apply the results from the Plan to the FY 09-10 budget.

For each City service or program, in addition to direct costs such as staff time, supplies and contractual services, it also receives support from the administrative staff and benefited from centralized services such as building occupancy and equipment maintenance. These indirect costs need to be allocated to each major service or program in order to determine the full cost of providing City services. Using the same rationale, the Cost Allocation Study also computed the percentage of indirect costs that should be assigned to other operating funds such as Water and Sewer utility funds and Redevelopment Agency funds. These indirect costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds shares the administrative and overhead costs equitably. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 09-10 can be found on pages 94 to 95.

The chart below provides an overview of the City's General Fund revenue sources including operating transfers from other funds.



RDA Revenue Estimates

FY 08-09 Redevelopment property tax increment was revised upward by $3.3 million or 10% to $35 million primarily due to increased assessed valuation from new housing in the Midtown. As most of the 820 housing units built in the Midtown Area were sold and occupied, these transactions were reflected in the increase of tax increment revenue. FY 09-10 tax increment revenue is expected to be at the same level as FY 08-09's revised projection, but lower than the 1.3% growth on assessed valuation as reported by the County Assessor. Again, the more conservative estimate is due to potential reduction of assessed valuation for a number of properties within the Redevelopment Project Area that were purchased at the peak of the market.

Utility Rates

9% utility rate increase for both the Water and Sewer operations are included in the FY 09-10 budget. In FY 09-10, approximately 65% of the water operation costs and 80% of the sewer operation costs are attributed to outside agencies' costs that need to be passed through to the utility ratepayers. These costs include wholesale water cost from the Santa Clara Valley Water District which is projected to increase 8%, wholesale water cost from the San Francisco Public Utility Commission which is projected to increase 16%, as well as City's share of capital improvement project costs for Water operation. The San Jose/Santa Clara Water Pollution Control Plant's operation and capital improvement project costs are also passed through to the sewer utility ratepayers. The City's required share of contribution to the Water Pollution Control Plant is expected to increase by $3.8 million next year. The rate protest hearing is scheduled on May 5, 2009. Proposition 218 notices were sent to ratepayers at least 45 days prior to the hearing date. It is projected that utility consumption will remain stable in FY 09-10.

EXPENDITURES

A budget comparison of appropriations for all funds between FY 08-09 (Adopted Budget) and FY 09-10 (Proposed Budget) is as follows:

Appropriations	Adopted Budget FY 08-09	Proposed Budget FY 09-10	Over (Under) Prior Year
Salaries & Benefits	$ 67,399,736	$ 65,766,232	$ (1,633,504)
Services & Supplies	38,149,915	43,134,425	4,984,510
Capital Outlay	870,856	1,144,485	273,629
Subtotal	$ 106,420,507	$ 110,045,142	$ 3,624,635
Capital Improvement	26,231,000	19,664,549	(6,566,451)
Debt Service	18,636,000	18,272,000	(364,000)
Total Appropriations	$ 151,287,507	$ 147,981,691	$ (3,305,816)

Total expenditures represent an overall 2.2% decrease from FY 08-09. Operating expenditures, excluding capital improvement and debt service, increased by 3.4% compared to last year. Following is a summary of the changes in operating expenditures by category:

Salaries and benefits are expected to decrease by 2.4%. The total citywide budget decrease in this category is $1.63 million. The projected FY 09-10 salary and wage decrease reflect a combination of factors: negotiated increases in accordance with various Memoranda of Understanding and merit increases, projected health insurance premiums increase of 10% in January 2010 and defunding of nine additional vacant positions from the Budget. The employer PERS contribution percentages for FY 09-10 for Miscellaneous Employees group and Public Safety Employees group are at 14.585% and 21.683% respectively. In addition, the FY 09-10 budget includes pre-funding of retiree medical benefits in the amount of $3.2 million citywide and $2.6 million for the General Fund.

The total staffing level for FY 09-10 were reduced by nine positions. One of the strategies to balance FY 09-10 General Fund budget is to selectively impose a hiring freeze when vacancies occur due to retirement or termination of employment. This is accomplished only by careful review of where resources will be most needed. For example, in FY 08-09, three Public Works building inspectors were transferred from the Engineering Division to the Building and Safety Department to enable cross-training between Building inspectors and Public Works inspectors. Consequently, with the slow down of development activities, three of the vacant funded positions in the Building & Safety Department were defunded. In FY 09-10, Public Works and Police departments increase their vacant positions by two each while Planning and Fire departments increases their vacant positions by one each from attrition. The number of authorized positions can be found on page 46. The detail for each department's funded positions can be found in their respective sections on pages 99 through 158.

Services and supplies are expected to increase by $4.98 million or 13.1% citywide. The services and supplies budget include services that are provided by outside parties. The

proposed budget increase for contractual services and supplies are nominal. The only significant increases next year come from the cost of water purchased from San Francisco Public Utility Commission and Santa Clara Valley Water District and the contribution to the San Jose/Santa Clara Water Pollution Control Plant. The cost of water is anticipated to increase by $1.06 million in FY 09-10. The amount that the City has to contribute to the San Jose/Santa Clara Water Pollution Control Plant for both operating and capital improvement funding is projected to increase by $3.8 million. To recover these costs, the City proposed a 9% increase for both the water and sewer utility rates.

Capital Outlay - This category includes new and scheduled vehicle and equipment replacements. Total capital outlay request for FY 09-10 is $1,144,485. Almost all of the equipment and vehicles are fully depreciated and will be funded by the Equipment Replacement Fund. Major capital outlay requests include replacement of 6 vehicles for the Police Department, 1 Fire pumper, exercise equipment and a pool cover for the Sports Center. Other capital outlay requests include replacement of technology equipment Citywide and hydrants and water meters for Public Works.

Debt Service in FY 09-10 totals $18.3 million. Debt service budget is lower than last fiscal year by $300,000 primarily due to final debt service payment for the 2000 Technology Certificates of Participation in November 2008. The debt service category includes payments for two outstanding debt issues, the 2003 Redevelopment Agency Tax Allocation Bonds (“2003 TABs”), the 2006 Certificates of Participation (Sewer Bonds) (“2006 COPs”), and a $4 million annual payment to the County of Santa Clara pursuant to a Purchase and Sale Agreement between the County and the Redevelopment Agency.

The City’s legal bonded debt limit, as established by the California Government Code, is approximately $416.6 million. The 2006 COPs has an outstanding balance of $8,815,000 and the 2003 TABs has an outstanding balance of $179,215,000. None of these bonded debts is subject to the legal debt limit. The interest rates of the outstanding bonds range from 3.25% to 5.25% and the final payments will occur between fiscal years 2027 and 2033. The Purchase and Sale Agreement requires an annual payment to the County that ranges from $4 million to $6 million. Future payments to the County have been discounted at 5% to a present value of $40.1 million outstanding balance.

The City’s debt policy includes a comprehensive, thorough review and analysis of the City’s long-term capital project needs. Once project needs are established and prioritized, funding options are reviewed. Depending on the funding requirements and available reserves, either existing reserves are used or tax-exempt securities are issued. The City will utilize debt financing for capital improvement only when the useful life of the improvement is expected to exceed the period of debt service payments.

Pursuant to their debt covenants, the 2003 TABs and the 2006 COPs are required to maintain annual net revenue sufficient to provide debt service coverage of 125% and 115% respectively. The actual debt service coverage based on the FY 07-08 audited results were at 200% and 500% respectively.

The following table shows the annual debt service requirements for the two outstanding debt issues and the obligation created by the Purchase and Sale Agreement:

	Redevelopment Project Fund		Sewer Fund	
Year Ending June 30	Total Principal	Total Interest	Total Principal	Total Interest
2010	8,169,105	9,414,454	355,000	331,793
2011	8,224,862	9,377,847	370,000	319,468
2012	8,252,725	9,340,158	380,000	306,527
2013	8,302,357	9,266,176	395,000	292,965
2014	9,048,045	9,490,189	405,000	278,965
2015-2019	48,284,164	45,281,136	2,260,000	1,161,150
2020-2024	54,180,676	37,152,372	2,730,000	683,846
2025-2029	50,330,000	12,016,158	1,920,000	122,829
2030-2033	24,520,000	2,110,928		
Total	$219,311,934	$143,449,418	$8,815,000	$3,497,543

CAPITAL IMPROVEMENTS

The Capital Improvement Budget funding for FY 09-10 by Project Category is as follows:

Project Category	Adopted Budget	Percentage of Total
Community Improvements	$(1,477,400)	(7.52)%
Park Improvements	1,802,949	9.17%
Street Improvements	12,614,000	64.15%
Water improvements	5,300,000	26.95%
Sewer Improvements	1,150,000	5.85%
Storm Drain Improvements	275,000	1.40%
Total	$19,664,549	100.00%

The City includes the cost of all acquisition, construction, expansion or rehabilitation of the City's physical plant and facilities in the Capital Improvement Budget. Typically, a capital improvement project exceeds $10,000 and may take more than one year to construct. The cost of the capital project is capitalized as capital assets of the City upon completion. The total FY 09-10 Proposed Capital Improvement Program funding is $6.6 million less than the FY 08-09 CIP, primarily due to FY 08-09 funding of $12.3 million for construction of the Senior Center. The funding for that project was completed and construction is underway.

Of the $19.7 million proposed CIP funding in FY 09-10, $3.7 million is for the Hwy237/I-880 Interchange landscape improvements and $6 million is for the Light Rail Median Landscaping on

Great Mall Parkway, $3 million is for replacement of water line along South Milpitas Boulevard between Calaveras Boulevard and Yosemite Drive and $2 million is for water system seismic improvements. These are significant capital projects that are nonroutine and are necessary for community development and health and safety of the water system. The two landscaping projects will respectively receive 65% and 72% of the funding from outside agencies and developers. The two water projects will be funded by the Water fund entirely. In addition, the FY 09-10 CIP proposes funding of $2 million for Street Resurfacing. The reason for the negative funding for Community Improvement projects is due to defunding of $1.5 million from the Senior Center. The bids that the City received for construction of the Senior Center was much lower than anticipated. Consequently, $1.5 million was defunded from this project to return funding that is not needed. Remaining projects included in FY 09-10 are smaller in scale. Staff worked with the City Council Finance Subcommittee to prioritize all CIP projects based on available resources and needs. The Finance Subcommittee meets quarterly in an open meeting with advance public notice to ensure public participation.

The Capital Improvement Budget has been reviewed by the Planning Commission to determine its conformance with the City's General Plan. Park improvement projects for FY 09-10 were also reviewed by the Parks, Recreation and Cultural Arts Commission.

Although cost savings is one of the considerations in implementing the capital improvement program, many projects are prioritized for reasons such as health and safety for the public, replacement of deteriorated capital assets or systems, or enhancement of economic development and quality of life for the citizens. New buildings tend to be more energy efficient and replacing deteriorated capital assets tend to save repair costs in the long run. The actual cost savings is difficult to quantify. On the other hand, some of these projects especially those that are not replacement projects will increase operating costs upon completion. These costs, to the extent that they can be estimated, are identified in the Five Year Capital Improvement Program FY 2009-2014. Total estimated maintenance costs is approximately $279,000 annually of which $75,000 is for maintenance of the new and expanded Senior Center, $4,000 is for maintenance of the Alviso Adobe, $100,000 is for maintenance of the Highway 237/I-880 Interchange landscaping and $100,000 is for maintenance of the Light Rail Median landscaping.

The Capital Budget Section of this document provides a brief description of the projects to be funded in FY 09-10. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2009-2014 prepared by the Engineering Division may be obtained at 455 E. Calaveras Blvd, Milpitas, CA 95035 or at the City's website.

FUND BALANCES

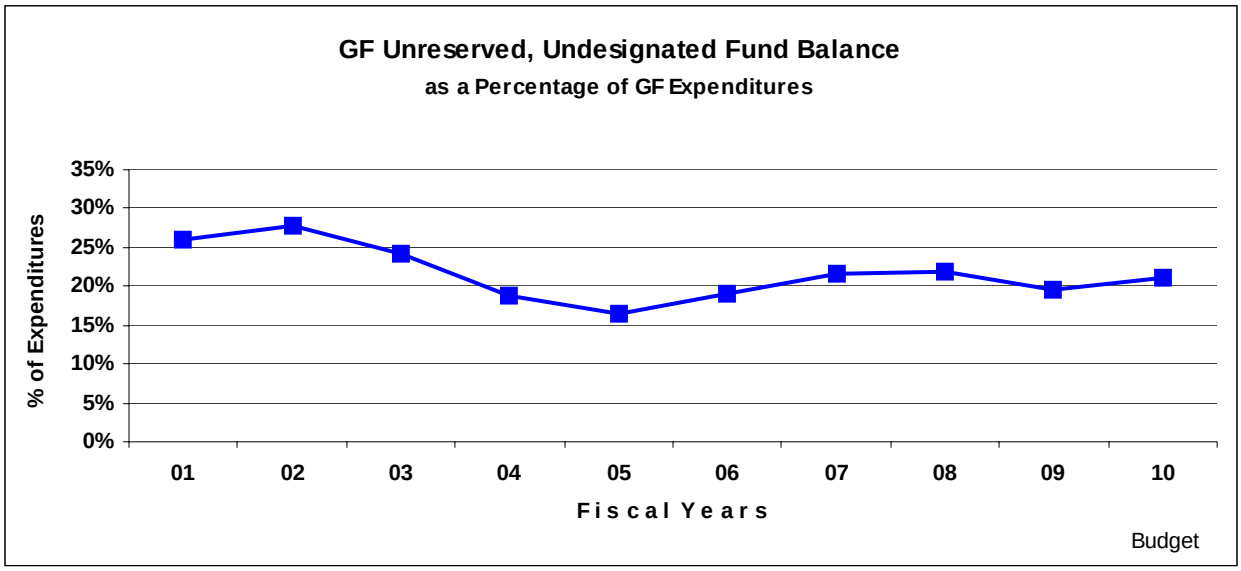
An important resource for a City is the fund balance or reserve that is available for future appropriations and unexpected emergencies. A summary of the revenue, expenditures, transfers, and fund balances is shown in the Financial Information section of the Budget. It is anticipated that Capital Project funds will use $2.8 million of the fund balance to finance Street and Park capital improvement projects. Water utility fund will use $3.05 million of its reserve to pay for water capital improvement projects while Sewer utility fund will need $3.3 million of its reserve to pay for its share of capital improvement to the San Jose/Santa Clara Water Pollution Control Plant. There are no significant changes to the fund balances of other funds including the General Fund.

The fund balances are further divided into subcategories to indicate the portion that is reserved, unreserved but designated for specific purpose, and unreserved and undesignated. The reserved portion of the fund balance is either reserved for legal restrictions or reserved for loans, encumbrances, or prepaids and typically indicates that the amounts are unavailable for

spending. The unreserved but designated fund balances are imposed by the City Council and reflects future spending plans or concerns about availability of future resources. The unreserved and undesignated fund balances indicate the amounts that are unrestricted as to use.

The projected percentage of the estimated unreserved, undesignated fund balance for the General Fund is 21% which meets the Council's policy of maintaining a minimum unreserved, undesignated fund balance at 15% of the General Fund budget appropriations. It is also projected that $5.4 million unreserved fund balance, designated for the PERS Rate Stabilization Reserve will remain at the end of FY 09-10.

The chart below provides a historical perspective of the City's General Fund unreserved, undesignated fund balance as a percentage of General Fund expenditures



FIVE YEAR GENERAL FUND FORECAST

The Five-year General Fund Forecast is included to allow the Council and the community to assess the sustainability of City services in the long term. The projection also identifies the type of commitments and resource demands in the next five years.

General Fund Five Year Forecast (in thousands)

	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15
Estimated Revenue					
Property Tax	17,463	17,986	18,616	19,268	19,846
Sales & Use Tax	17,734	18,266	18,997	19,757	20,448
Other Taxes	4,016	4,122	4,233	4,347	4,465
Hotel/Motel Tax	4,889	5,036	5,186	5,343	5,505
License & Permits	3,521	3,730	3,953	4,072	4,194
Charges for Services	4,078	4,230	4,389	4,520	4,655
Other Revenues	2,276	2,321	2,367	2,420	2,468
Operating Transfers	10,663	11,466	11,732	11,876	12,038
Total Estimated Revenues and Other Financing Sources	64,640	67,157	69,473	71,603	73,619
Estimated Expenditures					
Salaries	41,109	41,724	42,350	42,985	43,629
Benefits	18,718	22,605	23,469	23,643	23,905
Supplies & Contractual Services	11,850	12,015	12,182	12,351	12,523
Total Estimated Expenditures	71,677	76,344	78,001	78,979	80,057
Net Operating Surplus/(Deficit)	**(7,037)**	**(9,187)**	**(8,528)**	**(7,376)**	**(6,438)**
RDA Loan Payment Available	**6,000**	**6,000**	**6,000**	**6,000**	**2,030**

Property tax revenues are expected to increase 2.5% in FY 10-11, 3% in FY 11-12, 3.5% in FY 12-13 through FY 13-14 and 3% FY 14-15. Although Proposition 13 allows the annual assessed value to increase by the lesser of 2% or the California consumer price index, local area housing market has been in a decline for about 2 years. The County Assessor temporarily reduced the assessed valuation for a lot of properties. Staff projected that the housing market will slowly recover in the next two years. Staff also expected that some of these development activities will resume in the next few years which will add to the assessed valuation and then return to a more normal growth of 3% to 3.5%.

Sales tax revenues are projected to increase 2.5% in FY 10-11, 3% in FY 11-12, 4% in FY 12-13 through FY 13-14 and 3.5% in FY 14-15. The increase in FY 10-11 reflects the operation of the Hondo car dealership for a full year. The increase of 3% in FY 11-12 reflects economic recovery but still not at a robust pace. It is anticipated that some of the residential developments that are currently on hold will resume. With the addition of residents as some of residential developments are completed and occupied, it is assumed that Milpitas businesses will capture a portion of the consumers' spending, especially in the retail and restaurant economic segments. The Great Mall of the Bay Area continues to renovate and add anchor stores and has become a regional attraction in recent years. Consequently, staff projects 4% growth in FY 12-13 through FY 13-14 and then return to a more normal growth level of 3.5% in FY 14-15.

Other Taxes include real estate transfer tax, franchise tax and business license tax. As residential units are being developed and occupied, it is anticipated that the City will collect more real estate transfer tax and franchise tax from utility and cable companies. It is also assumed that utility and cable companies will increase their rates to offset cost increases. The projection is a modest increase of 2.6% in FY 10-11 and FY 11-12, 2.7% increase in FY 12-13 through FY 14-15.

Hotel tax revenues are projected to increase 2% in FY 10-11 and 3% annually starting from FY 11-12. Hotel occupancy declined in FY 08-09 and is expected to stabilize in the next two years. It is assumed that the hotel operators will increase room price by the average consumer price index which is approximately 3% to recover costs.

License and permits consist of building permits and fire permits which are primarily construction related. It is projected that these revenues after 15% decline for two years in FY 08-09 and FY 09-10, will remain relatively flat in FY 10-11, increasing at 2.5%. However, in anticipation of rebound of residential developments in the Midtown and the Transit area, staff projected a higher growth level at 5% in FY 11-12 through FY 12-13. The projection for FY 13-14 through FY 14-15 is a 3% increase annually.

Charges for Services include charges for private development related services, engineering fees and recreation services charges. It is anticipated that the increases in charges to developers will be similar to the increases for license and permits. The projection for non-development related charges is a 3% increase annually. The combined projection is 2.9% increase in FY 10-11, 3.7% increase in FY 11-12 through FY 12-13, and tapering off to 3% increase in FY 13-14 and FY 14-15.

Operating transfers are mainly reimbursements from other funds for the staff support and administrative overhead provided by the General Fund. These transfers will increase in conjunction with operating expenditure increases. The projected increases range from 2.7% to 4% in the next five years.

Salaries and benefits other than medical insurance and employer's contribution to CalPERS are anticipated to increase by 2% in FY 10-11, and 1.5% increase annually in subsequent years. One of the long term strategies to deal with structural deficit of the General Fund is to consider compensation as a package. The City is committed to provide health benefits to employees and retirees, however given that health insurance premium is projected to increase 10% annually, compensation to employees in terms of salaries and other benefits will have to increase at a lower level in the future. The projection assumed that employer contribution rates to the California Public Employees Retirement System will increase significantly by 40% in FY 11-12 reflecting the market value loss of the investment portfolio in FY 08-09. The Five-Year General Fund forecasts also include pre-funding of retiree medical benefits which is projected to increase 3% per year.

Services and Supplies costs are anticipated to increase by 1% annually assuming City departments continue to hold the line on this expenditure category. The only exception is a projected 3% growth annually for equipment amortization.

Debt Service The General Fund does not have any outstanding debt and does not contemplate issuing another General Fund debt in the next five years.

ACKNOWLEDGEMENTS

We want to thank the Mayor and City Council for their guidance and integrity in directing the financial affairs of the City in a most responsible and progressive manner. We also extend our appreciation to the Finance Department staff who worked on the budget, along with all the Division/Department Heads and the Budget Liaisons for their hard work, assistance, and cooperation in preparing this Budget.

The overall budget envisions an operating program that carefully considers the general economic climate in conjunction with the many progressive projects and programs the City will be providing to the citizens of Milpitas. The Budget establishes the projected resources to pay for all requested appropriations. The City Council and members of the Redevelopment Agency have guided the City of Milpitas to a very stable financial position that enables the City to undertake new capital improvement projects while maintaining its high level of services for all Milpitas citizens, even during difficult economic situations. The City Council's approval of the FY 09-10 Budget continues its commitment to excellence in citizen services and prudent financial management.

Respectfully submitted,

Thomas C. Williams
City Manager

Emma C. Karlen, CPA
Director of Financial Services

Budget Guidelines

The annual operating budget is the primary short-term financial plan for the City. The operating budget shall serve as the policy document of the City Council for implementing Council goals and objectives. It is used to set forth the City's estimates of resources available to fund services that are consistent with the Council's goals. Since no plan will prove to be an absolutely accurate reflection of future events, management must have sufficient flexibility to make adjustments during the year, provided these adjustments do not materially alter the general intent of the City Council when adopting the budget. These guidelines are intended to provide that flexibility and to establish adequate controls, through budget monitoring and periodic reporting, to ensure that the overall distribution of resources achieves the results contemplated by the City Council.

Annually, the City Council establishes priorities regarding service levels to provide guidance to management in preparing the recommended budget. Through its legislative authority, the Council approves and adopts the budget by resolution.

The City Manager is responsible for proposing to the City Council a balanced budget which is consistent with the Council's service level priorities and sound business practices. Balanced budget is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from prior year are equal to or exceed operating expenditures. The City Manager is also responsible for establishing a system for the preparation, execution, and control of the budget which provides reasonable assurances that the intent of Council policies are met.

The Director of Financial Services is responsible for providing periodic budget status reports to the City Manager and the City Council and monthly budget reports to the Department Heads to facilitate control and compliance with the budget.

The Department Heads are responsible for monitoring their respective budgets for compliance with the intent of Council priorities and for insuring that appropriations of the aggregate total of the department are not exceeded.

SUMMARY OF BUDGET GUIDELINES

General

These guidelines are intended to require that procedures be used in the development, review, adoption, and monitoring of the budget, and to set forth the nature of those procedures. The detailed procedures used are to be established by the City Manager.

1. Basis of Budgeting

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital projects expenditures in Park Improvement, General Government Project and Storm Drain Development Capital Projects Funds are budgeted on a project length basis rather than a fiscal year. The effects of these differences are shown as encumbrance adjustments, expenditures capitalized for GAAP purposes and capital outlay in the budget and actual statements.

2. Budget Calendar

A budget preparation calendar will be provided to the Department Heads and to the City Council at the beginning of the budget process each year. The calendar will set forth, at a minimum, dates for the following:

a. Review of service level priorities by the City Council at an annual City Council and City Management Planning Workshop.

b. Presentation of the City Manager's proposed budget to the City Council, which shall be no later than the second week in June.

3. Form and Content of the City Manager's Proposed Budget

a. The City Manager's proposed budget, the Preliminary Budget and Financial Plan, shall be presented in a form which is sufficient to allow the City Council to determine and review:

- Provision of City Council priorities as established at the annual City Council and City Management Planning Workshop;
- Projected revenues by major category;
- Operating expenditures by department or program, and by fund;
- Historical Staffing by Division;
- Service levels;
- Statements of objectives and accomplishments;
- Recommendations for policy changes and impact;
- Capital improvement appropriations by project.

b. Comparison with the preceding year's actual results and current year's projected results will be provided for each category of revenue and expenditure shown in the budget.

c. A description of the service levels to be provided under the proposed budget will be included.

d. A statement of the services reduced or eliminated and the services improved or added, as compared to the current year, will be included.

e. A schedule showing General Fund Revenue and Expenditure projection for the next five years.

4. Adoption of the Budget

The City Council will adopt the budget by resolution no later than June 30th of the previous fiscal year, setting forth the amount of appropriations and authority of the City Manager to administer the adopted budget. Unless otherwise directed, all the funds that are presented in the operating budget document are subject to appropriation.

5. Budget Authority of the City Manager

The City Manager shall have the authority to amend appropriations within the various departments and projects within a fund, provided that the amount of the amended appropriation is $20,000 or less. Interfund transfers or transfers of an appropriation amount within a fund which in any single instance exceed $20,000 require prior approval of the City Council. No expenditures may be made from any undesignated fund balances without an appropriation by the City Council.

The City Manager shall have the authority to reasonably deviate from the budgeted personnel allocation schedule provided that at no time will the number of permanent, full-time employees authorized by the City Council be exceeded.

6. Budget Amendments by the City Council

The City Council may from time to time approve expenditures and identify funding sources not provided for in the adopted budget including those expenditures funded through undesignated fund balances. The Finance Subcommittee shall review any requests for budget amendments prior to submitting to the City Council.

7. Budget Transfers and Modification Procedures

Procedures to implement budget transfers or budget modifications are detailed in Standard Procedure No. 21-1, subject to any changes by the Budget Resolution.

8. Automatic Adjustments and Reappropriations

a. Outstanding encumbrances at prior fiscal year-end will automatically be carried over to current year's budgets.

b. Unspent appropriations that are authorized and funded by grant revenues from prior fiscal year will automatically be carried over to current year's budgets.

c. Incomplete multiple year project balances will automatically be reappropriated.

9. Budget Monitoring and Reporting

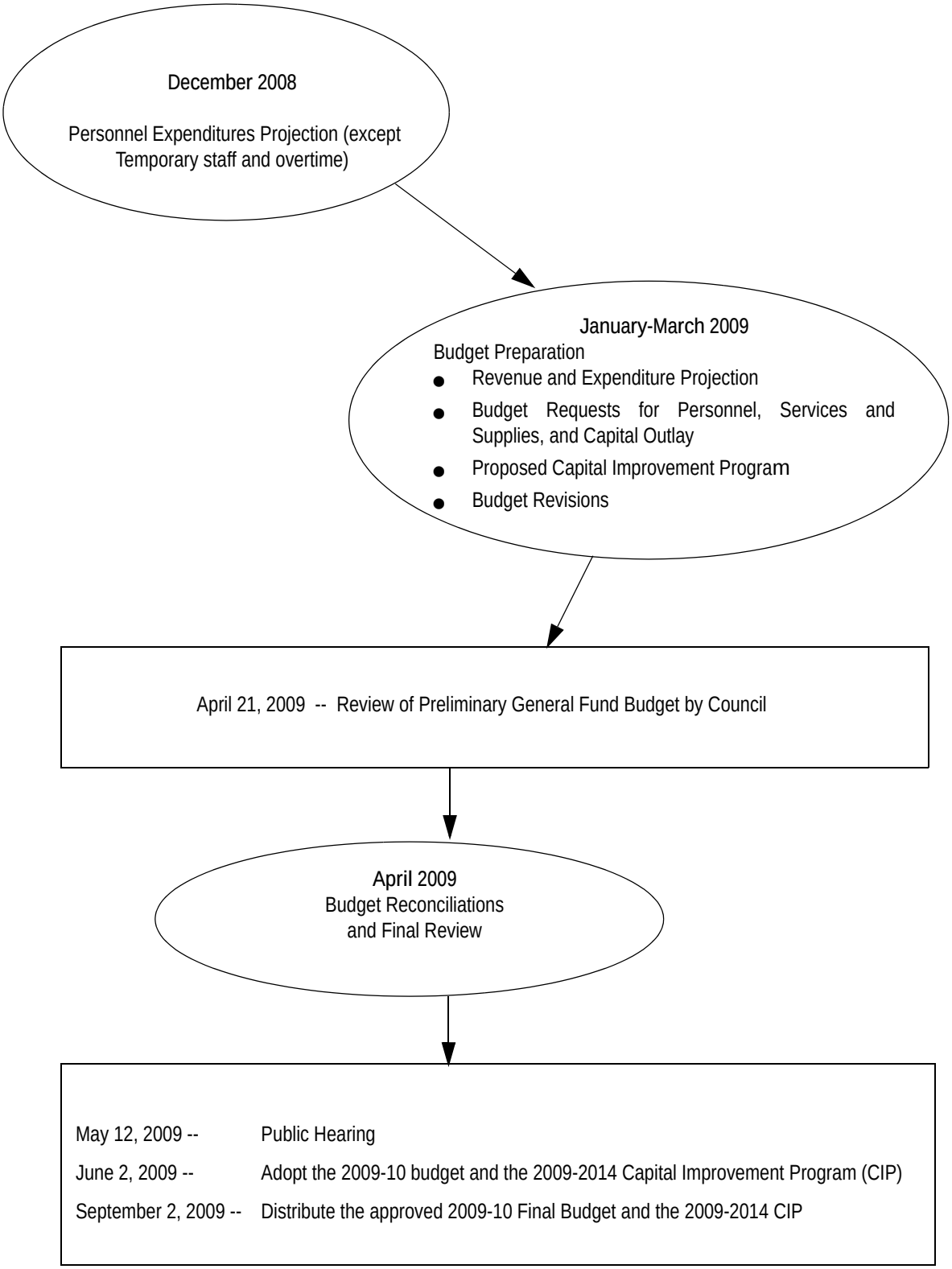
a. General Monthly Reports - The Director of Financial Services will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads, to facilitate monitoring of the budget.

b. Periodic Budget Reports - The Director of Financial Services will periodically prepare a budget status report for presentation to the City Council. At the minimum, the report shall include the status of the General Fund revenues and expenditures, Water and Sewer utility fund revenues, and Redevelopment Project fund revenues.

10. Reserves

Various unallocated reserves are desired in each of the City's funds to protect the City in emergencies, economic uncertainties, and to finance unforeseen opportunities and/or requirements. Reserve policies for various funds are described in detail in the document entitled "City of Milpitas Fiscal Policies".

City of Milpitas
2009-2010 Budget Process



CITY OF MILPITAS

BUDGET PREPARATION TIMELINE
2009-2010 FINANCIAL PLAN

Id#	DATE	TASK	RESPONSIBILITY
1	12/09/08	Meetings with Senior Staff to discuss programs, service levels, and general financial status overview.	City Manager, Director of Financial Services, Senior Staff
2	01/05/09	• Equipment Inventory changes due to Finance. • Capital Outlay Requests due to Finance.	Budget Unit Heads, Budget Liaisons
3	01/05/09	New Capital Improvement Program (CIP) projects requests are due.	Budget Unit Heads
4	01/08/09	2009-10 Budget Preparation "Kick-Off" meeting with Budget Liaisons.	Director of Financial Services, Finance Budget Team, Budget Liaisons
5	01/08/09-01/14/09	Budget Liaison Training	Finance Budget Team
6	01/14/09	Position Summary Corrections due to Finance.	Budget Unit Heads, Budget Liaisons
7	01/20/09-01/23/09	Conduct Revenue discussions with budget units (Department/ Divisions) and Special Fund expenditure projections and fund balance.	Director of Financial Services, Finance Budget Team
8	01/21/09	Requests for new positions, reclassifications and reallocation of existing positions (including Salary Allocation by Fund) due to Finance, with the City Manager's initials.	Budget Unit Heads
9	01/22/09-02/13/09	Review new classification or reclassification requests.	HR Director
10	01/22/09-	Budget projection for Non-Departmental.	Director of Financial Services, Finance Budget Team

Id#	DATE	TASK	RESPONSIBILITY
11	01/28/09	• Data entry in the BRASS budget system is complete. • Temporary Position Request Forms (one form per function) are due to Finance. • Summary of service enhancements or new programs or elimination of services/programs that will impact budget is due to Finance.	Budget Liaisons
12	02/03/09	Print and distribute Budget Proformas to Budget Units for review.	Finance Budget Team
13	02/09/09-02/13/09	Meeting to discuss Capital Outlay Requests.	City Manager, Director of Financial Services, Public Works Director
14	02/11/09	• All budget preparation information due to Finance: narratives, org charts, and mission statements. • Any changes to Budget Proformas are also due to Finance.	Budget Liaisons
15	02/23/09-02/27/09	Prepare budget reports and distribute to City Manager and Budget Units.	Finance Budget Team
16	03/02/09-03/06/09	Review the new CIP requests and consider the financial impact.	City Manager, Director of Financial Services, Public Works Director, Accounting Manager
17	03/02/09-03/06/09	Budget Unit Work sessions - Review Operating Budget requests with the respective budget unit staff.	Budget Unit Heads, City Manager, Director of Financial Services
18	03/02/09	Review Draft Park projects in the CIP Budget.	PRCRC
19	03/09/09-03/13/09	Review of Proposed CIP document by Finance.	Director of Financial Services, Accounting Manager, CIP Accountant
20	03/13/09	Distribute budget reports to Budget Units for final review.	Finance Budget Team
21	03/16/09-03/20/09	Final review of budget unit operating budget.	Budget Unit Heads, Budget Liaisons

Id#	DATE	TASK	RESPONSIBILITY
22	03/18/09	Finance Subcommittee (consists of 2 Council members): review requests for new and proposed projects.	Finance Subcommittee City Manager Public Works Director Director of Financial Services
23	03/20/09	Publish Draft 2009-2014 Capital Improvement Program and distribute.	CIP Staff
24	03/23/09- 03/27/09	Budget Reconciliation: • Finance: Operating budget and CIP.	Finance Budget Team, CIP Staff
25	03/30/09- 04/03/09	Draft the Transmittal Letter	Director of Financial Services
26	04/06/09- 04/10/09	Final review of proposed budget.	Director of Financial Services, Finance Budget Team
27	04/08/09	Review Draft CIP for information and General Plan conformance findings.	Planning Commission, Public Work Director
28	04/20/09- 04/24/09	Budget Units update the presentation slides (accomplishments and objectives) and review the budget changes.	Budget Unit Heads, Budget Liaisons
29	04/21/09	• Review the Preliminary FY 2009-10 General Fund Operating budget. • Review the Draft 2009-2014 Capital Improvement Program.	City Council
30	04/23/09	Publish notice of public hearings regarding the Operating Budget and Capital Improvement Program.	City Clerk
31	04/24/09	Distribute the Proposed 2009-10 Operating Budget and Financial Plan.	Finance Budget Team
32	05/07/09 and 05/11/09	Presentation practice (rehearsal) on the 2009-2010 Proposed Budget and Financial Plan and the 2009-2014 Capital Improvement Program.	Budget Unit Heads

Id#	DATE	TASK	RESPONSIBILITY
33	05/12/09 and 05/14/09	Public hearing on the recommended 2009-2010 Proposed Budget and Financial Plan and the 2009-2014 Capital Improvement Program.	City Council, Budget Unit Heads
34	06/02/09 or 06/16/09	Adopt the 2009-10 Budget and the 2009-2014 Capital Improvement Program.	City Council
35	09/02/09	Distribute the approved 2009-10 Final Budget and the 2009-2014 Capital Improvement Program.	Finance Budget Team

Fiscal Policies

GENERAL FINANCIAL GOALS

1. To maintain a financially viable city that can maintain an adequate level of municipal services.
2. To maintain financial flexibility in order to be able to continually adapt to local and regional economic change.
3. To maintain and enhance the sound fiscal condition of the City.

OPERATING BUDGET POLICIES

4. The City will adopt a balanced budget by June 30th of each year.
5. An annual base operating budget will be developed by accurately and realistically projecting revenues and expenditures for the current and forthcoming fiscal year.
6. During the annual budget development process, the existing base budget will be thoroughly examined to assure cost effectiveness of the services or programs provided.
7. Annual operating budgets will include the cost of operations of new capital projects.
8. The City will avoid balancing the current budget at the expense of future budgets, unless the use of reserves is expressly authorized by the City Council.
9. The City‘s operating budget will be prepared on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase and capital project expenditures are budgeted on a project length basis.

REVENUE POLICIES

10. The City will try to maintain a diversified and stable revenue system to avoid over-reliance on any one revenue source.
11. Revenue estimates are to be accurate and realistic, sensitive to both local and regional economic conditions.
12. The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis as appropriate.
13. User fees will be reviewed annually for potential adjustments to recover the full cost of services provided, except when the City Council determines that a subsidy is in the public interest.
14. The City will actively pursue federal, state, and other grant opportunities when deemed appropriate. Before accepting any grant, the City will thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant.
15. One-time revenues will be used for one-time expenditures only, including capital outlay and reserves.

EXPENDITURE POLICIES

16. The City will maintain levels of service, as determined by the City Council, to provide for the public well-being and safety of the residents of the community.
17. Employee benefits and salaries will be maintained at competitive levels.
18. Fixed assets will be maintained and replaced as necessary, minimizing deferred maintenance.
19. The City will develop and use technology and productivity enhancements that are cost effective in reducing or avoiding increased personnel costs.

UTILITY RATES AND FEES

20. Water and sewer utility customer rates and fees will be reviewed and adjusted annually, if necessary.
21. All utility enterprise funds will be operated in a manner similar to private enterprise. As such, the City will set fees and user charges for each utility fund at a level that fully supports the total direct and

indirect cost of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

CAPITAL BUDGET POLICIES

22. The City will develop an annual Five-year Capital Improvement Program (CIP) which is designed to develop and maintain infrastructure to support existing residences and businesses and future anticipated development.
23. The CIP will identify the estimated full cost of each project which includes administration, design, development and implementation, and operating costs once the projects are completed.
24. The CIP will identify potential funding sources for each proposed capital project, prior to submitting proposed projects to the City Council for approval. When appropriate, the CIP will seek other funding sources such as State and Federal funds, private funds and leverage these funding sources with public money to help meet the highest priority community needs.
25. The funding for the first year of the Five-year CIP will be legally appropriated as a component of the annual operating budget. Funding for future projects identified in the five year CIP has not been secured or legally authorized and is therefore subject to change.
26. Each CIP project will be assigned to a Project Manager whose responsibilities are to monitor all phases of the project to ensure timely completion of the project and compliance with the project budget and all regulations and laws.

DEBT POLICIES

27. The City will limit long-term debt to only those capital improvements or long-term liabilities that cannot be financed from current revenue sources.
28. The City will utilize debt financing for projects which have a useful life that can reasonably be expected to exceed the period of debt service for the project.
29. The City will protect and enhance the City's general credit rating of "AA".
30. The City may utilize interfund loans rather than outside debt to meet short-term cash flow needs.
31. The City will minimize costs and liabilities to the City when sponsoring debt financing for private sectors.

RESERVE POLICIES

32. The City will periodically review and update reserve guidelines, to ensure that the City has sufficient reserve balances to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
33. The City will maintain unreserved, undesignated fund balance of at least 15% of the annual operating expenditures in the General Fund for emergencies and unforeseen operating or capital needs.
34. The City will maintain in the General Fund a $5 million Public Employees Retirement Rate Stabilization Reserve. This reserve may be drawn on if the required employer contribution rates exceed previous year contribution rates by more than 3%. The City Council must approve utilization of this reserve at the time of the budget hearing. This reserve will be replenished from the unreserved, undesignated fund balance after the 15% requirement of the operating expenditures has been met.
35. The City will maintain a Storm Drain replacement reserve to replace and repair storm drain pump stations. Beginning in FY 2009-2010, the City will set-aside $1 million annually from the General Fund reserve for this purpose.
36. The City will maintain a retiree medical benefits account established by an irrevocable trust. It is anticipated that the City will begin funding the normal cost of the retiree medical benefits annually in the operating budget.
37. Other reserves designated in the General Fund for investment portfolio market gain, and sick leave payable will be calculated and adjusted annually at appropriate levels.

38. The City will maintain working capital in the Water and Sewer utility enterprise funds to provide for future capital projects and unanticipated emergencies, such as water main break repairs and pump station repairs. The City will attempt to maintain a working capital reserve of approximately 30% of the annual operating and maintenance expenses for Water utility fund and 25% of the annual operating and maintenance expenses for Sewer utility fund.
39. In addition, the City will maintain Infrastructure Replacement funds for both Water and Sewer utilities. The goal is to accumulate at least $2 million a year from each utility fund to set-aside for replacement of infrastructure as the infrastructure reaches the end of its useful life.
40. The City will maintain at least $300,000 in the Recycled Water utility fund for the purpose of infrastructure replacement and enhancement.
41. Reserve levels for Debt Service Funds will be established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
42. A minimum 30% of the estimated annual Gas Tax revenues will be set aside as a reserve in the Street Fund to provide for street repair emergencies and other unanticipated traffic safety projects.
43. The City will maintain a capital reserve in an Equipment Replacement fund, set up as an internal service fund, to enable the timely replacement of vehicles and depreciable equipment as cost. The City will maintain a minimum fund balance of at least 30% of the replacement costs for equipment accounted for in this fund.
44. In addition, the City will maintain an initial capital reserve of $700,000 in an Equipment Replacement fund for technological equipment replacement. Upon the full payment of the Technology Certificates of Participation debt service in FY 09-10, an annual amount of $250,000 will be set aside in this fund for technological needs.
45. The City will maintain unreserved, undesignated fund balance of at least 15% of the annual operating revenues in the Redevelopment Project Fund for unforeseen capital needs and economic development opportunities such as land assemblage and developer assistance.

INVESTMENT POLICIES

46. The Finance Director/City Treasurer will annually render an investment policy for City Council's review and modification as appropriate. The review will take place at a public meeting and the policy shall be adopted by resolution of the City Council.
47. City funds and investment portfolio will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order.
48. Reports on the City's investment portfolio and cash position shall be developed by the Finance Director/City Treasurer and reviewed by the City Council quarterly.
49. Generally Accepted Accounting Principles required that differences between the costs of the investment portfolio and the fair value of the securities be recognized as income or losses in a government's annual financial report. These variances shall not be considered as budgetary resources or uses of resources unless the securities are sold before maturity or the values of the investments are permanently impaired.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

50. The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles as they apply to governmental accounting.
51. An annual audit will be performed by an independent public accounting firm with the subsequent issuance of a Comprehensive Annual Financial Report, within six months of the close of the previous fiscal year.
52. Periodic financial reports and status reports will be submitted to the City Council at the end of each quarter and be made available to the public. The report will provide an analysis of budgeted versus actual revenues and expenditures, on a year-to-date basis.

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Resolutions to be inserted in the Final Budget Document

The following Resolutions will be inserted in the

Final budget document after the Public Hearing:

Appropriations Limit Resolution

City/Agency Budget Resolution

City/Agency Resolution Making Findings Following a Public Hearing for Use of Redevelopment Funds

Agency Resolution Determining the Necessity of Planning and Administration Expenses for the Low and Moderate Income Households

City/Agency Agreement for Construction of Public Improvements

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City History

Before roads were carved and houses were built, Milpitas and its surrounding areas were home to native Americans in the Costanoan and Ohlone tribes. Living off the bounty of the land around San Francisco Bay, the Costanoans and the Ohlones prospered for hundreds of years long before Mexican or Spanish immigrants came to conquer the land.

Alviso Adobe

In the 18th century, Spanish explorers surveyed the land and were the first to give Milpitas its name - milpa - or little cornfields. Three large ranches began, and two families, the Alvisos and the Higueras, built adobes in the mid-1800's which still stand today

In 1850, the California Gold Rush began, and "American" settlers started taking over the region. In 1852, a settler from Ireland, Michael Hughes, built the first redwood-framed house in what is now Milpitas. Soon after, the first school was built, and by 1857, Milpitas had a hotel, general store and a post office.

Fruit orchards began to spring up in the 1870s, and later the region was known for its hay growing. The population continued to grow into the 1880s and settlers numbered over 1,500. But by the turn of the century, only about a third of those people remained.

Higuera Adobe

Populations would remain low until shortly after World War II, when Western Pacific Railroad bought a 300 acre industrial park within the city and Ford Motor Company announced it would shift its manufacturing plant from Richmond (just north of Oakland) to Milpitas. The population grew to 825. Sewer and water service, and fire protection were set up shortly after, as was one of the country's first integrated housing communities.

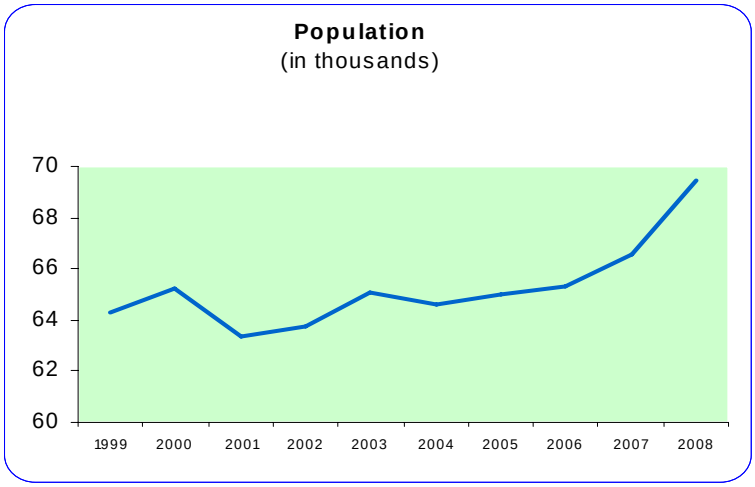
On January 26, 1954, the city was officially incorporated, after fighting off annexation attempts by neighboring San Jose. Ten years later, populations grew to 7,000.

Following the computer firm boom of the 1980s and the opening of one of the nation's largest malls in 1994, the city is now home to more than 65,000 residents.

History Courtesy of: The Milpitas Post
Photos Courtesy of: Eliren Pasion

Demographic Profile

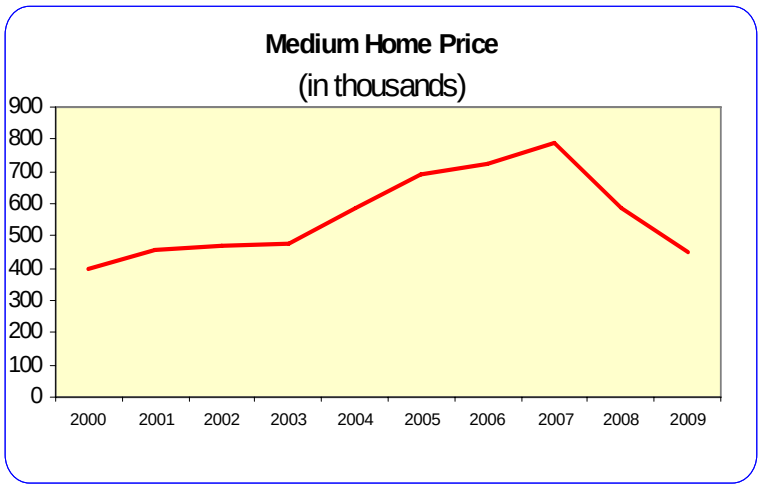
Once a small agricultural town and later a stopover point for travelers between Oakland and San Jose, Milpitas has blossomed into one of the world's premier computer and semiconductor producers. Tenants of the burgeoning city of 69,419 are family-centered communities that embrace cultural diversity, comprehensive schooling and preservation of the hills.



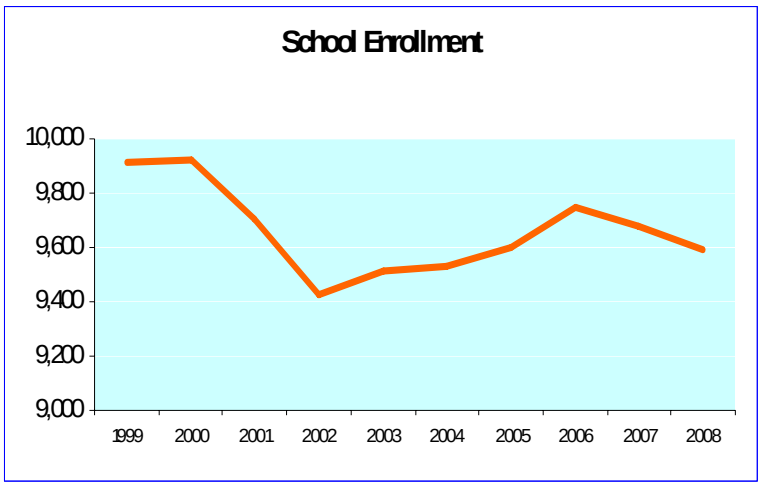
Incorporated in 1954 with 825 residents, Milpitas is located at the southern tip of the San Francisco Bay. Milpitas covers 13.6 square miles, with grassy foothills and picturesque Mount Hamilton to the east and the Santa Clara Valley Floor to the west. The city is located in Santa Clara County, home to close to 1.68 million residents. To the north is the city of Fremont. To the south lies San Jose, the third largest city in California.

Milpitas' neighborhoods are dotted with close to 19,073 households and well-placed parks. Milpitas' average household income is $94,050. The percentage of households with incomes more than $75,000 is close to 74 percent. About 42% of the households earn more than $100,000 annually.

Close to 64 percent of Milpitans own their own home. Rental prices vary from $995 to $1,505 per month for renters with one and two bedroom apartments and duplexes. Rent for two and three bedroom houses typically run $1,315 to $2,285. The median price of a home as of January 2009 in Milpitas is $447,500. There are 20 suburban residential areas. About 7 percent of the city's population are 5 years old or younger, the lowest in the county. About 18 percent are between 5 and 18 years old. About 68 percent of the population are between 18 and 64 years old. About 7 percent of residents are over 65, also the lowest in the county.



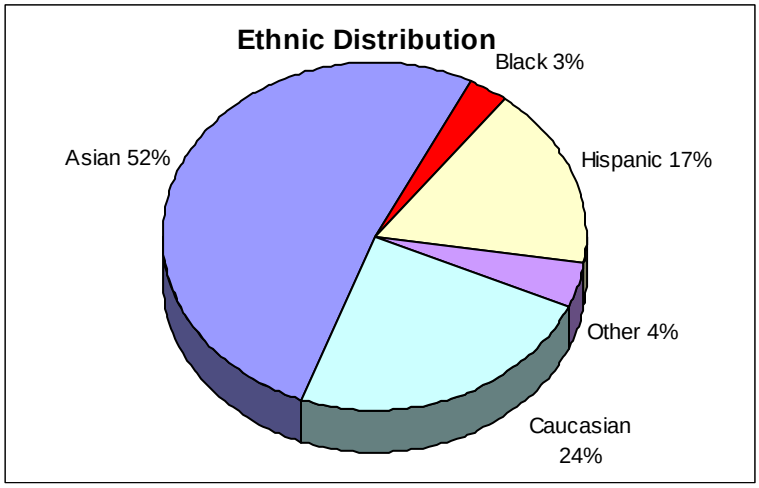
Milpitas public school system has 9 elementary schools, 2 middle schools, 2 high schools, 2 children centers, and an adult education program serving the community. Private school system has 4 elementary schools and 16 nursing/daycare facilities. School enrollment is 9,590.



Milpitas has the highest population of ethnicities in all Santa Clara County. According to the 2000 census, an estimated 52 percent of residents are Asian; 24 percent are Caucasian; 17 percent are Hispanic or Latino; and 3 percent are Black or African-Americans.

At 20 feet above sea level, Milpitas' mild climate averages 59 degrees, with gentle winds from the northwest and little more than 13 inches of rain expected in a typical year.

The bustling general law city is supervised by a council-manager form of government. The Milpitas City Council is the flagship decision making body that appoints members to many commissions that serve in advisory capacities. The mayorship is an elected position, as are all the council seats. Mayors serve two-year terms; council members have four-year seats.



The City Council makes the ultimate planning and policy decisions for residents, and oversees the city's $148 million budget. The five members carry out twice a month public meetings. At these times, the public's comments are usually heard, under the citizen's forum. The Council's meetings are held the first and third Tuesdays of each month at 7:00 p.m. in the Milpitas City Hall, 455 E. Calaveras Blvd.

There are 15 advisory commissions on which residents can participate - the Planning Commission, Arts Commission, Youth Advisory Commission, Bicycle Transportation Advisory Commission and Senior Advisory Commission, to name a few.

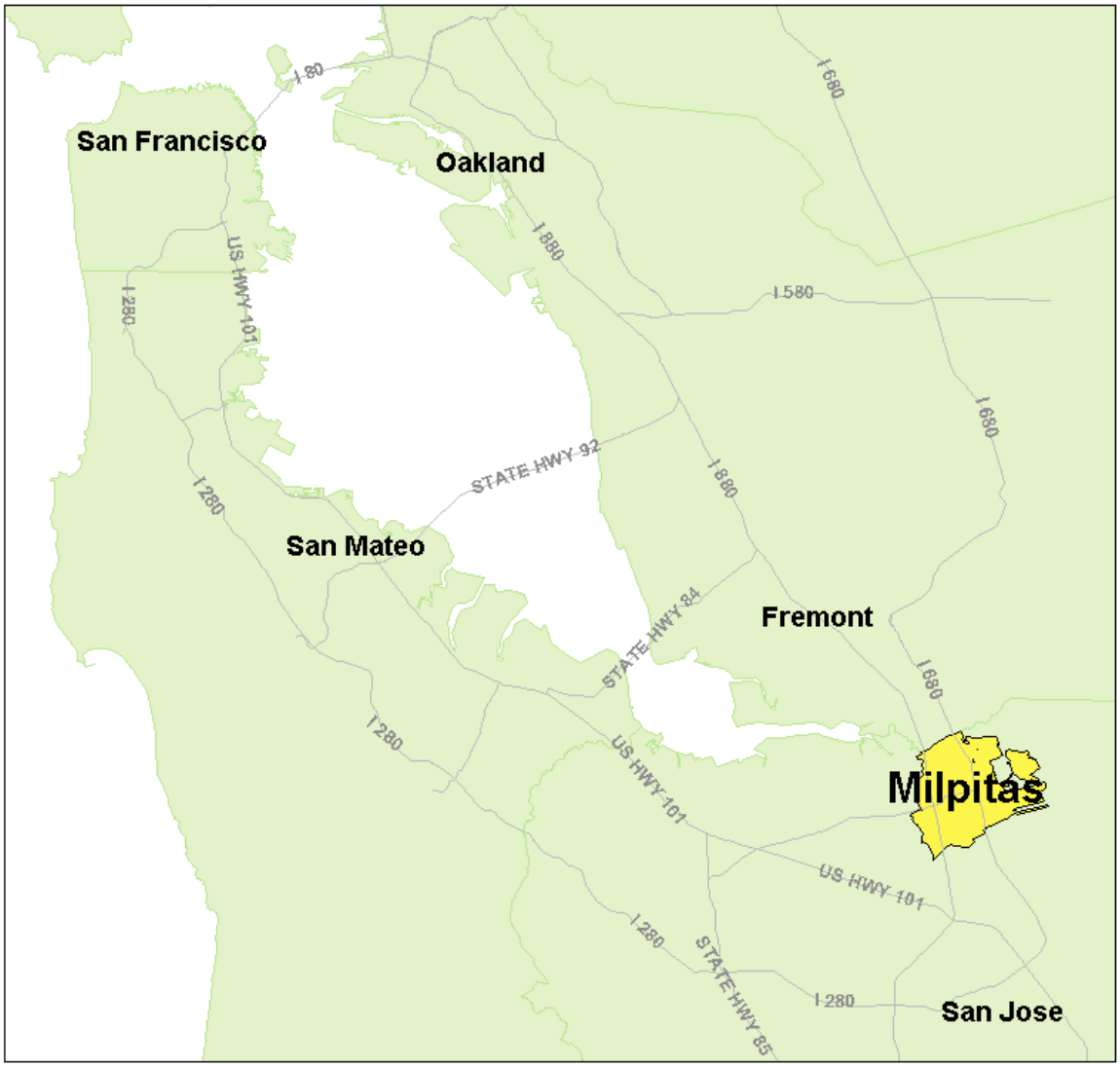
Issues challenging most commissions these days are development, quality of life and how to streamline traffic bottlenecks that plague this area at commute times.

City of Milpitas at a Glance

Date of Incorporation	January 26, 1954
Form of Government	Council-Manager
Population (estimated*)	69,419
Land Area (Square Miles)	13.6
Miles of Streets	137.7
Number of Street Lights	4,435
Fire Protection	
Number of Stations	4
Number of Firefighters	74
Fire Apparatus	14
Number of Fire Hydrants	1,809
Police Protection	
Number of Stations	2
Number of Sworn Officers	95
Crossing Guard Posts	38
Number of Vehicles	76
Employees	
Permanent	498.50
Temporary (FTE)	70.50

Water Utility	
Number of Customers:	
Residential	14,181
Commercial	2,045
Recycled Water	183
Average Daily Consumption (in gallons)	9,566,000
Miles of Water Mains	206
Sewer Utility	
Miles of Sanitary Sewers	177
Miles of Storm Drains	107
Public Schools Serving the Community	
Elementary Schools	9
Middle Schools	2
High Schools	2
Parks and Recreation	
Acres of Parkland	171.5
Number of Parks	29
Number of Swimming Pools	4
Number of Tennis Courts	20

Courtesy of:
* State of California, Department of Finance
The Milpitas Post
The City of Milpitas, Finance Department



The City of Milpitas is located near the southern tip of San Francisco Bay, forty-five miles south of San Francisco. Milpitas is often called the “Crossroads of Silicon Valley” with most of its 13.63 square miles of land situated between two major freeways (I-880 and I-680), State Route 237, and a county expressway. The light rail line opened for service in 2004 and an extension of BART, with a major multi-modal station, is in the planning stages.

City Council, Board and Commissions

City Council

Mayor	Robert Livengood
Vice Mayor	Pete McHugh
Councilmember	Debra Giordano
Councilmember	Armando Gomez, Jr
Councilmember	Althea Polanski

Board, Commissions, and Committee

Arts Commission
Donine Ettinger
Bill Foulk
Robin Hays
Harriet McGuire
Linda L. Rabe
Tess Santos
Becky Strauss
Richard Tsuei

Public Art Committee
Julie Cherry
Harriet McGuire
Barbara Jo Navarro
Larry Voellger
(Plus all Arts Commission Members including Alternates)

Bicycle Pedestrian Advisory Commission
Rene Briones
Cheryl Bunnell
Aaron Faupell
Jose Leon
Cheng Wei Pei
Nawal Stanojevic
Wei P. Sun

Emergency Preparedness Commission
Michael Berryhill
Lori Bersabe
Michael Caulkins
Michelle Celones
Russ Cherry
Tim Howard
Nancy Martinez
Brian Shreve
Stephen Strauss
Arlyn Swiger

Community Advisory Commission
Joselito Abelardo
Nika Ma Chen
Reena Choudhury
Danny Fang
Jennifer Lind
Rajeev Madnawat
William Dan Manassau
Viramrinder Meharu
Syed Mohsin
Phong Nguyen
Michael Queenan
Bella Sangalang
Nelson Villegas

Economic Development Commission
Chandru Bhambhra
Dhaval J. Brahmbhatt
Robyn Cornell
Michael Mendizabal
Zeya Mohsin
Minh Nguyen
Tomo Tuong Nguyen
Donald Peoples
Jeanne Serpa
Steve Tao
Charlene Tsao
Michelle Yu (Bau)

Library Advisory Commission
Trinidad Aoalin
Linda Arbaugh
Melinda Cervantes
Yu-Lan Chou
Elpidio Estioko
Marilyn Hay
Carmen Montano
Marie Pham
Ha Phan
Margie Stephens
Sonny S. Wang

Board, Commissions, and Committee

Mobile Home Park Rental Review Board
Beth Garcia
Florence Romito

Parks, Recreation and Cultural Resources Commission
Michael Bangsal
Freddie Cacao
Kathryn Gray
Frances Krommenhock
Henry Ku
Naomi Matau
Vishnu Mathur
Steve Munzel

Planning Commission
Aslam Ali
Lawrence Ciardella
Alexander Galang
Sudhir Mandal
Gurdev Sandhu
Noella Tabladillo
Mark Tiernan
Cliff Williams

Recycling and Source Reduction Advisory Commission
Ricardo Ablaza
Echo Arthur
Ed Blake, Jr.
Hong Chen
John Cimino
Judy Duong
Garrett Dye
Steve Ybarra
Patrick Yung

Senior Advisory Commission
Karen Adams
Mary Banick
Ed Connor
Bal Daquigan
Barbara Ebright
Estrella Gilana
Florentino Menor
Amanda Santos
Albert Wang
Denny Weisgerber
Bernice Wrinkle

Sister Cities Commission
Dana Arbaugh
Massoud Arefi
Nolan Chen
Dennis Grilli
Roselda Mateo
Maria Magdalena Ortega
Marsha Binh Tran

Telecommunications Commission
Sumeet Ahuja
Albert Alcorn
Satish Kumar Bansal
Kurt Bohan
Dinesh Gupta
Niranjan Gupta
William Lam
M. Idrees Munir
Roger Shaw
Hai Tran

Youth Advisory Commission
Richard Albana
Celine Cacho
Lovin Cortez
Patricia Do
Audrey Fey
Dilpreet Khalsa
Samuel Lai
Brian Leon
Ryan Ng
Katherine Pita
Sareen Sandhu
Jennifer Shen
Anthony Vu

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Directory of Officials

Fiscal Year 2009 – 2010

City Manager
Thomas C. Williams

Police Chief
Dennis Graham

Director of Financial Services
Emma Karlen, CPA

Fire Chief, Interim
Ruben Grijalva

City Clerk
Mary Lavelle

City Attorney
Michael Ogaz

Chief Information Officer
William Marion

Human Resources Director
Carmen Valdez

Public Works Director/City Engineer
Greg Armendariz

Planning & Neighborhd Svc Director
James Lindsay

Chief Building Officer
Keyvan Irannejad

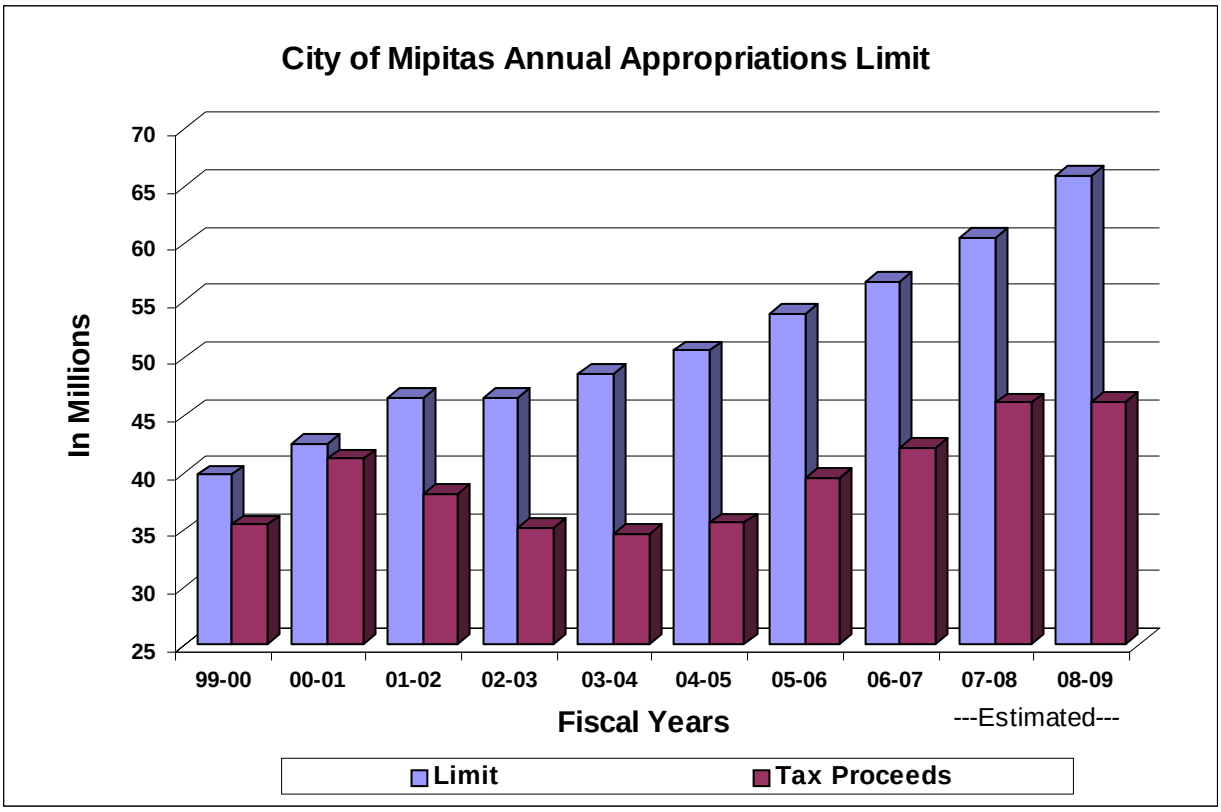
Parks and Recreation Director
Bonnie Greiner

Gann Limit Analysis

Article XIIIB of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Limit, was approved by California voters in November 1979 and placed limits on the amount of proceeds of taxes that state and local governmental agencies can receive and spend each year. If an agency receives more revenue than the Appropriations Limit, the excess revenue must be returned to the taxpayers through a tax reduction or refund within the next two years. Alternatively, the agency can increase its Appropriations Limit through voters' approval.

Each year's limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. The City Council must adopt, by resolution, an Appropriations Limit for the following year. Using the population and per capita personal income change factors provided by the State of California, the City's Appropriations Limit for FY2008-09 has been computed to be $65,450,866. Appropriations subject to the limitation in FY2008-09 budget total $46,174,872 that is $19,275,995 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since Fiscal Year 1999-2000. The City has not exceeded its annual Appropriations Limit in any single fiscal year. Except for the extraordinary growth in tax proceeds experienced in Fiscal Year 2000-01, the City has been under 90% of the limitation and should not be impacted by the Appropriations Limit.



Computation of Legal Bonded Debt Margin

City of Milpitas
June 30, 2008

ASSESSED VALUATION:		
Secured property assessed value, net of exempt real property	$11,109,360,693	
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (A)		$416,601,026
AMOUNT OF DEBT SUBJECT TO LIMIT:		
Total Bonded Debt	$193,565,000	
Less: Tax Allocation Bonds and Certificates of Participation, not subject to limit	$193,565,000	
Amount of debt subject to limit		-0-
LEGAL BONDED DEBT MARGIN		$416,601,026

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Historical Staffing by Division

	06 - 07 Approved		07 - 08 Approved		08 - 09 Approved		Change		09 - 10 Proposed	
	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp
100 City Council	5.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00
111 City Manager	4.00	0.00	4.00	0.00	4.00	0.00	0.00	0.00	4.00	0.00
114 City Clerk	10.00	0.00	10.00	0.00	10.00	0.00	0.00	0.00	10.00	0.00
116 RDA & Economic Dvp	1.00	0.00	1.00	0.00	1.00	0.00	0.00	0.00	1.00	0.00
City Manager	20.00	0.00	20.00	0.00	20.00	0.00	0.00	0.00	20.00	0.00
530 Building and Safety	23.00	1.00	23.00	3.00	23.00	3.00	5.00	(3.00)	28.00	0.00
Building and Safety	23.00	1.00	23.00	3.00	23.00	3.00	5.00	(3.00)	28.00	0.00
112 Information Services	20.00	0.50	20.00	0.00	20.00	0.00	0.00	0.00	20.00	0.00
Information Systems	20.00	0.50	20.00	0.00	20.00	0.00	0.00	0.00	20.00	0.00
115 Human Resources	7.00	0.00	7.00	0.00	7.00	0.00	0.00	0.00	7.00	0.00
Human Resources	7.00	0.00	7.00	0.00	7.00	0.00	0.00	0.00	7.00	0.00
120 City Attorney	0.00	0.00	1.00	0.00	4.00	0.00	0.00	0.00	4.00	0.00
City Attorney	0.00	0.00	1.00	0.00	4.00	0.00	0.00	0.00	4.00	0.00
300 Finance Administration	7.00	0.00	7.00	0.00	7.00	0.00	0.00	0.00	7.00	0.00
310 Accounting Services	12.00	0.50	12.00	0.50	12.00	0.50	(1.00)	0.50	11.00	1.00
320 Fiscal Services	10.00	0.25	10.00	0.25	10.00	0.25	0.50	0.75	10.50	1.00
330 Purchasing	5.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00
Finance	34.00	0.75	34.00	0.75	34.00	0.75	(0.50)	1.25	33.50	2.00
420 Public Works	74.00	4.25	75.00	1.50	75.00	2.50	0.00	3.75	75.00	6.25
410 Engineering	46.00	6.00	46.00	0.50	46.00	1.00	(5.00)	0.50	41.00	1.50
Public Works	120.00	10.25	121.00	2.00	121.00	3.50	(5.00)	4.25	116.00	7.75
510 Planning & Nghbrhd	16.50	2.00	16.50	2.00	17.00	0.00	0.00	0.00	17.00	0.00
Planning & Nghbrhd Srves	16.50	2.00	16.50	2.00	17.00	0.00	0.00	0.00	17.00	0.00
424 Parks	21.00	1.00	21.00	1.00	21.00	1.00	0.00	0.00	21.00	1.00
450 Recreation	29.00	41.75	28.00	44.50	27.50	44.00	1.00	0.75	28.50	44.75
Parks and Recreation	50.00	42.75	49.00	45.50	48.50	45.00	1.00	0.75	49.50	45.75
700 Police Administration	3.00	0.00	3.00	0.00	3.00	0.00	0.00	0.00	3.00	0.00
710 Police Technical Services	31.50	0.00	31.50	2.50	30.50	2.50	0.00	(0.50)	30.50	2.00
720 Police Field Services	73.00	13.00	73.00	13.00	73.00	13.00	0.00	0.00	73.00	13.00
730 Special Operations	17.00	0.00	17.00	0.00	17.00	0.00	0.00	0.00	17.00	0.00
Police	124.50	13.00	124.50	15.50	123.50	15.50	0.00	(0.50)	123.50	15.00
800 Fire Administration	2.00	1.00	3.00	0.00	3.00	0.00	0.00	0.00	3.00	0.00
810 Emerg Resp & Prep Div	66.00	0.00	67.00	0.00	67.00	0.00	0.00	0.00	67.00	0.00
820 Prevention Division	12.00	0.00	10.00	0.00	10.00	0.00	0.00	0.00	10.00	0.00
Fire	80.00	1.00	80.00	0.00	80.00	0.00	0.00	0.00	80.00	0.00
TOTAL	495.00	71.25	496.00	68.75	498.00	67.75	0.50	2.75	498.50	70.50

CITY OF MILPITAS

CALIFORNIA

INCORPORATED

JANUARY 26, 1954

	Grand Total	General Fund (1)	Library Fund
ESTIMATED REVENUES			
PROPERTY TAXES	52,310,000	17,037,000	0
TAXES OTHER THAN PROPERTY	27,827,250	26,008,000	1,198,250
LICENSES AND PERMITS	3,434,000	3,434,000	0
FINES AND FORFEITS	1,009,000	1,009,000	0
USE OF MONEY AND PROPERTY	5,113,000	620,000	161,000
INTERGOVERNMENTAL	7,835,572	516,000	0
CHARGES FOR CURRENT SERVICES	35,103,730	3,964,000	0
OTHER REVENUE	3,272,000	94,000	0
sub-total	135,904,552	52,682,000	1,359,250
OTHER FINANCING SOURCES			
(INCREASE) DECREASE IN FUND BALANCE	4,629,016	875,672	(576,250)
(INCREASE) DECREASE IN CIP RSRV	8,239,700	0	0
(INCREASE) DECREASE IN HOUSING RSRV	(791,577)	0	0
RDA LOAN PAYMENT	(6,000,000)	0	0
OPERATING TRANSFERS IN	19,868,997	16,482,997	0
OPERATING TRANSFERS OUT	(13,868,997)	(100,000)	(350,000)
sub-total	12,077,139	17,258,669	(926,250)
TOTAL	147,981,691	69,940,669	433,000
BUDGETED APPROPRIATIONS			
PERSONNEL SERVICES	65,766,232	58,249,162	0
SUPPLIES & CONTRACTUAL SERVICES	43,134,425	11,676,507	433,000
CAPITAL OUTLAY	1,144,485	15,000	0
sub-total	110,045,142	69,940,669	433,000
CAPITAL IMPROVEMENTS	19,664,549	0	0
DEBT SERVICE	18,272,000	0	0
sub-total	37,936,549	0	0
TOTAL	147,981,691	69,940,669	433,000
FUND BALANCE			
FUND BALANCE	176,254,030	24,316,530	5,900,000
NET CHANGES IN FUND BALANCE	(12,077,139)	(875,672)	576,250
TOTAL	164,176,891	23,440,858	6,476,250
RESERVED	34,056,422	1,300,000	0
UNRESERVED - DESIGNATED	9,376,250	2,900,000	6,476,250
UNRESERVED, DESIGNATED FOR CIP	44,605,800	0	0
UNRESERVED, DESIGNATED FOR PERS	5,432,703	5,432,703	0
UNRESERVED, DESIGNATED FOR HOUSING	20,591,577	0	0
UNRESERVED, UNDESIGNATED	50,114,139	13,808,155	0
TOTAL	164,176,891	23,440,858	6,476,250

(1) General Fund includes Abandon Vehicle Abatement Fund.

(2) Other Funds include Public Art Fund, Community Facility District Fund, Gas Tax Fund, Light & Landscape Maintenance District Funds, Housing and Community Development Fund, Law Enforcement Grant Funds, Solid Waste Services Funds, Equipment Replacement Funds and Permit Automation Fund.

(3) Capital Projects include Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund and Transit Area Impact Fee Fund.

Other Funds (2)	Capital Projects (3)	Redevelopment (4)	Water Fund (5)	Sewer Fund (6)
0	0	35,273,000	0	0
621,000	0	0	0	0
0	0	0	0	0
0	0	0	0	0
332,000	588,000	2,170,000	592,000	650,000
1,823,000	5,496,572	0	0	0
2,913,730	0	0	17,350,000	10,876,000
512,000	450,000	856,000	550,000	810,000
6,201,730	6,534,572	38,299,000	18,492,000	12,336,000
(253,422)	0	1,134,655	(25,902)	3,474,263
0	5,325,995	0	3,077,705	(164,000)
0	0	(791,577)	0	0
0	0	(6,000,000)	0	0
300,000	2,841,000	245,000	0	0
(1,499,287)	(231,619)	(6,714,180)	(3,376,561)	(1,597,350)
(1,452,709)	7,935,376	(12,126,102)	(324,758)	1,712,913
4,749,021	14,469,948	26,172,898	18,167,242	14,048,913
1,108,548	0	2,354,572	2,572,348	1,481,602
2,690,986	133,000	7,335,726	10,144,894	10,720,312
949,487	19,999	0	150,000	9,999
4,749,021	152,999	9,690,298	12,867,242	12,211,913
0	14,316,949	(1,102,400)	5,300,000	1,150,000
0	0	17,585,000	0	687,000
0	14,316,949	16,482,600	5,300,000	1,837,000
4,749,021	14,469,948	26,172,898	18,167,242	14,048,913
14,432,000	23,914,000	75,660,000	12,280,000	19,751,500
253,422	(5,325,995)	(343,078)	(3,051,803)	(3,310,263)
14,685,422	18,588,005	75,316,922	9,228,197	16,441,237
14,685,422	0	18,071,000	0	0
0	0	0	0	0
0	18,588,005	3,000,000	7,102,295	15,915,500
0	0	0	0	0
0	0	20,591,577	0	0
0	0	33,654,345	2,125,902	525,737
14,685,422	18,588,005	75,316,922	9,228,197	16,441,237

(4) Redevelopment Agency Funds include Housing Reserve Fund, Redevelopment Project Fund and Tax Allocation Bond Fund.

(5) Water Fund includes Water Fund, Water Fund CIP, Water Line Extension Fund, Water Infrastructure Replacement Fund and Recycled Water Fund.

(6) Sewer Fund includes Sewer Fund, Sewer Fund CIP, Treatment Plant Construction Fund, Sewer 2006 COPs Fund and Sewer Infrastructure Replacement Fund.

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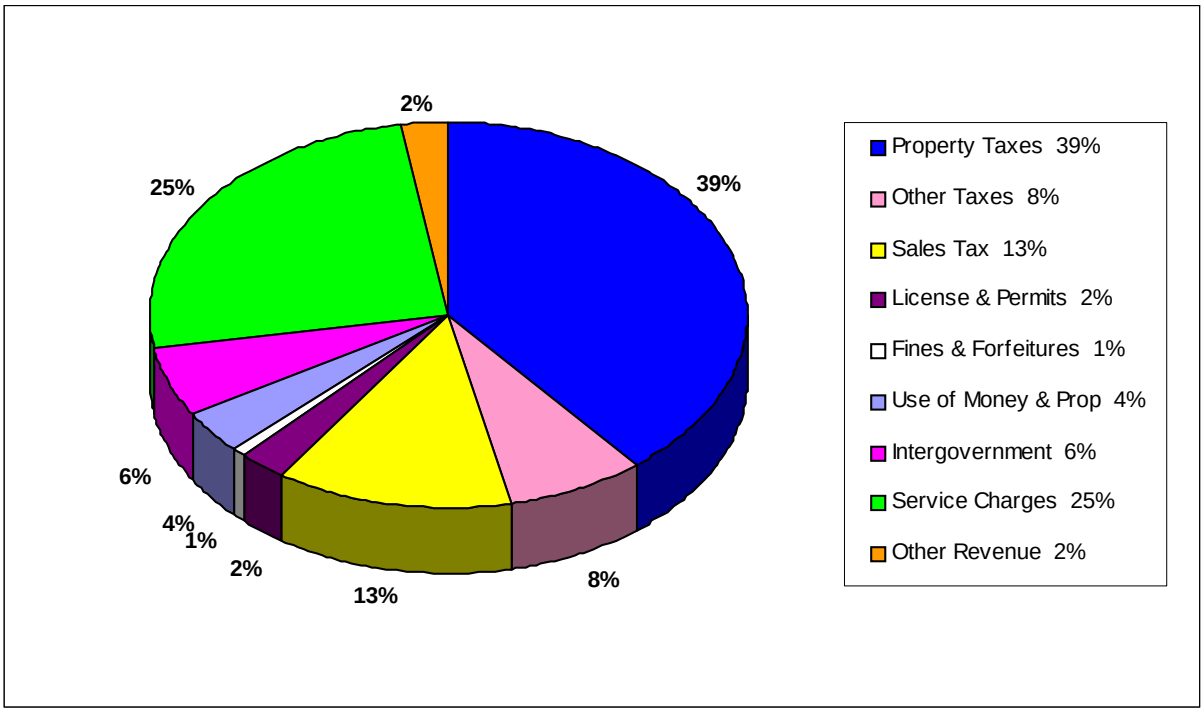
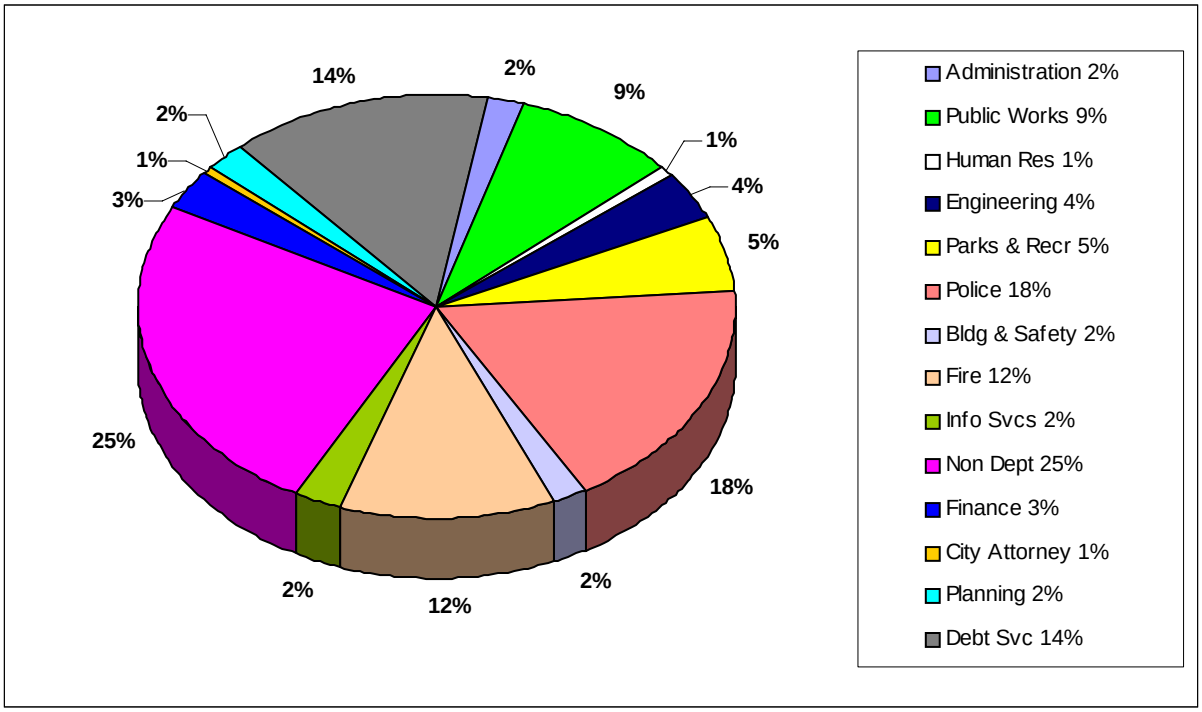
Distribution of Revenues

2009-2010
(All Funds)



Distribution of Expenditures

2009-2010
(All Funds)



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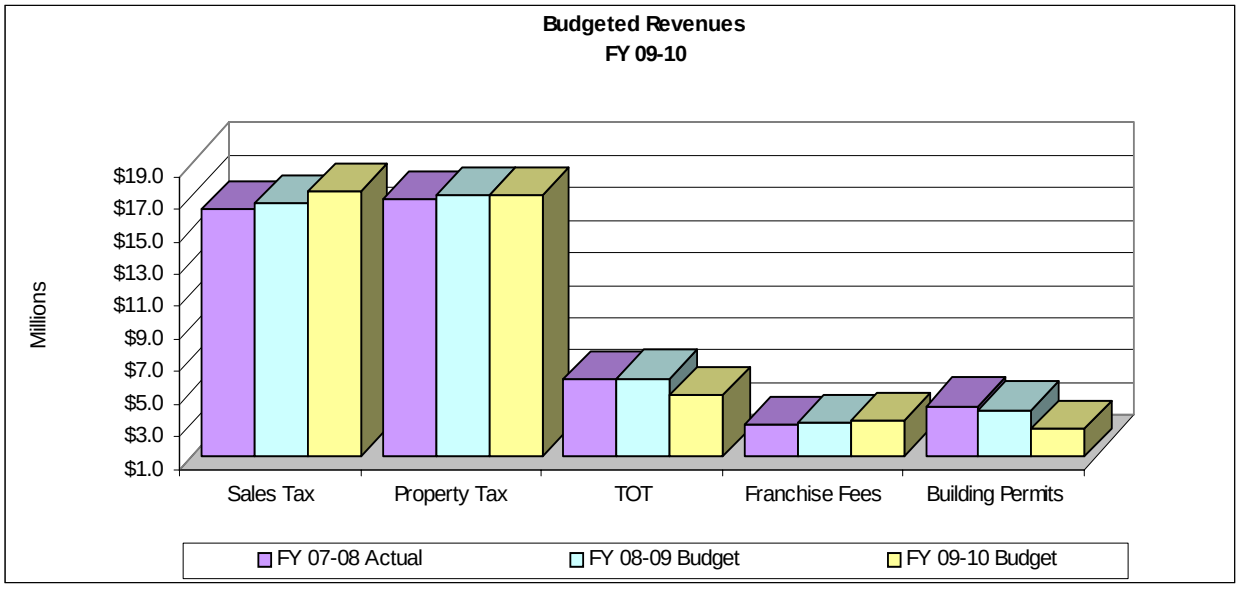
General Fund Revenue Assumptions

CPI	Projected to be 3% increase based on the average urban consumer Consumer Price Index increase in the last 10 years for the San Franciso-Oakland-San Jose Metropolitan Areas.
Sales Tax	Although the Association of Bay Area Governments (ABAG)'s forecast is 1.3% increase for the Santa Clara County next year, our assumption for FY 09-10 sales tax revenue is a 0.4% decrease from FY 08-09 revised estimate, much more conservative than ABAG's projection. The City's forecast is more consistent with our sales tax consultant's estimate based on analysis of recent sales tax revenue trend. Total sales tax revenue is estimated to be $17.3 million. The decrease in sales tax revenue is due to a combination of factors: decreased sales in the business-to-business and construction economic segments, the one-time use tax revenue generated from the Business Cooperation Program is not factored in the projection, however the potential sales tax generated from the new Honda car dealership in included.
Property Tax	The property tax revenues are estimated to decrease by 2% in FY 09-10 from the FY 08-09 revised revenue. The decrease can be attributed to assessed valuation appeals and the proactive reduction of assessed valuation by the County Assessor based on decline of local home values. The County Assessor provided a report on assessed valuation changes which showed a 2% decrease for the properties located in the City, due to reduction of the assessed valuation for a number of properties that were purchased at the peak of the housing market.
Transient Occupancy Tax (TOT)	The TOT revenue is shown a decrease of $1 million or 17.2% from FY 08-09 budget but will remain at approximately the same level as the FY 08-09 revised projection of $4.8 million. The TOT revenue is not projected to worsen but is not anticipated to recover anytime soon.
Building Permits	The building permit revenues are projected to be $3.4 million, approximately $550,000 or 14% less than the FY 08-09 revised revenue. The projection is based on the number of recent applications submitted and potential commencement of construction of some of the projects. Other more routine building permit and inspection revenues from home improvement and commercial tenant improvement are included in the projection.



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Revenues by Fund (Summary)

	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
100 General Fund	88,492,862	67,602,169	72,652,583	69,019,997
102 Library Fund	1,389,890	1,278,365	1,358,000	1,009,250
105 Abandon Veh Abatement	52,985	85,970	55,000	45,000
211 H-Hetch Ground Lease	56,496	73,125	70,842	26,880
212 Public Art Fund-Restricted	248,232	(133,543)	494,000	208,000
213 Public Art Fund-Nonrestricted	0	161,043	0	5,000
221 Gas Tax Fund	(204,554)	286,534	16,000	16,000
235 95-1 Lighting/Lscape Dist	270,845	284,615	278,000	286,000
236 98-1 Lighting/Lscape Dist	33,335	34,876	34,000	37,000
237 05 Community Fclty Dist	0	0	90,000	176,000
250 HCD Fund	597,377	528,349	599,000	599,000
251 HCD Loan	3,606	258,386	2,000	0
261 Supplemental Law Enforcement	85,927	161,096	3,000	2,000
262 State Asset Seizure	10,536	4,610	4,000	3,000
263 Federal Asset Seizure	164,121	7,313	6,000	5,000
264 Local Law Enforcmnt Block Grant	651	0	0	0
267 Justice Assistance Grant	18,185	4,484	0	0
280 Solid Waste Services	234,898	264,851	168,426	444,484
281 Solid Waste Reduction	362,800	266,295	241,112	336,349
290 Housing Reserve Fund	9,657,098	7,635,609	6,570,418	8,000,781
291 Housing Reserve 97 TABS	(6,411,861)	0	0	0
310 Street Fund	(430,437)	(2,337,204)	1,196,000	(1,458,377)
311 Street CIP	4,558,695	5,274,766	336,000	6,289,000
312 Traffic Impact Fee	140,221	(16,848)	0	38,000
313 Traffic Congestion Relief	(771,766)	1,506	0	1,000
320 Park Improvement Fund	823,430	(403,232)	(137,000)	(1,445,000)
321 Park Improvement CIP	542,583	835,694	200,000	1,802,949
322 Midtown Park Fund	38,099	1,527,232	46,000	74,000
330 General Government	13,663	32,429	26,000	22,000
331 General Government CIP	20,000	240,000	410,000	50,000
332 Technology COP	(82,123)	(37,263)	1,000	0
340 Storm Drain Development	752,721	200,762	(139,000)	145,381
341 Storm Drain CIP	0	0	750,000	175,000
350 Transit Area Impact Fee Fund	0	0	0	(2,550,000)
351 Transit Area Impact Fee CIP Fund	0	0	0	6,000,000
390 RDA Project Fund	28,192,874	27,105,362	14,864,296	22,770,439
391 Redevelopment CIP	17,473,637	23,102,691	15,760,000	(1,102,400)
392 97 RDA TABs	184,519	(399,646)	(862,000)	(4,000)
393 2000 RDA TABs	(71,215)	0	0	0
395 2003 RDA TABs	(15,425,592)	(22,382,737)	(12,150,000)	(3,835,000)
400 Water M & O Fund	11,373,952	11,884,349	7,795,124	12,322,145
401 Water CIP	1,560,000	2,540,000	6,085,000	5,300,000
402 Water Line Extension Fund	968,460	227,029	799,000	(1,588,000)
405 Water Infrastructure Replmnt	1,000,000	58,711	37,000	(1,069,000)
406 Recycled Water Fund	736,734	964,653	207,677	150,294
450 Sewer M & O Fund	8,985,951	(2,395,227)	6,582,422	9,424,650
451 Sewer CIP	872,324	9,446,363	2,690,000	1,150,000

	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
452 Treatment Plant Construction F	1,503,782	2,983,417	1,448,000	968,000
453 Sewer 2006 COPS	259,495	467,535	39,000	39,000
455 Sewer Infrastrture Replmnt	(195,110)	249,627	(499,000)	(843,000)
456 South Bay Water Recycling Prgm	(13,071)	0	0	0
500 Equipment Mgnt Fund	3,017,717	3,525,956	2,312,037	2,670,730
505 Information Tec Replmt	144,663	206,445	112,000	187,000
506 Permit Automation Fund	0	(140,000)	(35,000)	0
TOTAL	161,237,636	141,566,514	130,516,937	135,904,552

Description	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
GENERAL FUND (100)				
PROPERTY TAXES				
3010 Property Taxes, Current	14,952,459	16,030,625	16,330,000	16,439,000
3030 Property Taxes, Supplement	797,733	770,167	726,000	598,000
sub-total	15,750,192	16,800,792	17,056,000	17,037,000
TAXES OTHER THAN PROPERTY				
3110 Sales and Use Tax	17,382,981	16,173,366	16,573,000	17,302,000
3120 Real Estate Transfer Tax	401,046	476,338	565,000	339,000
3131 Electric Franchise	1,080,321	1,267,020	1,112,000	1,113,000
3132 Gas Franchise	211,289	0	217,000	205,000
3133 Garbage Franchise-Commercial	794,721	921,815	856,000	942,000
3134 Garbage Franchise-NonCommercial	434,443	377,694	469,000	462,000
3137 Nitrogen Gas Franchise	39,006	36,198	32,000	41,000
3138 CATV Franchise	351,813	365,090	374,000	382,000
3140 Business License Tax	288,353	424,735	429,000	429,000
3150 Hotel/Motel Tax	5,153,656	5,755,842	5,788,000	4,793,000
sub-total	26,137,629	25,798,099	26,415,000	26,008,000
LICENSES AND PERMITS				
3210 Building Permits	4,933,979	4,096,505	3,856,000	2,686,000
3220 Fire Permits	635,271	729,213	590,000	510,000
3240 Life Safety Annual Permits	184,288	164,651	216,000	216,000
3250 Fire Inspections	66,134	32,037	18,000	22,000
sub-total	5,819,673	5,022,407	4,680,000	3,434,000
FINES AND FORFEITS				
3301 Vehicle Code Fines	287,198	308,613	270,000	373,000
3302 Other Court Fines	681,483	487,988	674,000	501,000
3305 Booking Fees	25,368	30,409	28,000	19,000
3306 NBO Violation Fees	14,300	5,619	5,000	4,000
3307 Impound Fees	61,181	56,914	60,000	52,000
3308 Animal Violations	15,300	9,323	11,000	11,000
3309 False Alarm Fee	51,175	67,700	60,000	49,000
3310 Fire Administrative Citations	1,650	0	0	0
3313 PW Municipal Code Fines	0	2,511	0	0
sub-total	1,137,656	969,076	1,108,000	1,009,000
USE OF MONEY AND PROPERTY				
3431 Pooled Investment-Interest	1,389,130	497,499	0	0
3433 Other Interest Income	412,538	499,498	78,000	74,000
3434 Pooled Interest Allocation	0	334,463	881,000	546,000
sub-total	1,801,669	1,331,459	959,000	620,000
INTERGOVERNMENTAL				
3511 Motor Vehicle In Lieu Tax	356,756	296,241	368,000	219,000
3521 Homeowners Property Tax Relief	125,499	125,830	120,000	128,000
3532 Off-Highway Tax	0	9	0	0
3551 Federal Contributions-General Gov't	2,238	0	0	0
3556 Federal Contributions-Recreation	13,000	27,416	20,000	20,000
3557 Federal Contributions-Police	29,908	20,409	0	0
3558 Federal Contributions-Fire	51,829	23,865	0	0
3561 State Contributions-General Gov't	1,676	0	0	0

Description	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
3562 POST Grant	18,649	26,045	18,000	18,000
3567 State Contributions-Police	8,704	2,090	0	0
3568 State Contributions-Fire	0	43,058	0	0
3576 County Contributions-Recreation	70,483	72,517	82,000	82,000
3582 SB90 Grant	206,926	35,292	32,000	4,000
3591 Misc Unrestricted Intergovernmental	99,097	7,600	8,000	0
sub-total	984,765	680,372	648,000	471,000
CHARGES FOR CURRENT SERVICES				
3601 General Government Service Charges	237,195	288,265	280,000	235,000
3602 Sales of Maps and Documents-Gen Gov't	580	339	0	0
3603 Rents, Leases and Concessions-Gen Gov't	136,406	158,883	146,000	185,000
3611 PJ Overhead Charges-PW/E	1,103,017	773,376	706,000	600,000
3612 PJ Labor Reimbursement-PW/E	122,015	347,701	345,000	240,000
3613 PJ Vendor Reimbursement-PW/E	196,339	44,862	6,000	1,000
3615 Public Works and Engr Fees	18,593	1,050	2,000	0
3616 Engineering Plan Check Fee	231,217	143,620	25,000	50,000
3617 Planning Fees	13,870	55,130	15,000	12,000
3618 Sales of Maps and Doc-PW/Engr	10,196	9,563	7,000	5,000
3619 Rent,Lease & Concession-PW/Eng	9,000	13,500	14,000	20,000
3631 Paramedic Service	0	2,317	0	2,000
3632 Firewatch Services	0	1,448	1,000	1,000
3633 Fire Cost Recovery	7,191	0	0	0
3634 Unwanted Alarms-Fire	29,400	35,400	10,000	5,000
3637 Fire Service Charges	220,563	208,127	214,000	210,000
3638 Sale of Maps & Documents-Fire	0	2	0	0
3639 Fire Electroinc Archieve Charge	0	1,450	0	4,000
3641 Police Service Charges	254,715	297,889	267,000	485,000
3643 Fingerprints	1,972	1,942	1,000	1,000
3644 Sales of Maps & Documents-Police	12,302	12,452	13,000	11,000
3645 Police Cost Recovery	1,726	68,421	89,000	2,000
3646 Rents, Leases & Concessions-Police	0	12,600	0	4,000
3647 DUI-Police Cost Recovery	14,637	0	0	3,000
3651 Rents, Leases & Concessions-Recreation	135,464	135,884	141,000	133,000
3652 Recreation Fees	1,445,752	1,509,563	1,549,000	1,500,000
3653 Senior Nutrition Fees	16,091	16,383	16,000	17,000
3655 Sales of Merchandise Recreation	1,482	1,516	1,000	1,000
3661 Sales of Maps & Documents-Building	55	280	0	0
3662 Records Retention Fee	58,067	50,477	48,000	32,000
3663 Building Service Charges	200	727	0	0
3665 PJ Overhead Charges-Building	0	10,028	4,000	4,000
3666 PJ Labor Reimbursement-Building	0	4,429	2,000	2,000
3672 Public Works Cost Recovery	151,923	63,731	13,000	16,000
3681 PJ Overhead Charge-Planning	377,832	212,366	170,000	100,000
3682 PJ Labor Reimbursement-Planning	0	105,635	160,000	50,000
3683 PJ Vendor Reimbursement-Planning	0	55,197	48,000	15,000
3685 Housing & Neighborhood Services	0	21,352	18,000	18,000
sub-total	4,807,801	4,665,904	4,311,000	3,964,000

Description	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
OTHER REVENUE				
3710 Development	14,639	60,750	15,000	15,000
3730 Recycling	70	5,097	0	0
3740 Reimbursements	0	2,100,000	1,000	0
3750 Donations	10,349	27,430	25,000	0
3770 Sale of Property, Plant and Equipment	20,461,472	7,361	0	5,000
3790 Miscellaneous Other Revenue	98,210	79,724	89,000	74,000
sub-total	20,584,740	2,280,363	130,000	94,000
OPERATING TRANSFERS IN				
3806 Op Trfs in from Solid Waste Service	148,912	87,727	150,574	176,516
3807 Op Trfs in from Solid Waste Reduction	0	101,336	103,888	99,651
3808 Op Trfs in from Housing Reserves	1,340,957	1,100,655	1,164,782	1,144,219
3809 Op Trfs in from Street Fund	844,178	0	0	0
3811 Op Trfs in from RDA	5,341,913	5,220,847	11,480,504	11,028,961
3812 Op Trfs in from Water M&O	1,455,232	1,734,961	1,780,876	1,922,855
3814 Op Trfs in from Recycled	193,929	126,260	167,323	153,706
3815 Op Trfs in from Sewer M&O	1,286,254	1,547,952	1,768,578	1,597,350
3817 Op Trfs in from Equipment Replacement	0	0	465,900	0
3819 Op Trfs in from Other	0	3,055	263,158	353,120
3822 Op Trfs in from General Gov't Fund	30,000	0	0	0
3823 Op Trfs in Storm Drain Fund	0	0	0	6,619
3841 Appn Transfers in from Redevel	825,000	0	0	0
3849 Other Appn Transfers In	2,362	11,253	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	260,000	0	0
sub-total	11,468,737	10,194,046	17,345,583	16,482,997
OPERATING TRANSFERS OUT				
3911 Op Trfs Out To the RDA Project Fund	0	(100,000)	0	0
3917 Op Trfs Out To the Equipment Fund	0	0	0	(100,000)
3999 Op Trfs Out To Subsidiary CIP Fund	0	(40,349)	0	0
sub-total	0	(140,349)	0	(100,000)
TOTAL (100)	88,492,862	67,602,169	72,652,583	69,019,997
LIBRARY FUND (102)				
3150 Hotel/Motel Tax	1,273,674	1,439,996	1,446,000	1,198,250
3431 Pooled Investment-Interest	116,216	138,740	0	0
3434 Pooled Interest Allocation	0	84,629	172,000	161,000
3901 Op Trfs Out To the General Fund	0	0	(260,000)	(350,000)
3903 Op Trfs Out To the Public Art Fund	0	(125,000)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	0	(260,000)	0	0
TOTAL (102)	1,389,890	1,278,365	1,358,000	1,009,250
ABANDON VEH ABATEMENT (105)				
3431 Pooled Investment-Interest	3	(95)	0	0
3434 Pooled Interest Allocation	0	(1,086)	0	0
3577 County Contributions-Police	52,982	46,802	55,000	45,000
3899 Op Trfs in from Subsidiary CIP Fund	0	40,349	0	0
TOTAL (105)	52,985	85,970	55,000	45,000

Description	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
H-HETCH GROUND LEASE (211)				
3431 Pooled Investment-Interest	56,496	75,565	0	0
3434 Pooled Interest Allocation	0	615	74,000	30,000
3901 Op Trfs Out To the General Fund	0	(3,055)	(3,158)	(3,120)
TOTAL (211)	56,496	73,125	70,842	26,880
PUBLIC ART FUND-RESTRICTED (212)				
3431 Pooled Investment-Interest	11,455	11,393	0	0
3434 Pooled Interest Allocation	0	7,739	14,000	8,000
3602 Sales of Maps and Documents-Gen Gov't	0	1,663	0	0
3811 Op Trfs in from RDA	0	260,662	480,000	200,000
3841 Appn Transfers in from Redevel	236,777	0	0	0
3911 Op Trfs Out To the RDA Project Fund	0	(25,000)	0	0
3941 Appn Transfers out to RDA	0	(390,000)	0	0
TOTAL (212)	248,232	(133,543)	494,000	208,000
PUBLIC ART FUND-NONRESTRICTED (213)				
3434 Pooled Interest Allocation	0	6,043	0	5,000
3760 Developer Contribution	0	30,000	0	0
3801 Op Trfs in from General Fund	0	125,000	0	0
TOTAL (213)	0	161,043	0	5,000
GAS TAX FUND (221)				
3431 Pooled Investment-Interest	5,877	8,409	0	0
3434 Pooled Interest Allocation	0	7,762	9,000	9,000
3545 Sec 2105-Gas Tax	396,626	394,528	400,000	400,000
3546 Sec 2106-Gas Tax	260,766	256,362	260,000	260,000
3547 Sec 2107-Gas Tax	530,203	527,948	540,000	540,000
3548 Sec 2107.5-Gas Tax	7,500	7,500	7,000	7,000
3909 Op Trfs Out To the Street Improvement Fund	(1,405,526)	(915,976)	(1,200,000)	(1,200,000)
TOTAL (221)	(204,554)	286,534	16,000	16,000
95-1 LIGHTING/LSCAPE DIST (235)				
3431 Pooled Investment-Interest	6,491	6,989	0	0
3433 Other Interest Income	1,332	0	0	0
3434 Pooled Interest Allocation	0	4,301	8,000	6,000
3720 Special Assessments	263,022	273,325	270,000	280,000
TOTAL (235)	270,845	284,615	278,000	286,000
98-1 LIGHTING/LSCAPE DIST (236)				
3431 Pooled Investment-Interest	41	164	0	0
3433 Other Interest Income	169	0	0	0
3434 Pooled Interest Allocation	0	290	0	1,000
3720 Special Assessments	33,125	34,422	34,000	36,000
TOTAL (236)	33,335	34,876	34,000	37,000
05 COMMUNITY FCLTY DIST (237)				
3720 Special Assessments	0	0	90,000	196,000
3911 Op Trfs Out To the RDA Project Fund	0	0	0	(20,000)
TOTAL (237)	0	0	90,000	176,000

Description	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
HCD FUND (250)				
3555 Federal Contri-Public Works	584,377	505,933	579,000	579,000
3556 Federal Contributions-Recreation	13,000	22,416	20,000	20,000
TOTAL (250)	597,377	528,349	599,000	599,000
HCD LOAN (251)				
3431 Pooled Investment-Interest	0	1,992	0	0
3433 Other Interest Income	3,606	3,422	2,000	0
3434 Pooled Interest Allocation	0	(1,992)	0	0
3555 Federal Contri-Public Works	0	254,964	0	0
TOTAL (251)	3,606	258,386	2,000	0
SUPPLEMENTAL LAW ENFORCEMENT (261)				
3431 Pooled Investment-Interest	4,391	2,589	0	0
3434 Pooled Interest Allocation	0	2,388	3,000	2,000
3567 State Contributions-Police	81,536	156,119	0	0
TOTAL (261)	85,927	161,096	3,000	2,000
STATE ASSET SEIZURE (262)				
3431 Pooled Investment-Interest	5,351	3,262	0	0
3434 Pooled Interest Allocation	0	1,347	4,000	3,000
3567 State Contributions-Police	1,512	0	0	0
3577 County Contributions-Police	3,673	0	0	0
TOTAL (262)	10,536	4,610	4,000	3,000
FEDERAL ASSET SEIZURE (263)				
3431 Pooled Investment-Interest	4,628	4,845	0	0
3434 Pooled Interest Allocation	0	2,467	6,000	5,000
3557 Federal Contributions-Police	159,493	0	0	0
TOTAL (263)	164,121	7,313	6,000	5,000
LOCAL LAW ENFORCMNT BLOCK GRANT (264)				
3431 Pooled Investment-Interest	(37)	0	0	0
3557 Federal Contributions-Police	688	0	0	0
TOTAL (264)	651	0	0	0
JUSTICE ASSISTANCE GRANT (267)				
3431 Pooled Investment-Interest	86	106	0	0
3434 Pooled Interest Allocation	0	385	0	0
3557 Federal Contributions-Police	18,099	3,993	0	0
TOTAL (267)	18,185	4,484	0	0
SOLID WASTE SERVICES (280)				
3136 Solid Waste-HHW-Contract & Public	155,381	139,365	152,000	152,000
3139 County-wide AB 939 Fee	161,091	137,465	164,000	142,000
3431 Pooled Investment-Interest	29,159	21,331	0	0
3434 Pooled Interest Allocation	0	12,184	27,000	21,000
3615 Public Works and Engr Fees	38,179	42,235	46,000	46,000
3671 Public Works Service Charges	0	0	130,000	260,000
3901 Op Trfs Out To the General Fund	(148,912)	(87,727)	(150,574)	(176,516)
3922 Op Trfs Out To the General Government Fund	0	0	(200,000)	0
TOTAL (280)	234,898	264,851	168,426	444,484

Description	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
SOLID WASTE REDUCTION (281)				
3135 Solid Waste-Community Relations	150,132	147,717	154,000	154,000
3136 Solid Waste-HHW-Contract & Public	174,335	158,804	173,000	173,000
3431 Pooled Investment-Interest	17,339	14,537	0	0
3434 Pooled Interest Allocation	0	8,168	18,000	16,000
3565 State Contri-Public Works	17,441	17,348	0	17,000
3615 Public Works and Engr Fees	0	13,406	0	76,000
3790 Miscellaneous Other Revenue	3,554	7,651	0	0
3901 Op Trfs Out To the General Fund	0	(101,336)	(103,888)	(99,651)
TOTAL (281)	362,800	266,295	241,112	336,349
HOUSING RESERVE FUND (290)				
3431 Pooled Investment-Interest	720,175	358,665	0	0
3433 Other Interest Income	310,229	458,950	51,000	51,000
3434 Pooled Interest Allocation	0	221,894	486,000	494,000
3740 Reimbursements	6,723	43,901	7,000	106,000
3760 Developer Contribution	0	1,275,000	850,000	850,000
3790 Miscellaneous Other Revenue	10	0	0	0
3811 Op Trfs in from RDA	5,886,749	6,740,250	6,341,200	7,644,000
3899 Op Trfs in from Subsidiary CIP Fund	6,436,552	0	0	0
3901 Op Trfs Out To the General Fund	(1,340,957)	(1,100,655)	(1,164,782)	(1,144,219)
3941 Appn Transfers out to RDA	(2,362,384)	(362,396)	0	0
TOTAL (290)	9,657,098	7,635,609	6,570,418	8,000,781
HOUSING RESERVE 97 TABS (291)				
3431 Pooled Investment-Interest	24,691	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(6,436,552)	0	0	0
TOTAL (291)	(6,411,861)	0	0	0
STREET FUND (310)				
3431 Pooled Investment-Interest	391,510	263,448	0	0
3433 Other Interest Income	107,975	153,994	0	0
3434 Pooled Interest Allocation	0	151,094	356,000	226,000
3565 State Contri-Public Works	0	(215,458)	0	0
3790 Miscellaneous Other Revenue	3,065	106	0	0
3802 Op Trfs in from Gas Tax Fund	1,405,526	915,976	1,200,000	1,200,000
3811 Op Trfs in from RDA	18,561	0	0	0
3822 Op Trfs in from General Gov't Fund	19,602	0	0	0
3841 Appn Transfers in from Redevel	38,805	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	370,000	0	0	0
3901 Op Trfs Out To the General Fund	(844,178)	0	0	0
3911 Op Trfs Out To the RDA Project Fund	(8,583)	(283,791)	0	(125,000)
3999 Op Trfs Out To Subsidiary CIP Fund	(1,932,719)	(3,322,573)	(360,000)	(2,759,377)
TOTAL (310)	(430,437)	(2,337,204)	1,196,000	(1,458,377)
STREET CIP (311)				
3555 Federal Contri-Public Works	1,647,842	0	0	150,000
3564 State Contributions-Public Works	15,623	0	0	0
3565 State Contri-Public Works	131,193	1,070,701	150,000	989,623
3574 County Contributions-Public Works	158,300	0	0	0
3575 County Cont-Public Works	0	0	0	2,390,000
3585 Other Res Grant-Public Works	144,652	0	0	0

Description	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
3760 Developer Contribution	58,587	0	0	0
3811 Op Trfs in from RDA	170,000	680,000	0	0
3818 Op Trfs in from Tax Alloc	0	30,649	0	0
3841 Appn Transfers in from Redevel	30,000	175,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	2,579,499	3,318,416	360,000	2,759,377
3918 Op Trfs Out To the Tax Allocation Fund	0	0	(174,000)	0
3999 Op Trfs Out To Subsidiary CIP Fund	(377,000)	0	0	0
TOTAL (311)	4,558,695	5,274,766	336,000	6,289,000
TRAFFIC IMPACT FEE (312)				
3431 Pooled Investment-Interest	950	12,857	0	0
3434 Pooled Interest Allocation	0	22,244	0	38,000
3710 Development	139,271	93,894	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	4,157	0	0
3941 Appn Transfers out to RDA	0	(150,000)	0	0
TOTAL (312)	140,221	(16,848)	0	38,000
TRAFFIC CONGESTION RELIEF (313)				
3434 Pooled Interest Allocation	0	0	0	1,000
3811 Op Trfs in from RDA	0	1,506	0	0
3911 Op Trfs Out To the RDA Project Fund	(131,986)	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(639,780)	0	0	0
TOTAL (313)	(771,766)	1,506	0	1,000
PARK IMPROVEMENT FUND (320)				
3431 Pooled Investment-Interest	264,420	202,756	0	0
3433 Other Interest Income	0	132,384	0	0
3434 Pooled Interest Allocation	0	114,598	263,000	200,000
3710 Development	243,510	(243,510)	0	0
3811 Op Trfs in from RDA	600,000	0	0	0
3911 Op Trfs Out To the RDA Project Fund	0	(10,809)	(200,000)	0
3999 Op Trfs Out To Subsidiary CIP Fund	(284,500)	(598,652)	(200,000)	(1,645,000)
TOTAL (320)	823,430	(403,232)	(137,000)	(1,445,000)
PARK IMPROVEMENT CIP (321)				
3554 Federal Contributions-Public Works	343,083	(375,000)	0	0
3555 Federal Contri-Public Works	0	434,297	0	(12,051)
3574 County Contributions-Public Works	0	(90,000)	0	0
3575 County Cont-Public Works	0	31,000	0	170,000
3576 County Contributions-Recreation	0	186,745	0	0
3899 Op Trfs in from Subsidiary CIP Fund	284,500	648,652	200,000	1,645,000
3911 Op Trfs Out To the RDA Project Fund	(85,000)	0	0	0
TOTAL (321)	542,583	835,694	200,000	1,802,949
MIDTOWN PARK FUND (322)				
3431 Pooled Investment-Interest	38,099	38,211	0	0
3434 Pooled Interest Allocation	0	49,654	46,000	74,000
3710 Development	0	1,498,291	0	0
3931 Appn Transfers out to General	0	(8,924)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	0	(50,000)	0	0
TOTAL (322)	38,099	1,527,232	46,000	74,000

Description	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
GENERAL GOVERNMENT (330)				
3431 Pooled Investment-Interest	33,265	20,662	0	0
3434 Pooled Interest Allocation	0	11,692	26,000	22,000
3790 Miscellaneous Other Revenue	0	75	0	0
3909 Op Trfs Out To the Street Improvement Fund	(19,602)	0	0	0
TOTAL (330)	13,663	32,429	26,000	22,000
GENERAL GOVERNMENT CIP (331)				
3561 State Contributions-General Gov't	0	(245,903)	0	0
3567 State Contributions-Police	0	245,903	0	0
3760 Developer Contribution	50,000	100,000	50,000	50,000
3806 Op Trfs in from Solid Waste Service	0	0	200,000	0
3817 Op Trfs in from Equipment Replacement	0	0	125,000	0
3819 Op Trfs in from Other	0	0	35,000	0
3849 Other Appn Transfers In	0	140,000	0	0
3901 Op Trfs Out To the General Fund	(30,000)	0	0	0
TOTAL (331)	20,000	240,000	410,000	50,000
TECHNOLOGY COP (332)				
3431 Pooled Investment-Interest	6,892	10,133	0	0
3432 Cash with Fiscal Agents	2,347	2,245	1,000	0
3434 Pooled Interest Allocation	0	(10)	0	0
3911 Op Trfs Out To the RDA Project Fund	(89,000)	0	0	0
3931 Appn Transfers out to General	(2,362)	(2,329)	0	0
3941 Appn Transfers out to RDA	0	(47,302)	0	0
TOTAL (332)	(82,123)	(37,263)	1,000	0
STORM DRAIN DEVELOPMENT (340)				
3321 Urban Runoff Fines	200	0	0	0
3431 Pooled Investment-Interest	26,460	24,518	0	0
3434 Pooled Interest Allocation	0	16,376	31,000	27,000
3710 Development	726,061	159,868	830,000	400,000
3901 Op Trfs Out To the General Fund	0	0	0	(6,619)
3911 Op Trfs Out To the RDA Project Fund	0	0	(250,000)	(100,000)
3999 Op Trfs Out To Subsidiary CIP Fund	0	0	(750,000)	(175,000)
TOTAL (340)	752,721	200,762	(139,000)	145,381
STORM DRAIN CIP (341)				
3899 Op Trfs in from Subsidiary CIP Fund	0	0	750,000	175,000
TOTAL (341)	0	0	750,000	175,000
TRANSIT AREA IMPACT FEE FUND (350)				
3999 Op Trfs Out To Subsidiary CIP Fund	0	0	0	(2,550,000)
TOTAL (350)	0	0	0	(2,550,000)
TRANSIT AREA IMPACT FEE CIP FUND (351)				
3575 County Cont-Public Works	0	0	0	1,809,000
3811 Op Trfs in from RDA	0	0	0	341,000
3814 Op Trfs in from Recycled	0	0	0	1,300,000
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	2,550,000
TOTAL (351)	0	0	0	6,000,000

Description	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
RDA PROJECT FUND (390)				
3010 Property Taxes, Current	27,199,331	29,867,412	30,956,000	34,523,000
3030 Property Taxes, Supplement	1,214,305	2,392,244	750,000	750,000
3431 Pooled Investment-Interest	1,495,951	1,250,041	0	0
3432 Cash with Fiscal Agents	25,350	22,290	20,000	8,000
3433 Other Interest Income	590,826	857,799	99,000	90,000
3434 Pooled Interest Allocation	0	705,315	1,591,000	1,266,000
3603 Rents, Leases and Concessions-Gen Gov't	0	75	0	0
3750 Donations	2,000	0	0	0
3760 Developer Contribution	150,000	0	0	0
3770 Sale of Property, Plant and Equipment	0	1,862,360	0	0
3790 Miscellaneous Other Revenue	4,501,859	0	0	0
3809 Op Trfs in from Street Fund	3,583	278,791	0	0
3810 Op Trfs in from Park Impr	85,000	10,809	0	0
3819 Op Trfs in from Other	0	0	0	20,000
3838 Appn Transfers in from Housing	2,362,384	362,396	0	0
3899 Op Trfs in from Subsidiary CIP Fund	4,213,105	3,672,095	4,000,000	5,627,400
3901 Op Trfs Out To the General Fund	(5,341,913)	(5,220,847)	(11,480,504)	(11,028,961)
3903 Op Trfs Out To the Public Art Fund	0	(260,662)	(480,000)	(200,000)
3908 Op Trfs Out To the Housing Reserve Fund	(5,886,749)	(6,740,250)	(6,341,200)	(7,644,000)
3909 Op Trfs Out To the Street Improvement Fund	(188,561)	(680,000)	0	0
3919 Op Trfs Out To Other Miscellaneous Funds	0	(1,506)	0	0
3924 Op Trfs Out Transit Area Impact Fund	0	0	0	(341,000)
3931 Appn Transfers out to General	(825,000)	0	0	0
3939 Appn Transfers out to Street F	(68,805)	(175,000)	0	0
3949 Other Appn Transfers Out	(236,777)	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(1,103,014)	(1,098,000)	(4,250,000)	(300,000)
TOTAL (390)	28,192,874	27,105,362	14,864,296	22,770,439
REDEVELOPMENT CIP (391)				
3565 State Contri-Public Works	0	0	1,000,000	0
3575 County Cont-Public Works	0	13,750	0	0
3579 County Contribution - Planning	0	150,000	0	0
3585 Other Res Grant-Public Works	0	0	145,000	0
3760 Developer Contribution	3,900,000	80,510	0	0
3790 Miscellaneous Other Revenue	0	0	0	(100,000)
3801 Op Trfs in from General Fund	0	100,000	0	0
3809 Op Trfs in from Street Fund	136,986	5,000	0	125,000
3810 Op Trfs in from Park Impr	0	0	200,000	0
3812 Op Trfs in from Water M&O	5,000	5,000	0	0
3815 Op Trfs in from Sewer M&O	5,000	5,000	0	0
3819 Op Trfs in from Other	0	25,000	0	0
3820 Op Trfs in from Debt Pro	89,000	0	0	0
3823 Op Trfs in Storm Drain Fund	0	0	250,000	100,000
3833 Appn Transfers in from Public Art	0	360,000	0	0
3849 Other Appn Transfers In	0	180,000	0	0
3852 Appn Tfr in from General Gov't Fund	0	47,302	0	0
3899 Op Trfs in from Subsidiary CIP Fund	14,077,651	22,131,130	14,165,000	400,000
3910 Op Trfs Out To the Park Improvement Fund	(600,000)	0	0	0

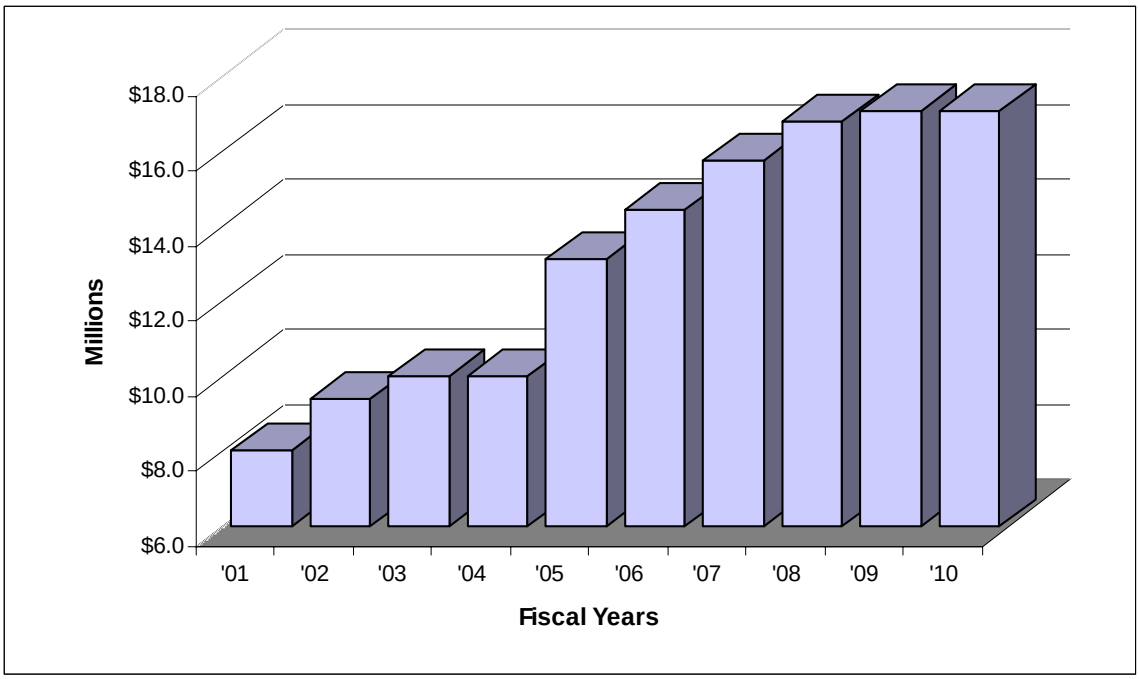
Description	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
3999 Op Trfs Out To Subsidiary CIP Fund	(140,000)	0	0	(1,627,400)
TOTAL (391)	17,473,637	23,102,691	15,760,000	(1,102,400)
97 RDA TABS (392)				
3431 Pooled Investment-Interest	184,519	138,244	0	0
3434 Pooled Interest Allocation	0	73,131	179,000	96,000
3809 Op Trfs in from Street Fund	0	0	174,000	0
3909 Op Trfs Out To the Street Improvement Fund	0	(30,649)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	0	(580,372)	(1,215,000)	(100,000)
TOTAL (392)	184,519	(399,646)	(862,000)	(4,000)
2000 RDA TABS (393)				
3431 Pooled Investment-Interest	1,890	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(73,105)	0	0	0
TOTAL (393)	(71,215)	0	0	0
2003 RDA TABS (395)				
3431 Pooled Investment-Interest	1,856,644	1,750,548	0	0
3434 Pooled Interest Allocation	0	(194)	550,000	165,000
3915 Op Trfs Out To the Sewer Fund	(307,599)	(8,239)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(16,974,637)	(24,124,852)	(12,700,000)	(4,000,000)
TOTAL (395)	(15,425,592)	(22,382,737)	(12,150,000)	(3,835,000)
WATER M & O FUND (400)				
3431 Pooled Investment-Interest	328,384	338,756	0	0
3433 Other Interest Income	102,520	222,293	0	0
3434 Pooled Interest Allocation	0	226,277	415,000	407,000
3622 Water Service Agreements	45,239	50,217	24,000	5,000
3623 Metered Water Sales	14,261,492	14,633,507	14,261,000	15,828,000
3626 Construction Water	64,118	96,653	36,000	5,000
3627 Water & Sewer Reimbursements	0	150	0	0
3672 Public Works Cost Recovery	340	0	0	0
3790 Miscellaneous Other Revenue	152,092	156,458	0	0
3814 Op Trfs in from Recycled	440,000	440,000	500,000	0
3901 Op Trfs Out To the General Fund	(1,455,232)	(1,734,961)	(1,780,876)	(1,922,855)
3911 Op Trfs Out To the RDA Project Fund	(5,000)	(5,000)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(2,560,000)	(2,540,000)	(5,660,000)	(2,000,000)
TOTAL (400)	11,373,952	11,884,349	7,795,124	12,322,145
WATER CIP (401)				
3814 Op Trfs in from Recycled	0	0	425,000	0
3899 Op Trfs in from Subsidiary CIP Fund	1,560,000	2,540,000	5,660,000	5,300,000
TOTAL (401)	1,560,000	2,540,000	6,085,000	5,300,000
WATER LINE EXTENSION FUND (402)				
3431 Pooled Investment-Interest	67,395	54,208	0	0
3434 Pooled Interest Allocation	0	33,542	69,000	62,000
3710 Development	901,065	139,278	730,000	550,000
3999 Op Trfs Out To Subsidiary CIP Fund	0	0	0	(2,200,000)
TOTAL (402)	968,460	227,029	799,000	(1,588,000)

Description	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
WATER INFRASTRUCTURE REPLMNT (405)				
3431 Pooled Investment-Interest	0	34,792	0	0
3434 Pooled Interest Allocation	0	23,919	37,000	31,000
3899 Op Trfs in from Subsidiary CIP Fund	1,000,000	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	0	0	0	(1,100,000)
TOTAL (405)	1,000,000	58,711	37,000	(1,069,000)
RECYCLED WATER FUND (406)				
3431 Pooled Investment-Interest	100,868	85,591	0	0
3433 Other Interest Income	24,664	43,993	0	0
3434 Pooled Interest Allocation	0	49,608	108,000	92,000
3585 Other Res Grant-Public Works	42,145	28,233	0	0
3622 Water Service Agreements	0	31	0	0
3623 Metered Water Sales	1,193,678	1,294,051	1,192,000	1,512,000
3790 Miscellaneous Other Revenue	9,307	29,405	0	0
3901 Op Trfs Out To the General Fund	(193,929)	(126,260)	(167,323)	(153,706)
3912 Op Trfs Out To the Water Fund	(440,000)	(440,000)	(925,000)	0
3924 Op Trfs Out Transit Area Impact Fund	0	0	0	(1,300,000)
TOTAL (406)	736,734	964,653	207,677	150,294
SEWER M & O FUND (450)				
3321 Urban Runoff Fines	200	0	0	0
3431 Pooled Investment-Interest	370,289	326,276	0	0
3433 Other Interest Income	160,830	303,322	2,000	0
3434 Pooled Interest Allocation	0	210,976	402,000	296,000
3628 Sewer Service Charges	9,765,774	9,933,698	9,937,000	10,876,000
3760 Developer Contribution	0	43,025	0	0
3790 Miscellaneous Other Revenue	66,594	64,524	0	0
3899 Op Trfs in from Subsidiary CIP Fund	28,519	0	0	0
3901 Op Trfs Out To the General Fund	(1,286,254)	(1,547,952)	(1,768,578)	(1,597,350)
3911 Op Trfs Out To the RDA Project Fund	(5,000)	(5,000)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(115,000)	(11,724,096)	(1,990,000)	(150,000)
TOTAL (450)	8,985,951	(2,395,227)	6,582,422	9,424,650
SEWER CIP (451)				
3572 So Bay Water Recycling Program	49,725	0	0	0
3818 Op Trfs in from Tax Alloc	307,599	8,239	0	0
3899 Op Trfs in from Subsidiary CIP Fund	515,000	9,438,124	2,690,000	1,150,000
TOTAL (451)	872,324	9,446,363	2,690,000	1,150,000
TREATMENT PLANT CONSTRUCTION (452)				
3431 Pooled Investment-Interest	78,993	78,363	0	0
3434 Pooled Interest Allocation	0	77,721	91,000	158,000
3710 Development	1,424,789	788,237	1,357,000	810,000
3899 Op Trfs in from Subsidiary CIP Fund	0	2,039,096	0	0
TOTAL (452)	1,503,782	2,983,417	1,448,000	968,000
SEWER 2006 COPS (453)				
3431 Pooled Investment-Interest	258,833	218,919	0	0
3432 Cash with Fiscal Agents	662	350	1,000	1,000
3434 Pooled Interest Allocation	0	1,391	38,000	38,000
3899 Op Trfs in from Subsidiary CIP Fund	0	9,535,000	0	0

Description	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
3999 Op Trfs Out To Subsidiary CIP Fund	0	(9,288,124)	0	0
TOTAL (453)	259,495	467,535	39,000	39,000
SEWER INFRASTRTURE REPLMNT (455)				
3431 Pooled Investment-Interest	204,890	156,418	0	0
3434 Pooled Interest Allocation	0	93,209	201,000	157,000
3999 Op Trfs Out To Subsidiary CIP Fund	(400,000)	0	(700,000)	(1,000,000)
TOTAL (455)	(195,110)	249,627	(499,000)	(843,000)
SOUTH BAY WATER RECYCLING PRGM (456)				
3431 Pooled Investment-Interest	15,447	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(28,518)	0	0	0
TOTAL (456)	(13,071)	0	0	0
EQUIPMENT MGNT FUND (500)				
3431 Pooled Investment-Interest	234,330	197,226	0	0
3433 Other Interest Income	59,622	103,792	0	0
3434 Pooled Interest Allocation	0	119,885	248,000	214,000
3671 Public Works Service Charges	2,648,390	2,740,637	2,654,937	2,456,730
3770 Sale of Property, Plant and Equipment	19,064	37,674	0	0
3901 Op Trfs Out To the General Fund	0	0	(465,900)	0
3922 Op Trfs Out To the General Government Fund	0	0	(125,000)	0
3981 Contributions-Proprietary Fund	56,311	326,742	0	0
TOTAL (500)	3,017,717	3,525,956	2,312,037	2,670,730
INFORMATION TEC REPLMT (505)				
3431 Pooled Investment-Interest	12,881	9,899	0	0
3433 Other Interest Income	0	0	12,000	0
3434 Pooled Interest Allocation	0	7,193	0	12,000
3587 Other Restricted Grants-Police	0	47,414	0	0
3601 General Government Service Charges	131,782	120,362	100,000	75,000
3790 Miscellaneous Other Revenue	0	21,576	0	0
3801 Op Trfs in from General Fund	0	0	0	100,000
TOTAL (505)	144,663	206,445	112,000	187,000
PERMIT AUTOMATION FUND (506)				
3922 Op Trfs Out To the General Government Fund	0	0	(35,000)	0
3952 Appn Tfr out to General Gov't Fund	0	(140,000)	0	0
TOTAL (506)	0	(140,000)	(35,000)	0
TOTAL	161,237,636	141,566,514	130,516,937	135,904,552

History of Property Tax Revenue

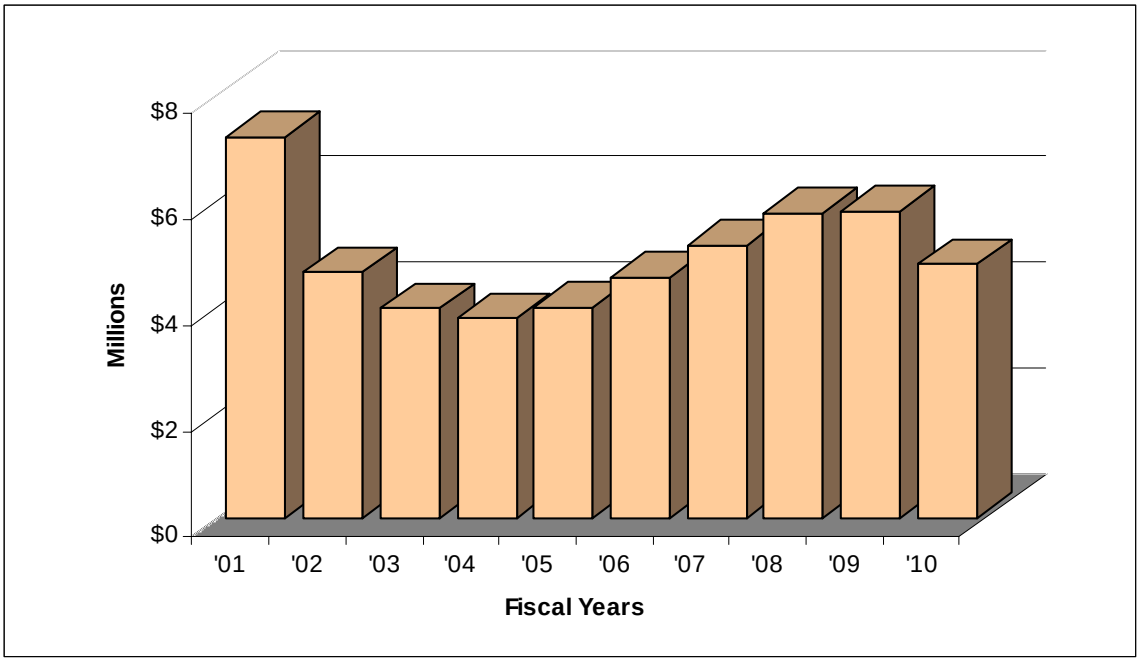
General Fund
2001 through 2010



Santa Clara County assesses and bills, collects and distributes property tax to the City

History of Transient Occupancy Tax Revenue

General Fund
2001 through 2010



The City of Milpitas Transient Ocupancy Rate is currently 10%

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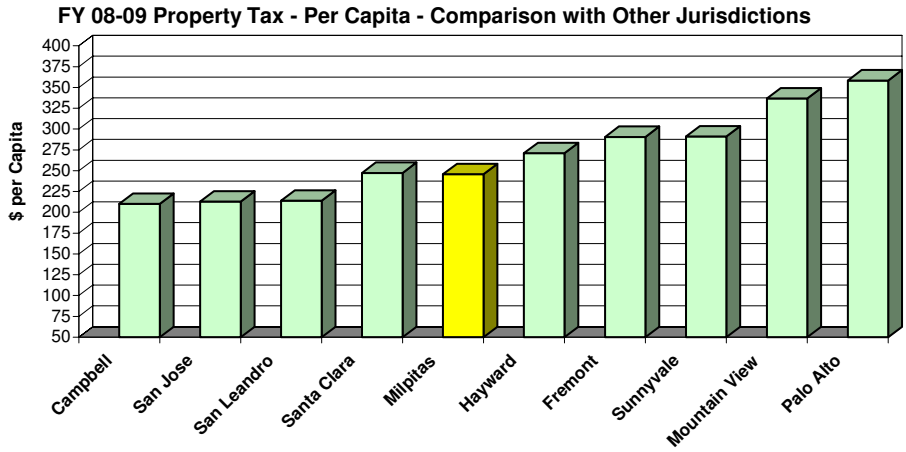
Property Tax, Comparison with Other Jurisdictions

Comparison With Other Jurisdictions
FY 04-05 through FY 08-09

City	Actual 2004-05	Actual 2005-06	Actual 2006-07	Budgeted 2007-08	Budgeted 2008-09
Milpitas	$13,121,767	$14,417,392	$15,750,192	$16,214,000	$17,056,000
% of General Fund	22%	21%	18%	23%	23%
Per Capita	209.29	222.66	240.26	243.92	245.70
Campbell	$5,657,676	$6,517,562	$7,568,750	$7,736,000	$8,437,000
% of General Fund	20%	22%	24%	23%	23%
Per Capita	147.72	170.17	197.06	194.63	210.08
Fremont	$61,790,662	$51,307,083	$56,432,000	$59,511,000	$62,045,000
% of General Fund	33%	44%	46%	46%	46%
Per Capita	293.62	243.80	268.16	283.17	290.59
Hayward	$18,860,000	$21,446,000	$34,640,000	$38,024,000	$40,077,000
% of General Fund	20%	22%	33%	38%	39%
Per Capita	130.49	146.50	236.63	257.19	271.07
Mountain View	$15,502,000	$21,135,000	$22,027,000	$23,591,000	$24,889,000
% of General Fund	21%	27%	26%	27%	28%
Per Capita	216.51	293.41	305.95	322.51	336.65
Palo Alto	$16,699,942	$18,754,000	$21,466,426	$22,712,000	$23,487,000
% of General Fund	14%	15%	17%	18%	18%
Per Capita	271.85	300.54	342.83	358.42	370.65
San Jose	$144,048,051	$166,559,696	$191,825,613	$198,154,000	$207,392,000
% of General Fund	26%	22%	28%	28%	29%
Per Capita	152.43	176.98	196.95	207.78	213.00
San Leandro	$11,694,631	$13,601,055	$15,316,082	$16,444,517	$17,516,964
% of General Fund	17%	19%	20%	21%	23%
Per Capita	144.30	167.76	189.26	202.34	214.01
Santa Clara	$19,934,513	$22,032,336	$25,468,193	$29,910,000	$28,566,000
% of General Fund	16%	18%	18%	21%	19%
Per Capita	184.97	201.94	228.91	261.82	247.32
Sunnyvale	$31,561,137	$41,199,278	$35,815,933	$38,742,251	$40,022,455
% of General Fund	30%	40%	29%	29%	32%
Per Capita	237.15	308.51	263.89	281.68	290.99



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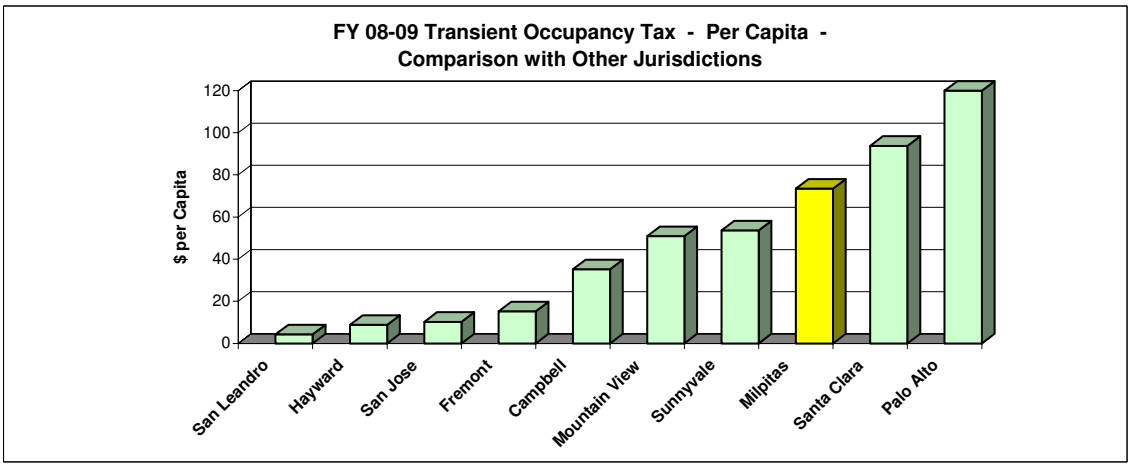
Transient Occupancy Tax, Comparison with Other Jurisdiction

Comparison With Other Jurisdictions
FY 04-05 through FY 08-09

City	Actual 2004-05	Actual 2005-06	Actual 2006-07	Budgeted 2007-08	Budgeted 2008-09
Milpitas	$3,986,016	$4,535,325	$5,153,656	$4,884,000	$5,788,000
% of General Fund	7%	7%	6%	7%	8%
Per Capita	63.57	70.04	78.62	73.47	83.38
Campbell	$894,179	$1,132,495	$1,463,140	$1,400,000	$1,600,000
% of General Fund	3%	4%	5%	4%	4%
Per Capita	23.35	29.57	38.09	35.22	39.84
Fremont	$2,017,604	$2,342,279	$2,885,000	$3,206,000	$3,609,000
% of General Fund	1%	2%	2%	2%	3%
Per Capita	9.59	11.13	13.71	15.26	16.90
Hayward	$1,292,000	$1,363,000	$1,642,000	$1,300,000	$1,300,000
% of General Fund	1%	1%	2%	1%	1%
Per Capita	8.94	9.31	11.22	8.79	8.79
Mountain View	$2,583,000	$3,177,000	$3,936,000	$3,726,000	$4,200,000
% of General Fund	4%	4%	5%	4%	5%
Per Capita	36.08	44.10	54.67	50.94	56.81
Palo Alto	$5,685,748	$6,393,000	$6,708,199	$7,700,000	$8,424,000
% of General Fund	5%	5%	5%	6%	6%
Per Capita	92.56	102.45	107.13	121.51	132.94
San Jose	$6,409,000	$7,688,090	$8,600,000	$8,988,000	$9,972,000
% of General Fund	1%	1%	1%	1%	1%
Per Capita	6.78	8.17	8.83	9.42	10.24
San Leandro	$323,466	$300,524	$322,160	$345,000	$300,000
% of General Fund	0.47%	0.42%	0.41%	0.44%	0.40%
Per Capita	3.99	3.71	3.98	4.24	3.67
Santa Clara	$7,795,616	$9,341,790	$10,306,555	$10,712,000	$11,794,000
% of General Fund	6%	8%	7%	8%	8%
Per Capita	72.33	85.62	92.64	93.77	102.11
Sunnyvale	$5,073,824	$5,633,159	$6,479,842	$7,381,136	$7,466,938
% of General Fund	5%	5%	5%	6%	6%
Per Capita	38.12	42.18	47.74	53.67	54.29



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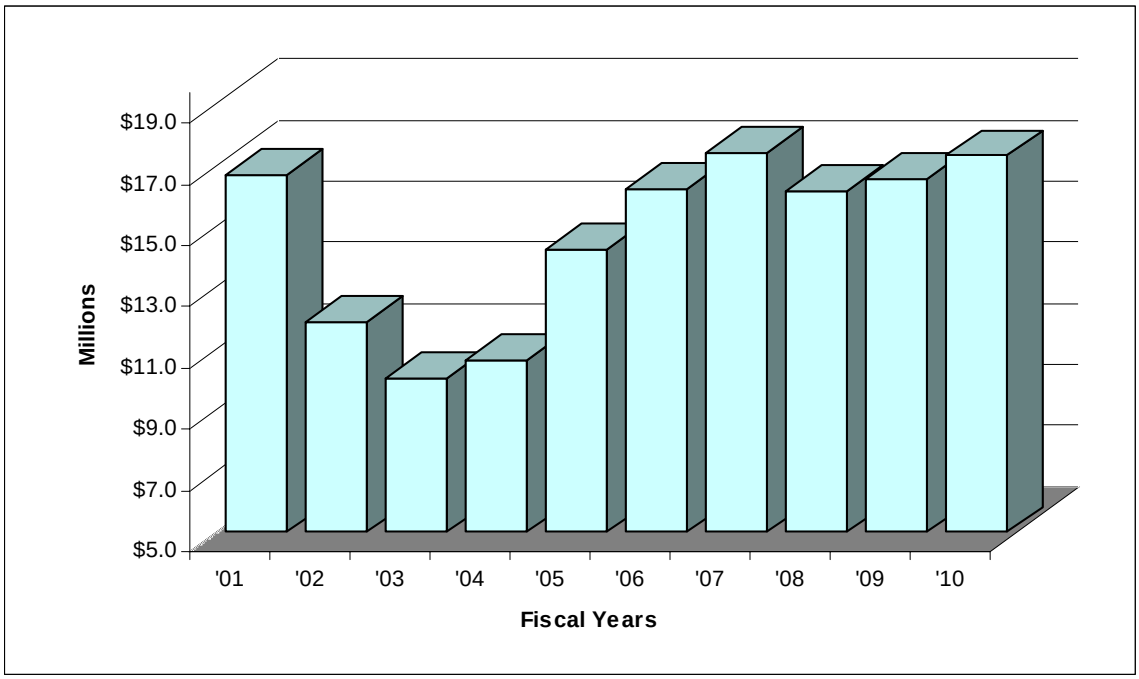
History of Sales Tax Revenue

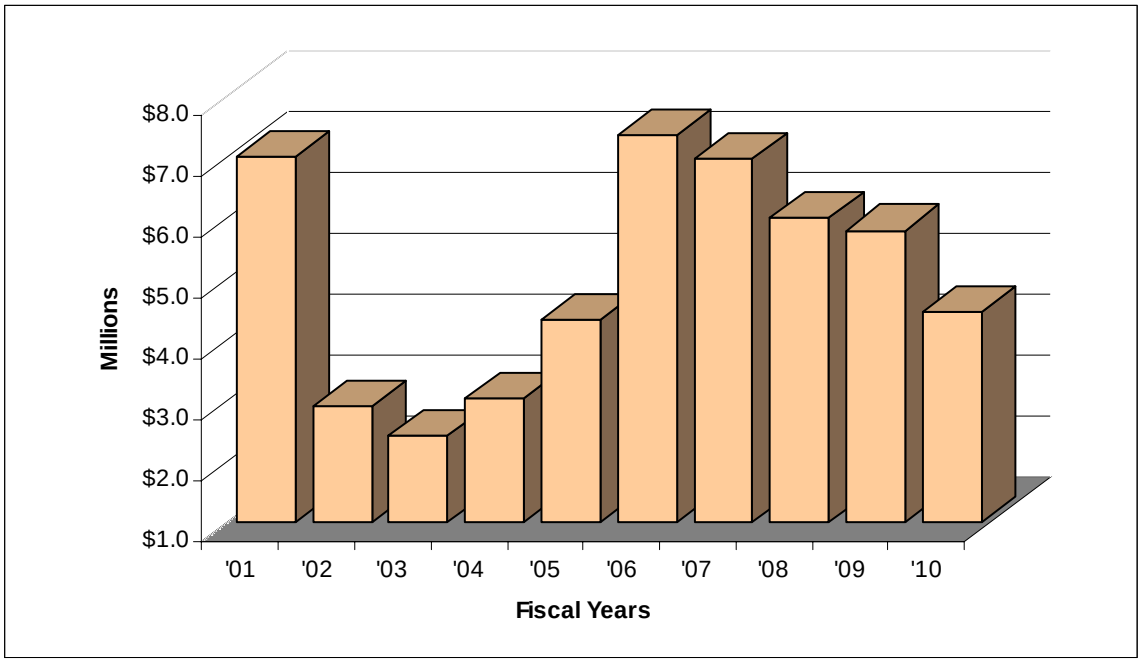
General Fund
2001 through 2010



Of the $.0925 sales tax paid on every $1 spent when shopping in Milpitas, $.01 is returned to the City.

History of License, Permit and Fine Revenue

General Fund
2001 through 2010



License, Permit and Fine Revenues include: Building Permits and Vehicle Code Fines.

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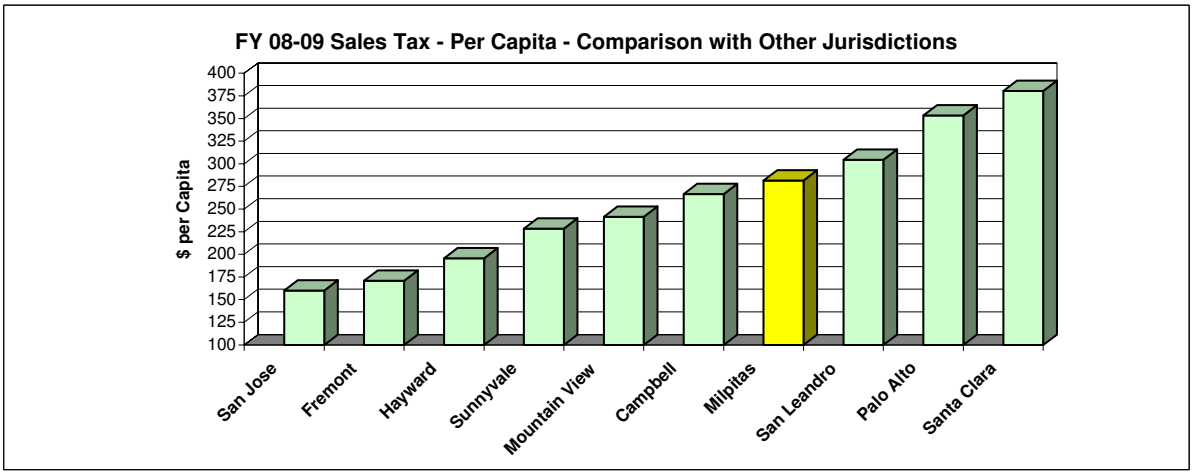
Sales Tax, Comparison with Other Jurisdictions

Comparison With Other Jurisdictions
FY 04-05 through FY 08-09

City	Actual 2004-05	Actual 2005-06	Actual 2006-07	Budgeted 2007-08	Budgeted 2008-09
Milpitas	$14,270,542	$16,227,888	$17,382,981	$18,712,000	$16,573,000
% of General Fund	24%	24%	20%	26%	23%
Per Capita	227.61	250.62	265.17	281.50	238.74
Campbell	$9,973,506	$9,346,984	$10,049,829	$10,597,000	$10,200,000
% of General Fund	35%	31%	31%	31%	28%
Per Capita	260.40	244.05	261.66	266.60	253.98
Fremont	$30,619,014	$32,276,000	$34,191,000	$35,885,000	$37,460,000
% of General Fund	16%	28%	28%	28%	28%
Per Capita	145.50	153.37	162.47	170.75	175.45
Hayward	$27,155,000	$26,686,000	$28,858,000	$28,900,000	$28,900,000
% of General Fund	29%	27%	28%	29%	28%
Per Capita	187.88	182.29	197.13	195.47	195.47
Mountain View	$14,852,000	$16,019,000	$17,223,000	$17,664,000	$17,401,000
% of General Fund	20%	20%	20%	20%	20%
Per Capita	207.43	222.38	239.22	241.48	235.36
Palo Alto	$19,308,290	$20,316,000	$22,194,817	$22,400,000	$22,402,000
% of General Fund	17%	16%	18%	18%	17%
Per Capita	314.31	325.58	354.46	353.50	353.53
San Jose	$133,113,000	$140,327,107	$149,962,080	$152,636,000	$152,636,000
% of General Fund	24%	18%	22%	21%	22%
Per Capita	140.86	149.11	153.97	160.05	156.76
San Leandro	$20,971,760	$22,427,246	$23,691,425	$24,732,751	$22,630,000
% of General Fund	31%	31%	30%	32%	30%
Per Capita	258.76	276.63	292.75	304.32	276.48
Santa Clara	$37,076,578	$38,142,524	$43,271,143	$43,463,000	$41,307,000
% of General Fund	30%	31%	31%	31%	28%
Per Capita	344.02	349.59	388.93	380.46	357.63
Sunnyvale	$24,917,237	$21,316,412	$30,852,313	$31,393,880	$31,698,822
% of General Fund	23%	21%	25%	24%	25%
Per Capita	187.23	159.62	227.32	228.26	230.47



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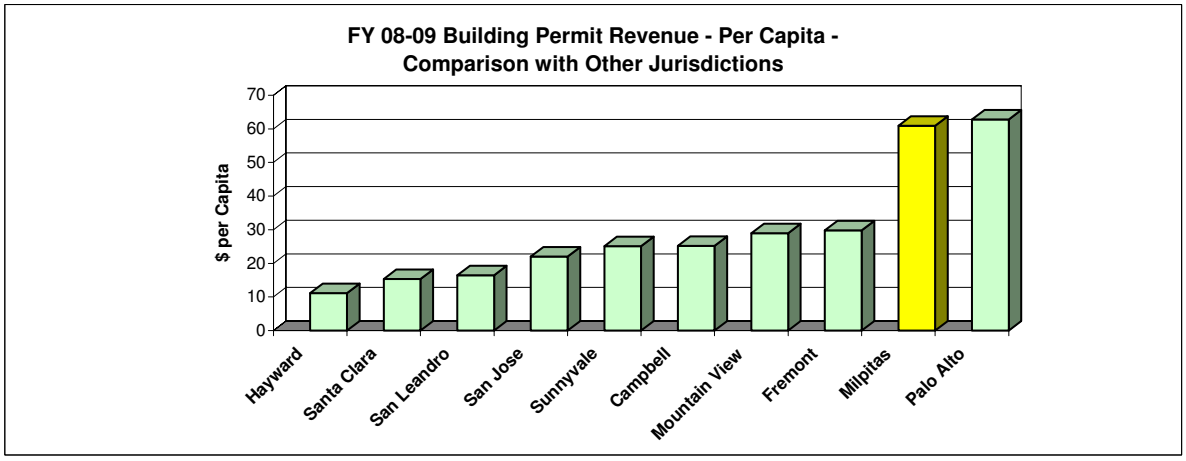
Building Permits, Comparison with Other Jurisdictions

Comparison With Other Jurisdictions
FY 04-05 through FY 08-09

City	Actual 2004-05	Actual 2005-06	Actual 2006-07	Budgeted 2007-08	Budgeted 2008-09
Milpitas	$2,876,211	$5,740,022	$4,933,979	$4,047,000	$3,856,000
% of General Fund	5%	8%	6%	6%	5%
Per Capita	45.87	88.65	75.27	60.88	55.55
Campbell	$994,179	$1,661,412	$818,163	$1,000,000	$750,000
% of General Fund	3%	6%	3%	3%	2%
Per Capita	25.96	43.38	21.30	25.16	18.67
Fremont *	$1,844,078	$3,040,580	$5,496,650	$6,274,898	$6,209,445
% of General Fund	1%	3%	4%	5%	4%
Per Capita	8.76	14.45	26.12	29.86	29.08
Hayward	$2,162,000	$1,444,386	$2,887,000	$1,650,000	$1,700,000
% of General Fund	2%	1%	3%	2%	2%
Per Capita	14.96	9.87	19.72	11.16	11.50
Mountain View	$2,158,000	$2,282,000	$2,388,000	$2,121,000	$2,199,000
% of General Fund	3%	3%	3%	2%	2%
Per Capita	30.14	31.68	33.17	29.00	29.74
Palo Alto	$3,668,342	$5,224,000	$3,672,863	$3,980,107	$3,531,771
% of General Fund	3%	4%	3%	3%	3%
Per Capita	59.71	83.72	58.66	62.81	55.74
San Jose	$24,460,340	$23,955,292	$21,853,857	$21,000,000	$23,850,000
% of General Fund	4%	3%	3%	3%	3%
Per Capita	25.88	25.45	22.44	22.02	24.49
San Leandro	$1,185,154	$1,317,169	$1,308,176	$1,336,531	$1,336,200
% of General Fund	2%	2%	2%	2%	2%
Per Capita	14.62	16.25	16.16	16.44	16.32
Santa Clara	$2,157,045	$1,969,172	$1,912,577	$1,750,000	$1,750,000
% of General Fund	2%	2%	1%	1%	1%
Per Capita	20.01	18.05	17.19	15.32	15.15
Sunnyvale	$1,813,403	$2,138,495	$2,696,569	$3,454,604	$2,621,263
% of General Fund	2%	2%	2%	3%	2%
Per Capita	13.63	16.01	19.87	25.12	19.06



*City of Fremont building permits are not part of their General Fund revenue but for comparison purposes, we included this revenue as part of their General Fund.

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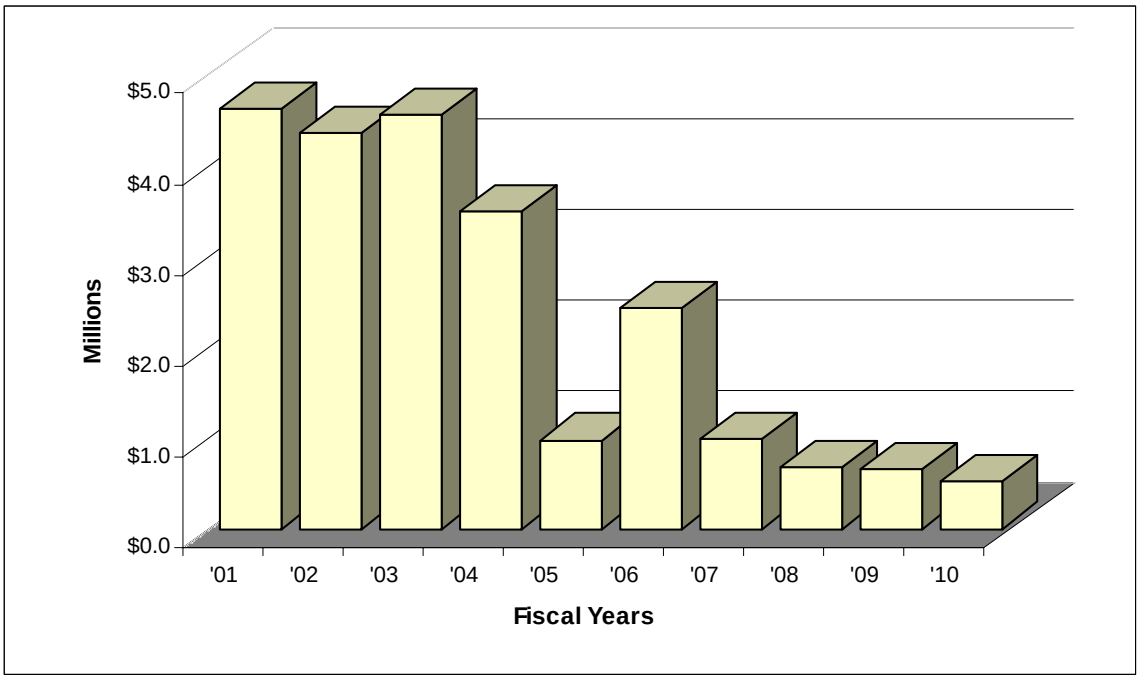
History of Intergovernmental Revenue

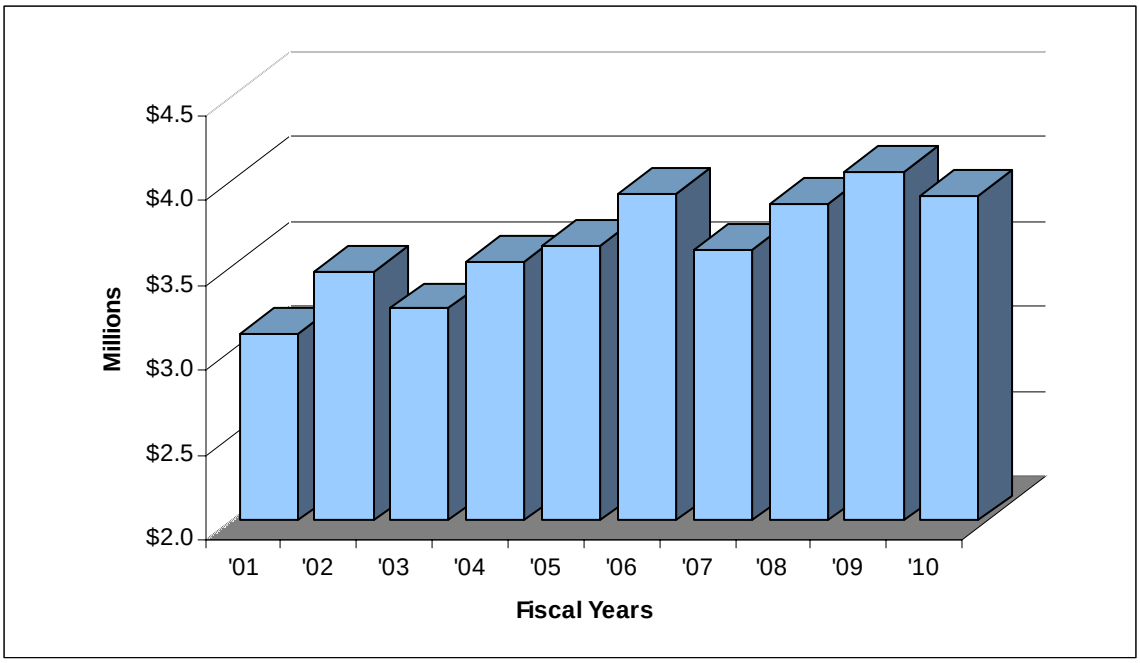
General Fund
2001 through 2010



Intergovernmental Revenues include: Motor Vehicle In-Lieu Tax and Miscellaneous Grants.

History of "Other" Tax Revenue

General Fund
2001 through 2010



”Other” Tax Revenue include: Real Estate Transfer Tax, Franchise Fees and Business License Tax.

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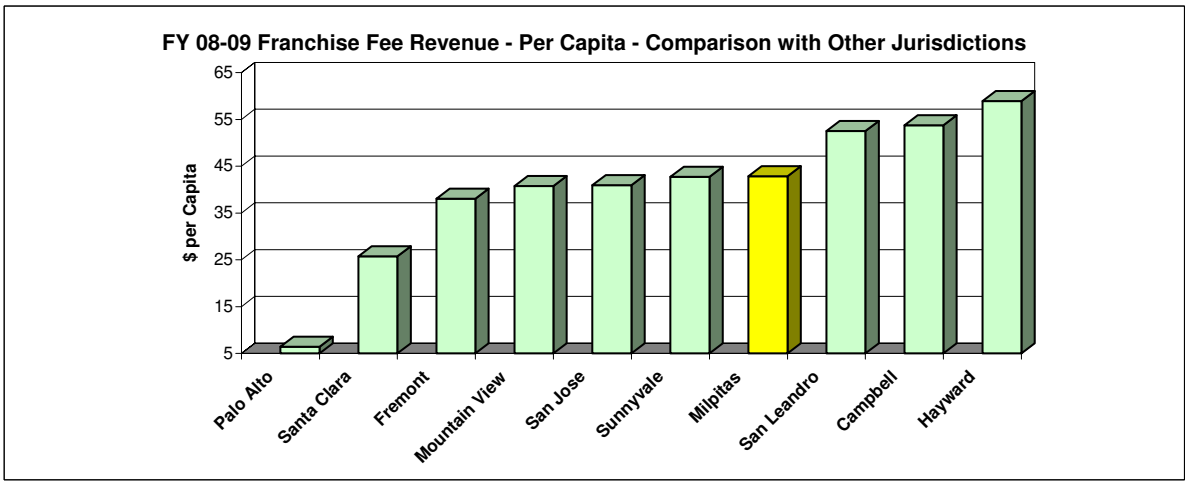
Franchise Fees, Comparison with Other Jursidictions

Comparison With Other Jurisdictions
FY 04-05 through FY 08-09

City	Actual 2004-05	Actual 2005-06	Actual 2006-07	Budgeted 2007-08	Budgeted 2008-09
Milpitas	$2,771,468	$2,643,392	$2,911,593	$2,850,000	$3,060,000
% of General Fund	5%	4%	3%	4%	4%
Per Capita	44.20	40.82	44.42	42.88	44.08
Campbell	$1,262,319	$1,346,968	$1,685,456	$2,135,000	$2,225,000
% of General Fund	4%	4%	5%	6%	6%
Per Capita	32.96	35.17	43.88	53.71	55.40
Fremont	$7,546,775	$7,666,471	$7,903,000	$8,000,000	$8,362,000
% of General Fund	4%	7%	6%	6%	6%
Per Capita	35.86	36.43	37.55	38.07	39.16
Hayward	$6,624,000	$7,102,000	$6,972,000	$8,713,000	$9,007,000
% of General Fund	7%	7%	7%	9%	9%
Per Capita	45.83	48.51	47.63	58.93	60.92
Mountain View	$2,992,000	$3,205,000	$2,936,000	$2,980,000	$3,047,000
% of General Fund	4%	4%	3%	3%	3%
Per Capita	41.79	44.49	40.78	40.74	41.21
Palo Alto	$374,868	$291,000	$511,546	$407,006	$500,000
% of General Fund	0.32%	0.23%	0.42%	0.32%	0.38%
Per Capita	6.10	4.66	8.17	6.42	7.89
San Jose	$31,712,351	$36,759,856	$40,415,138	$39,032,000	$41,621,000
% of General Fund	6%	5%	6%	5%	6%
Per Capita	33.56	39.06	41.49	40.93	42.75
San Leandro	$3,597,465	$3,362,679	$4,496,414	$4,267,021	$4,385,000
% of General Fund	5%	5%	6%	5%	6%
Per Capita	44.39	41.48	55.56	52.50	53.57
Santa Clara	$2,755,470	$2,907,192	$3,166,797	$2,941,120	$3,000,000
% of General Fund	2%	2%	2%	2%	2%
Per Capita	25.57	26.65	28.46	25.75	25.97
Sunnyvale	$5,394,792	$5,531,248	$5,713,842	$5,877,729	$6,086,169
% of General Fund	5%	5%	5%	4%	5%
Per Capita	40.54	41.42	42.10	42.74	44.25



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Expenditures by Fund (Summary)

	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
100 General Fund	70,348,087	65,919,096	72,554,087	69,895,669
102 Library Fund	346,149	358,336	370,000	433,000
105 Abandon Veh Abatement	100,250	87,585	55,000	45,000
211 H-Hetch Ground Lease	24,972	25,846	30,000	28,000
212 Public Art Fund-Restricted	0	0	0	115,000
235 95-1 Lighting/Lscape Dist	202,616	275,030	280,330	316,130
236 98-1 Lighting/Lscape Dist	24,536	21,499	18,330	30,530
237 05 Community Fclty Dist	0	0	64,000	176,280
250 HCD Fund	597,377	528,349	405,021	364,982
251 HCD Loan	950	(376)	160,105	219,275
261 Supplemental Law Enforcement	84,001	160,744	0	0
262 State Asset Seizure	8,084	40,798	30,000	30,000
263 Federal Asset Seizure	0	20,000	30,000	30,000
264 Local Law Enforcmnt Block Grant	1,012	0	0	0
267 Justice Assistance Grant	18,484	4,141	0	0
280 Solid Waste Services	132,231	233,772	371,684	461,031
281 Solid Waste Reduction	242,094	217,344	249,314	255,263
290 Housing Reserve Fund	15,652,195	4,318,244	7,397,015	7,209,204
310 Street Fund	600,229	81,734	121,000	133,000
311 Street CIP	3,856,816	3,102,381	336,000	6,289,000
321 Park Improvement CIP	544,772	474,478	200,000	1,802,949
331 General Government CIP	730,968	220,690	410,000	50,000
340 Storm Drain Development	0	0	0	19,999
341 Storm Drain CIP	0	0	750,000	175,000
351 Transit Area Impact Fee CIP Fund	0	0	0	6,000,000
390 RDA Project Fund	44,780,521	24,354,485	19,957,441	20,066,094
391 Redevelopment CIP	21,165,803	26,773,853	15,760,000	(1,102,400)
400 Water M & O Fund	9,128,315	9,335,956	10,547,279	12,296,243
401 Water CIP	201,793	860,104	6,085,000	5,300,000
406 Recycled Water Fund	316,549	460,798	523,696	570,999
450 Sewer M & O Fund	2,132,195	(1,524,101)	9,343,692	12,898,913
451 Sewer CIP	3,556,690	8,079,338	2,690,000	1,150,000
452 Treatment Plant Construction F	0	6,703	0	0
453 Sewer 2006 COPS	263,319	0	0	0
456 South Bay Water Recycling Prgm	206,115	0	0	0
500 Equipment Mgnt Fund	2,750,663	2,661,960	2,442,513	2,515,330
505 Information Tec Replmt	30,406	101,314	106,000	167,200
506 Permit Automation Fund	0	14,500	0	40,000
TOTAL	178,048,190	147,214,603	151,287,507	147,981,691

Fund/Function	Personnel Services	Supplies & Contractual Svcss	Capital Outlay	Debt Service	Capital Improvements	Total
GENERAL FUND						
City Council	195,968	154,988	0	0	0	350,956
City Manager	407,093	17,544	0	0	0	424,637
City Clerk	923,859	99,022	0	0	0	1,022,881
Building Inspection Services	903,256	48,530	0	0	0	951,786
Plan Checking	450,375	12,725	0	0	0	463,100
Building Administration	216,970	10,630	0	0	0	227,600
Permit Center	570,424	63,950	0	0	0	634,374
Public Works Inspection Services	254,260	5,310	0	0	0	259,570
Information Services	2,345,209	762,879	0	0	0	3,108,088
Human Resources	646,785	601,639	0	0	0	1,248,424
City Attorney	705,433	92,600	15,000	0	0	813,033
Finance Administration	731,678	72,050	0	0	0	803,728
Accounting Services	1,255,413	24,550	0	0	0	1,279,963
Receivables	217,103	5,760	0	0	0	222,863
Purchasing	383,379	103,303	0	0	0	486,682
Public Works Administration	269,411	11,936	0	0	0	281,347
Street Maintenance	1,346,763	517,951	0	0	0	1,864,714
Trees & Landscape Mnt	1,203,456	249,389	0	0	0	1,452,845
Facilities Maintenance	1,699,294	704,407	0	0	0	2,403,701
Engineering Administration	178,649	8,050	0	0	0	186,699
Design & Construction	372,703	18,215	0	0	0	390,918
Land Development	139,559	79,443	0	0	0	219,002
Traffic Engineering	62,983	120,658	0	0	0	183,641
Utility Engineering	0	22,000	0	0	0	22,000
Special Projects	93,002	0	0	0	0	93,002
Planning	326,037	310,250	0	0	0	636,287
Neighborhood Services	518,433	287,860	0	0	0	806,293
Park Maintenance	2,055,878	415,962	0	0	0	2,471,840
Recreation Administration	1,091,292	101,133	0	0	0	1,192,425
Senior Citizen Services	479,170	209,119	0	0	0	688,289
Preschool	205,651	25,796	0	0	0	231,447
Youth Programs	350,815	32,600	0	0	0	383,415
Teens	166,501	10,015	0	0	0	176,516
Special Events	91,236	83,438	0	0	0	174,674
Cultural Arts	0	32,100	0	0	0	32,100
Rainbow Theatre	185,030	40,207	0	0	0	225,237
General Classes	99,426	326,709	0	0	0	426,135
Aquatics	496,375	24,599	0	0	0	520,974
Sports & Fitness Classes	399,641	54,887	0	0	0	454,528
Adult Sports	51,927	38,910	0	0	0	90,837
Volunteer Services	24,846	7,000	0	0	0	31,846
Police Administration	642,313	27,383	0	0	0	669,696
Records	1,068,074	182,931	0	0	0	1,251,005

Fund/Function	Personnel Services	Supplies & Contractual Svcss	Capital Outlay	Debt Service	Capital Improvements	Total
Personnel & Training	226,528	120,688	0	0	0	347,216
Communications	2,420,562	163,986	0	0	0	2,584,548
Patrol Services	10,938,903	435,121	0	0	0	11,374,024
Traffic	2,794,863	112,108	0	0	0	2,906,971
Crossing Guards	285,719	6,030	0	0	0	291,749
Community Relations	1,171,641	37,321	0	0	0	1,208,962
Investigations	1,656,269	446,793	0	0	0	2,103,062
Fire Administration	483,297	70,042	0	0	0	553,339
Emerg Resp & Prep Div Admin	228,138	53,436	0	0	0	281,574
A/B/C Battalions Operations	11,206,320	1,268,256	0	0	0	12,474,576
Disaster Prep & Public Ed	164,245	68,857	0	0	0	233,102
Prevention Div Admin	535,504	55,391	0	0	0	590,895
Fire Plan Check & Permits	167,760	60,240	0	0	0	228,000
Hazardous Materials Regulation	386,478	2,110	0	0	0	388,588
Inspection & Investigation	189,665	30,000	0	0	0	219,665
Non-Departmental	1,523,500	2,726,800	0	0	0	4,250,300
sub-total (100)	58,205,062	11,675,607	15,000	0	0	69,895,669
LIBRARY FUND						
City Manager	0	408,000	0	0	0	408,000
Facilities Maintenance	0	25,000	0	0	0	25,000
sub-total (102)	0	433,000	0	0	0	433,000
ABANDON VEH ABATEMENT						
Neighborhood Services	21,600	900	0	0	0	22,500
Traffic	22,500	0	0	0	0	22,500
sub-total (105)	44,100	900	0	0	0	45,000
H-HETCH GROUND LEASE						
Non-Departmental	0	28,000	0	0	0	28,000
sub-total (211)	0	28,000	0	0	0	28,000
PUBLIC ART FUND-RESTRICTED						
Non-Departmental	0	115,000	0	0	0	115,000
sub-total (212)	0	115,000	0	0	0	115,000
95-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	8,000	242,000	0	0	0	250,000
Land Development	5,000	61,130	0	0	0	66,130
sub-total (235)	13,000	303,130	0	0	0	316,130
98-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	7,000	19,400	0	0	0	26,400
Land Development	3,000	1,130	0	0	0	4,130
sub-total (236)	10,000	20,530	0	0	0	30,530
05 COMMUNITY FCLTY DIST						
Trees & Landscape Mnt	29,780	74,500	0	0	0	104,280
Park Maintenance	0	67,000	0	0	0	67,000
Non-Departmental	0	5,000	0	0	0	5,000
sub-total (237)	29,780	146,500	0	0	0	176,280

Fund/Function	Personnel Services	Supplies & Contractual Svcss	Capital Outlay	Debt Service	Capital Improvements	Total
HCD FUND						
Building Inspection Services	15,016	0	0	0	0	15,016
Accounting Services	20,000	0	0	0	0	20,000
Neighborhood Services	77,086	246,580	0	0	0	323,666
Non-Departmental	300	6,000	0	0	0	6,300
sub-total (250)	112,402	252,580	0	0	0	364,982
HCD LOAN						
Neighborhood Services	0	219,275	0	0	0	219,275
sub-total (251)	0	219,275	0	0	0	219,275
STATE ASSET SEIZURE						
Investigations	0	0	30,000	0	0	30,000
sub-total (262)	0	0	30,000	0	0	30,000
FEDERAL ASSET SEIZURE						
Investigations	0	0	30,000	0	0	30,000
sub-total (263)	0	0	30,000	0	0	30,000
SOLID WASTE SERVICES						
Solid Waste	78,031	383,000	0	0	0	461,031
sub-total (280)	78,031	383,000	0	0	0	461,031
SOLID WASTE REDUCTION						
Solid Waste	78,693	176,570	0	0	0	255,263
sub-total (281)	78,693	176,570	0	0	0	255,263
HOUSING RESERVE FUND						
RDA & Economic Dvp	37,574	25,440	0	0	0	63,014
Planning	94,708	0	0	0	0	94,708
Neighborhood Services	176,482	71,000	0	0	0	247,482
Non-Departmental	0	6,804,000	0	0	0	6,804,000
sub-total (290)	308,764	6,900,440	0	0	0	7,209,204
STREET FUND						
Non-Departmental	0	133,000	0	0	0	133,000
sub-total (310)	0	133,000	0	0	0	133,000
STREET CIP						
Capital Improvement Projects	0	0	0	0	6,289,000	6,289,000
sub-total (311)	0	0	0	0	6,289,000	6,289,000
PARK IMPROVEMENT CIP						
Capital Improvement Projects	0	0	0	0	1,802,949	1,802,949
sub-total (321)	0	0	0	0	1,802,949	1,802,949
GENERAL GOVERNMENT CIP						
Capital Improvement Projects	0	0	0	0	50,000	50,000
sub-total (331)	0	0	0	0	50,000	50,000
STORM DRAIN DEVELOPMENT						
Utility Maintenance	0	0	19,999	0	0	19,999
sub-total (340)	0	0	19,999	0	0	19,999

Fund/Function	Personnel Services	Supplies & Contractual Svcss	Capital Outlay	Debt Service	Capital Improvements	Total
STORM DRAIN CIP						
Capital Improvement Projects	0	0	0	0	175,000	175,000
sub-total (341)	0	0	0	0	175,000	175,000
TRANSIT AREA IMPACT FEE CIP FUND						
Capital Improvement Projects	0	0	0	0	6,000,000	6,000,000
sub-total (351)	0	0	0	0	6,000,000	6,000,000
RDA PROJECT FUND						
RDA & Economic Dvp	150,258	85,160	0	0	0	235,418
Building Inspection Services	28,396	0	0	0	0	28,396
Public Works Inspection Services	60,712	0	0	0	0	60,712
City Attorney	0	50,000	0	0	0	50,000
Public Works Administration	96,784	0	0	0	0	96,784
Design & Construction	113,772	0	0	0	0	113,772
Land Development	582,351	0	0	0	0	582,351
Traffic Engineering	265,879	0	0	0	0	265,879
Special Projects	219,951	6,826	0	0	0	226,777
Solid Waste	0	0	0	0	0	0
Planning	378,905	0	0	0	0	378,905
Non-Departmental	148,800	293,300	0	0	0	442,100
Debt Service	0	0	0	17,585,000	0	17,585,000
sub-total (390)	2,045,808	435,286	0	17,585,000	0	20,066,094
REDEVELOPMENT CIP						
Capital Improvement Projects	0	0	0	0	(1,102,400)	(1,102,400)
sub-total (391)	0	0	0	0	(1,102,400)	(1,102,400)
WATER M & O FUND						
Receivables	326,619	0	0	0	0	326,619
Utilities	201,890	77,780	30,000	0	0	309,670
Public Works Administration	88,085	0	0	0	0	88,085
Utility Maintenance	1,069,689	639,694	120,000	0	0	1,829,383
Utility Engineering	429,173	344,604	0	0	0	773,777
Special Projects	71,116	0	0	0	0	71,116
Solid Waste	59,193	0	0	0	0	59,193
Non-Departmental	121,300	8,717,100	0	0	0	8,838,400
sub-total (400)	2,367,065	9,779,178	150,000	0	0	12,296,243
WATER CIP						
Capital Improvement Projects	0	0	0	0	5,300,000	5,300,000
sub-total (401)	0	0	0	0	5,300,000	5,300,000
RECYCLED WATER FUND						
Receivables	21,757	0	0	0	0	21,757
Utilities	7,554	186	0	0	0	7,740
Utility Maintenance	59,041	11,284	0	0	0	70,325
Land Development	8,000	0	0	0	0	8,000
Utility Engineering	108,731	2,246	0	0	0	110,977
Non-Departmental	200	352,000	0	0	0	352,200
sub-total (406)	205,283	365,716	0	0	0	570,999

Fund/Function	Personnel Services	Supplies & Contractual Svcss	Capital Outlay	Debt Service	Capital Improvements	Total
SEWER M & O FUND						
Receivables	87,047	0	0	0	0	87,047
Utilities	50,464	74,040	0	0	0	124,504
Public Works Administration	88,057	0	0	0	0	88,057
Utility Maintenance	804,350	285,555	9,999	0	0	1,099,904
Utility Engineering	315,891	151,817	0	0	0	467,708
Solid Waste	59,193	0	0	0	0	59,193
Non-Departmental	76,600	10,208,900	0	0	0	10,285,500
Debt Service	0	0	0	687,000	0	687,000
sub-total (450)	1,481,602	10,720,312	9,999	687,000	0	12,898,913
SEWER CIP						
Capital Improvement Projects	0	0	0	0	1,150,000	1,150,000
sub-total (451)	0	0	0	0	1,150,000	1,150,000
EQUIPMENT MGNT FUND						
Fleet Maintenance	763,342	919,201	0	0	0	1,682,543
Non-Departmental	1,300	32,000	0	0	0	33,300
Equipment to be Depreciated	0	0	799,487	0	0	799,487
sub-total (500)	764,642	951,201	799,487	0	0	2,515,330
INFORMATION TEC REPLMT						
Information Services	0	77,200	90,000	0	0	167,200
sub-total (505)	0	77,200	90,000	0	0	167,200
PERMIT AUTOMATION FUND						
Information Services	22,000	18,000	0	0	0	40,000
sub-total (506)	22,000	18,000	0	0	0	40,000
TOTAL	65,766,232	43,134,425	1,144,485	18,272,000	19,664,549	147,981,691

Function	Personnel Services	Supplies & Contrac Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
City Council	195,968	154,988	0	0	0	350,956
City Manager	407,093	425,544	0	0	0	832,637
City Clerk	923,859	99,022	0	0	0	1,022,881
RDA & Economic Dvp	187,832	110,600	0	0	0	298,432
Building Inspection Services	946,668	48,530	0	0	0	995,198
Plan Checking	450,375	12,725	0	0	0	463,100
Building Administration	216,970	10,630	0	0	0	227,600
Permit Center	570,424	63,950	0	0	0	634,374
Public Works Inspection Srv	314,972	5,310	0	0	0	320,282
Information Services	2,367,209	858,079	90,000	0	0	3,315,288
Human Resources	646,785	601,639	0	0	0	1,248,424
City Attorney	705,433	142,600	15,000	0	0	863,033
Finance Administration	731,678	72,050	0	0	0	803,728
Accounting Services	1,275,413	24,550	0	0	0	1,299,963
Receivables	652,526	5,760	0	0	0	658,286
Utilities	259,908	152,006	30,000	0	0	441,914
Purchasing	383,379	103,303	0	0	0	486,682
Public Works Administration	542,337	11,936	0	0	0	554,273
Street Maintenance	1,346,763	517,951	0	0	0	1,864,714
Utility Maintenance	1,933,080	936,533	149,998	0	0	3,019,611
Trees & Landscape Mnt	1,248,236	585,289	0	0	0	1,833,525
Fleet Maintenance	763,342	919,201	0	0	0	1,682,543
Facilities Maintenance	1,699,294	729,407	0	0	0	2,428,701
Engineering Administration	178,649	8,050	0	0	0	186,699
Design & Construction	486,475	18,215	0	0	0	504,690
Land Development	737,910	141,703	0	0	0	879,613
Traffic Engineering	328,862	120,658	0	0	0	449,520
Utility Engineering	853,795	520,667	0	0	0	1,374,462
Special Projects	384,069	6,826	0	0	0	390,895
Solid Waste	275,110	559,570	0	0	0	834,680
Planning	799,650	310,250	0	0	0	1,109,900
Neighborhood Services	793,601	825,615	0	0	0	1,619,216
Park Maintenance	2,055,878	482,962	0	0	0	2,538,840
Recreation Administration	1,091,292	101,133	0	0	0	1,192,425
Senior Citizen Services	479,170	209,119	0	0	0	688,289
Preschool	205,651	25,796	0	0	0	231,447
Youth Programs	350,815	32,600	0	0	0	383,415
Teens	166,501	10,015	0	0	0	176,516

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Function	Personnel Services	Supplies & Contrac Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Special Events	91,236	83,438	0	0	0	174,674
Cultural Arts	0	32,100	0	0	0	32,100
Rainbow Theatre	185,030	40,207	0	0	0	225,237
General Classes	99,426	326,709	0	0	0	426,135
Aquatics	496,375	24,599	0	0	0	520,974
Sports & Fitness Classes	399,641	54,887	0	0	0	454,528
Adult Sports	51,927	38,910	0	0	0	90,837
Volunteer Services	24,846	7,000	0	0	0	31,846
Police Administration	642,313	27,383	0	0	0	669,696
Records	1,068,074	182,931	0	0	0	1,251,005
Personnel & Training	226,528	120,688	0	0	0	347,216
Communications	2,420,562	163,986	0	0	0	2,584,548
Community Relations	1,171,641	37,321	0	0	0	1,208,962
Patrol Services	10,938,903	435,121	0	0	0	11,374,024
Traffic	2,817,363	112,108	0	0	0	2,929,471
Crossing Guards	285,719	6,030	0	0	0	291,749
Investigations	1,656,269	446,793	60,000	0	0	2,163,062
Fire Administration	483,297	70,042	0	0	0	553,339
Emerg Resp & Prep Div	228,138	53,436	0	0	0	281,574
A/B/C Battalions Operations	11,206,320	1,268,256	0	0	0	12,474,576
Prevention Div Admin	535,504	55,391	0	0	0	590,895
Inspection & Investigation	189,665	30,000	0	0	0	219,665
Haz Materials Regulation	386,478	2,110	0	0	0	388,588
Fire Plan Check & Permits	167,760	60,240	0	0	0	228,000
Disaster Prep & Public Ed	164,245	68,857	0	0	0	233,102
Non-Departmental	1,872,000	29,421,100	799,487	18,272,000	19,664,549	70,029,136
TOTAL	65,766,232	43,134,425	1,144,485	18,272,000	19,664,549	147,981,691

Function	FY09/10 Budget	Admin & O/H Cost To be Allocated	Reallocation Admin & O/H Cost	Program Cost	100/102/105 General	211 HH Lease
100 City Council	350,956	(190,429)	61,780	222,307	711	0
111 City Manager	832,637	(213,423)	79,432	698,646	436,222	0
114 City Clerk	1,022,881	(887,656)	50,748	185,973	106,897	0
116 RDA & Eco Development	298,432	0	114,735	413,167	0	0
530 Building Inspection	2,640,554	0	997,313	3,637,867	3,487,694	0
112 Information Services	3,315,288	(2,391,674)	273,599	1,197,213	39,205	0
115 Human Resources	1,248,424	(1,172,770)	28,684	104,338	0	0
120 City Attorney	863,033	(598,474)	101,496	366,055	0	0
300 Finance Admin	803,728	(396,961)	154,451	561,218	258,385	898
310 Accounting Services	1,299,963	(632,174)	247,122	914,911	412,017	1,432
320 Fiscal Services	1,100,200	(110,072)	372,889	1,363,017	71,230	248
330 Purchasing	486,682	(240,372)	92,671	338,981	156,067	542
420 Public Works	11,383,367	(4,122,232)	2,610,225	9,871,360	4,828,280	0
410 Engineering	4,620,559	(64,074)	1,709,993	6,266,478	1,130,074	0
510 Planning & Neigh Presv	2,729,116	0	823,004	3,552,120	1,251,555	0
424 Park Maintenance	2,538,840	(24,718)	931,120	3,445,242	3,298,178	0
450 Recreation	4,628,423	(601,697)	1,533,480	5,560,206	5,494,040	0
700 Police Admin	669,696	(135,212)	202,993	737,477	698,612	0
710 Technical Services	4,182,769	(2,563,484)	615,598	2,234,883	2,117,105	0
720 Field Services	14,595,244	(2,942,236)	4,426,129	16,079,137	15,232,952	0
730 Special Operations	3,372,024	(668,697)	1,006,139	3,709,466	3,457,139	0
800 Fire Admin	553,339	(7,359)	207,406	753,386	706,299	0
810 Emerg Resp & Prep Division	12,989,252	(172,757)	4,887,281	17,703,776	16,597,296	0
820 Prevention Division	1,427,148	(18,981)	536,165	1,944,332	1,822,811	0
910 Non-Departmental	31,293,100	(3,909,001)	0	27,384,099	320,446	28,000
930 Equipment to be Depreciated	799,487	0	0	799,487	0	0
TOTAL OP BUDGET	**110,045,142**	**(22,064,453)**	**22,064,453**	**110,045,142**	**61,923,215**	**31,120**
920 Debt Service	18,272,000	0	0	18,272,000	0	0
950 C I P Projects	19,664,549	0	0	19,664,549	0	0
Total	**147,981,691**	**(22,064,453)**	**22,064,453**	**147,981,691**	**61,923,215**	**31,120**
Op Cost Reimb					10,132,997	(3,120)
Total By Fund					**72,056,212**	**28,000**

Program Costs Allocated to Operating Funds							
280/281 Sld Wst	**290 Housing**	**390's RDA**	**400/401 Water**	**406 Recycled**	**450/451 Sewer**	**Other Funds**	**TOTAL**
0	33,346	142,276	22,875	1,934	21,165	0	**222,307**
0	46,503	162,762	27,175	2,325	23,659	0	**698,646**
0	13,018	52,072	6,044	521	7,421	0	**185,973**
0	87,285	325,882	0	0	0	0	**413,167**
0	1,400	132,707	0	0	1,050	15,016	**3,637,867**
0	99,793	445,506	167,015	14,157	224,337	207,200	**1,197,213**
0	9,025	17,184	43,634	3,798	30,697	0	**104,338**
0	43,511	243,903	33,766	2,932	41,943	0	**366,055**
0	28,061	129,080	35,637	9,372	99,785	0	**561,218**
0	44,746	205,830	56,827	14,945	159,114	20,000	**914,911**
0	7,736	35,584	886,616	43,113	318,490	0	**1,363,017**
0	16,949	77,966	21,525	5,661	60,271	0	**338,981**
0	8,364	242,531	2,647,802	96,802	1,640,283	407,298	**9,871,360**
992,461	85,567	1,812,237	1,258,133	166,956	750,790	70,260	**6,266,478**
0	532,130	1,179,679	37,648	3,187	4,980	542,941	**3,552,120**
0	5,743	74,321	0	0	0	67,000	**3,445,242**
0	10,565	55,601	0	0	0	0	**5,560,206**
0	7,375	22,862	4,130	221	4,277	0	**737,477**
0	22,348	69,282	12,515	670	12,963	0	**2,234,883**
0	160,566	497,756	89,917	4,817	93,129	0	**16,079,137**
0	36,494	113,133	20,437	1,094	21,169	60,000	**3,709,466**
0	9,191	37,669	75	0	152	0	**753,386**
0	215,987	885,189	1,770	0	3,534	0	**17,703,776**
0	23,720	97,216	195	0	390	0	**1,944,332**
0	6,804,000	451,827	8,845,362	352,200	10,289,664	292,600	**27,384,099**
0	0	0	0	0	0	799,487	**799,487**
992,461	**8,353,423**	**7,510,055**	**14,219,098**	**724,705**	**13,809,263**	**2,481,802**	**110,045,142**
0	0	17,585,000	0	0	687,000	0	**18,272,000**
0	0	(1,102,400)	5,300,000	0	1,150,000	14,316,949	**19,664,549**
992,461	**8,353,423**	**23,992,655**	**19,519,098**	**724,705**	**15,646,263**	**16,798,751**	**147,981,691**
(276,167)	(1,144,219)	(5,028,961)	(1,922,855)	(153,706)	(1,597,350)	(6,619)	**0**
716,294	**7,209,204**	**18,963,694**	**17,596,243**	**570,999**	**14,048,913**	**16,792,132**	**147,981,691**

Origin and Purpose of Transfer		Transfer Distribution
From the General Fund	To the Equipment Fund for:	
	Information Technology Replacement	100,000
	sub-total	100,000
From the Library Fund	To the General Fund for:	
	Operating Cost Reimbursement	350,000
	sub-total	350,000
From the H-Hetch Ground Lease	To the General Fund for:	
	Operating Cost Reimbursement	3,120
	sub-total	3,120
From the Gas Tax Fund	To the Street Improvement Fund for:	
	Various Street CIP Projects	1,200,000
	sub-total	1,200,000
From the 05 Community Fclty Dist	To the RDA Project Fund for:	
	Reimbursement of 2005 CFD Formation Costs	20,000
	sub-total	20,000
From the Solid Waste Services	To the General Fund for:	
	Operating Cost Reimbursement	176,516
	sub-total	176,516
From the Solid Waste Reduction	To the General Fund for:	
	Operating Cost Reimbursement	99,651
	sub-total	99,651
From the Housing Reserve Fund	To the General Fund for:	
	Operating Cost Reimbursement	1,144,219
	sub-total	1,144,219
* From the Street Fund	To the Street CIP Fund for:	
	Hwy 237/I-880 Interchange (4170)	1,284,000
	Minor Traffic Improvements 2009 (4245)	50,000
	Sidewalk Replacement 2009 (4246)	150,000
	Traffic Signal Modifications 2009 (4249)	190,000
	Street Resurfacing Project 2010 (4250)	1,010,377
	Tasman/I-880 Interchange (4039)	75,000
	sub-total	2,759,377
From the Street Fund	To the RDA Project Fund for:	
	Soundwall Renovation (8196)	100,000
	City-Wide Traffic Deficiency Plan (8192)	25,000
	sub-total	125,000
* From the Park Improvement Fund	To the Park CIP Fund for:	
	Calle Oriente Park (5087)	450,000
	Cardoza Park Playground Renovation (5088)	1,000,000
	Park Renovation Project 2009 (5089)	150,000
	Park Sign Replacement Project (5090)	45,000
	sub-total	1,645,000
* From the Storm Drain Development	To the Storm Drain CIP Fund for:	
	Emergency Pump Station Generators (3703)	100,000
	Minor Storm Drain Projects 2009 (3702)	75,000
	sub-total	175,000

Origin and Purpose of Transfer		Transfer Distribution
From the Storm Drain Development	To the General Fund for:	
	Operating Cost Reimbursement	6,619
	sub-total	6,619
From the Storm Drain Development	To the RDA Project Fund for:	
	Storm Pump Station Improvements (8188)	100,000
	sub-total	100,000
* From the Transit Area Impact Fee Fd	To the Transit Area Impact Fee CIP Fund for:	
	Light Rail Median Landscaping (2001)	2,550,000
	sub-total	2,550,000
* From the RDA Project Fund	To the RDA Project Fund for:	
	City Building Improvement (8182)	100,000
	Soundwall Resurfacing (8196)	200,000
	sub-total	300,000
From the RDA Project Fund	To the General Fund for:	
	Public Improvement Purchase	6,000,000
	Operating Cost Reimbursement	5,028,961
	sub-total	11,028,961
* From the RDA Project Fund	To the Housing Reserve Fund for:	
	20% Housing Set Aside	7,644,000
	sub-total	7,644,000
From the RDA Project Fund	To the Public Art Fund for:	
	Public Art Purchases	200,000
	sub-total	200,000
From the RDA Project Fund	To the Transit Area Impact Fund for:	
	Light Rail Median Landscaping (2001)	341,000
	sub-total	341,000
* From the RDA Project Fund	To the RDA Project Fund for:	
	Defunding of Senior Center (8176)	1,627,400
	sub-total	1,627,400
* From the 97 RDA TABs	To the RDA Project Fund for:	
	Senior Center (8176)	100,000
	sub-total	100,000
* From the 2003 RDA TABs	To the RDA Project Fund for:	
	Contractual Obligation Reimbursement	4,000,000
	sub-total	4,000,000
* From the Water M & O Fund	To the Water CIP Fund for:	
	Ayer Reservoir & Pump Station Imprvmnts (7102)	150,000
	South Milpitas Water Line Rplcmnt (7098)	900,000
	Water System Hydraulic Modeling (7108)	50,000
	Water System Seismic Improvement (7100)	900,000
	sub-total	2,000,000
From the Water M & O Fund	To the General Fund for:	
	Operating Cost Reimbursement	1,922,855
	sub-total	1,922,855

Origin and Purpose of Transfer		Transfer Distribution
* From the Water Line Extension Fund	To the Water CIP Fund for:	
	Hydrant Replacement (7110)	100,000
	South Milpitas Water Line Replacement (7098)	2,100,000
	sub-total	2,200,000
* From the Water Infrastructure Rplmnt	To the Water CIP Fund for:	
	Water System Seismic Improvements (7100)	1,100,000
	sub-total	1,100,000
From the Recycled Water Fund	To the General Fund for:	
	Operating Cost Reimbursement	153,706
	sub-total	153,706
From the Recycled Water Fund	To the Transit Area Impact Fund for:	
	Light Rail Median Landscaping (2001)	1,300,000
	sub-total	1,300,000
* From the Sewer M & O Fund	To the Sewer CIP Fund for:	
	Minor Sewer Projects 2009 (6107)	100,000
	Sewer System Hydraulic Modeling (6110)	50,000
	sub-total	150,000
From the Sewer M & O Fund	To the General Fund for:	
	Operating Cost Reimbursement	1,597,350
	sub-total	1,597,350
* From the Sewer Infrastrture Replmnt	To the Sewer CIP Fund for:	
	Sewer Deficiency Program (6073)	1,000,000
	sub-total	1,000,000
	TOTAL TRANSFERS:	47,119,774

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

FUNCTION:	City Council	CITY MANAGER: Thomas Williams

Description: This function serves as the governing body of the City, provides legislative direction, and promulgates policies pertaining to the provision of services and direction of City government.

Services

- Serves as governing body of the City.
- Provides legislative direction to the City.
- Promulgates policies for provision of services and direction for the City.
- Enacts ordinances and resolutions necessary for governing the affairs of the City.
- Adopts the Annual Operating Budget and Capital Improvement Plan.

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Continued with development of Citywide Strategic Plan	x	x	x	x	x
2. Provided comprehensive policy direction for the City's operation		x		x	x
3. Established citywide priorities for fiscal year 2008-09	x	x		x	x
4. Provided sound fiscal policies and economic stability for the City		x	x	x	
5. Reviewed and adopted policies to increase efficiency for service delivery	x	x		x	
2009-2010 Goals					
1. Develop Citywide Strategic Plan	x	x	x	x	x
2. Provide comprehensive policy direction for the City's operation		x		x	x
3. Establish citywide priorities for fiscal year 2009-10	x	x		x	x
4. Provide sound fiscal policies and economic stability for the City		x	x	x	
5. Review and adopt policies to increase efficiency for service delivery	x	x		x	

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2009-10
City Council Meetings	23	22	23	23
Commission Meetings	121	135	133	140
Subcommittee Meetings	78	50	43	70
County/Regional Agency/Association Meetings	260	260	260	260

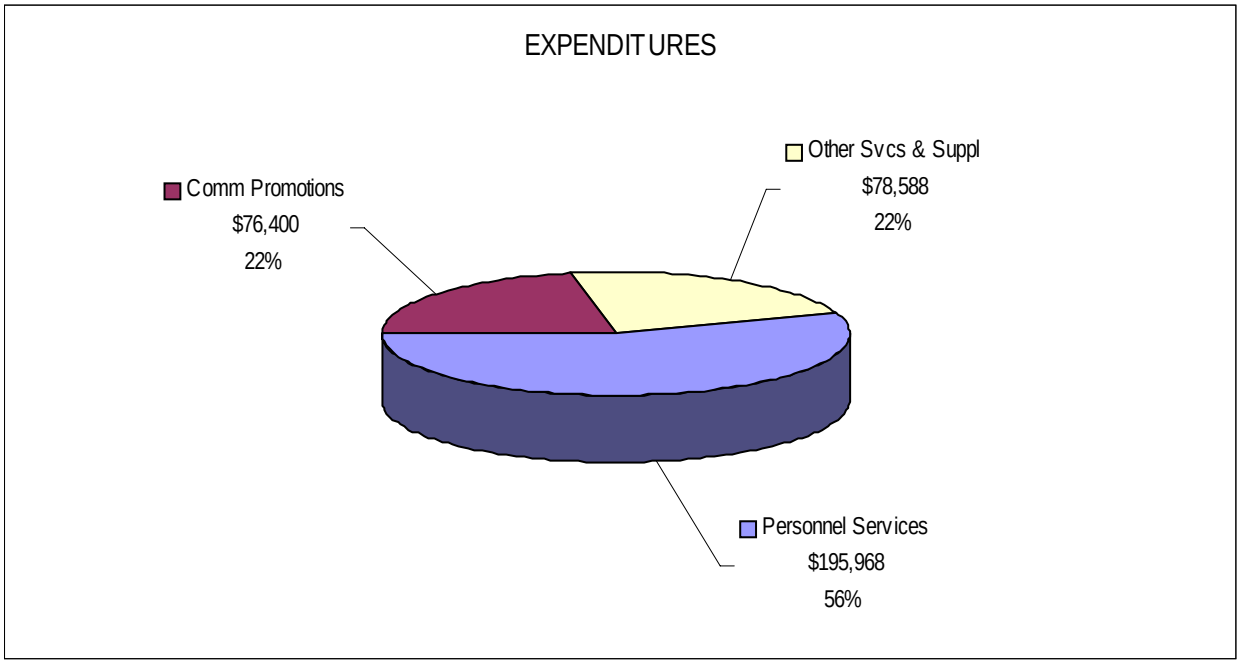
Personnel Allotment of 5 FTE

Position	Auth FTE	Vacant Funded	Vacant Unfunded		Auth FTE	Vacant Funded	Vacant Unfunded
Council Members	5						
				TOTAL	5	0	0

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to increased medical premiums. Stipends for the Planning Commissioners are included in the City Council budget.
Services and Supplies	No change, includes contribution to Chamber of Commerce and funding for Commissioners' Recognition Dinner.
Capital Outlay	None.



	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	57,363	57,416	59,676	59,676
4112 Temporary Salaries	3,425	3,250	3,000	3,000
4121 Allowances	39,061	39,211	37,560	37,560
4131 PERS	3,053	3,788	14,110	13,618
4132 Group Insurance	32,276	34,667	62,097	77,460
4133 Medicare	1,492	1,491	1,408	1,408
4135 Worker's Compensation	282	282	282	282
4139 PARS	976	976	0	0
4161 Retiree Medical Reserve	0	2,964	2,964	2,964
sub-total	137,928	144,045	181,097	195,968
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	57,059	57,542	76,400	76,400
4220 Supplies	1,010	2,130	4,000	4,000
4410 Communications	359	0	0	0
4501 Memberships and Dues	44,108	47,689	44,993	44,993
4503 Training	482	299	13,000	13,000
4520 Commissions and Boards	8,112	5,859	16,595	16,595
sub-total	111,130	113,519	154,988	154,988
TOTAL	249,058	257,563	336,085	350,956

FUNCTION:	City Manager	CITY MANAGER: Tom Williams

Description: This function provides the administration of City government in an efficient and effective manner according to the general policy guidelines of the City Council and recommends strategies and solutions to issues for Council consideration.

Services

- Administers the operations of City government and the Redevelopment Agency.
- Implements the City's general policy guidelines.
- Submits for adoption a balanced budget that identifies all the anticipated revenues and expenditures.
- Recommends strategies and solutions to City Council.
- Follows legislative activities of federal, state, regional and local political bodies and keeps Council apprised of the potential impact to the City.

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Implemented City Council priorities for fiscal year 2008-09	x	x		x	x
2. Provided leadership to municipal organization	x	x	x	x	x
3. Continued showing fiscal management that limited department's budget expenditures	x	x		x	x
4. Continued to reorganize City departments and divisions to finance staff utilization, increase efficiency, accountability and at a savings to the City	x	x	x	x	x
5. Implemented the roadmap to service improvement project resulting in improved permit turn-around time and customer satisfaction	x	x		x	
6. Implemented financial strategies that ensure cost effective City service delivery				x	
7. Continued to improve the economic base and fiscal health of the City		x		x	
2009-2010 Goals					
1. Implement City Council priorities for fiscal year 2009-10	x	x		x	x
2. Provide leadership to municipal organization	x	x	x	x	x
3. Continue to improve service delivery, permit streamlining and customer satisfaction	x	x		x	
4. Implement financial strategies that ensure cost effective City service delivery		x	x	x	x
5. Continue to improve the economic base and fiscal health of the City		x		x	x
6. Develop employee training program for succession planning and next generation leaders	x	x	x	x	x

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2009-10
City Council Meetings	23	22	23	23
Capital Improvement Program Projects Completed	17	8	12	10

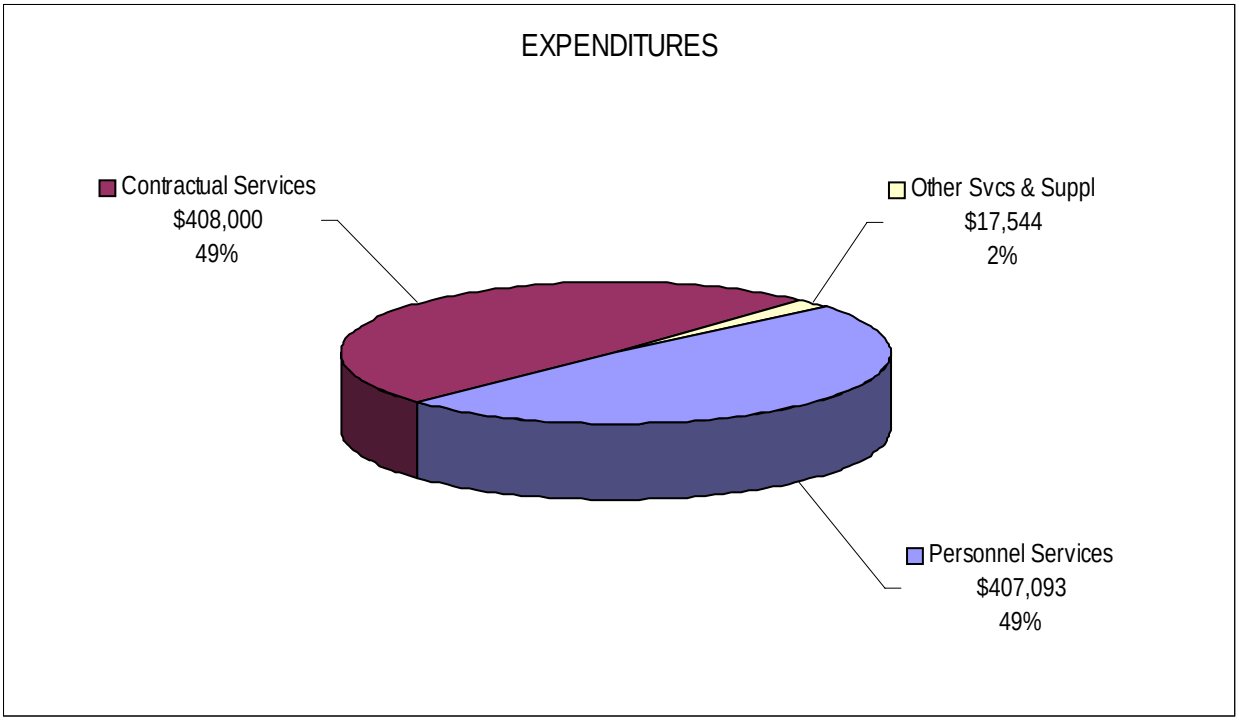
Personnel Allotment of 4 FTE

Position	Auth FTE	Vacant Funded	Vacant Unfunded	Position	Auth FTE	Vacant Funded	Vacant Unfunded
City Manager	1			Executive Secretary	2		1
Assistant City Manager	1		1				
				TOTAL	4	0	2

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to increased medical premiums.
Services and Supplies	Increase due to higher contribution to the County Library for extended hours.
Capital Outlay	None.



	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	192,852	286,556	292,676	294,692
4112 Temporary Salaries	100,901	0	0	0
4113 Overtime	2,514	3,707	0	0
4115 Bonus Pay	0	18,018	0	0
4124 Leave Cashout	2,590	0	0	0
4131 PERS	27,462	49,252	61,308	59,316
4132 Group Insurance	7,720	12,347	30,012	30,888
4133 Medicare	4,322	4,493	4,268	4,295
4135 Worker's Compensation	1,429	1,434	1,454	1,462
4138 Deferred Comp-Employer	1,385	1,807	1,800	1,800
4161 Retiree Medical Reserve	0	14,274	14,544	14,640
sub-total	341,174	391,887	406,062	407,093
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	68	0	0
4211 Equip Replacement Amortization	0	3,220	2,970	2,444
4220 Supplies	1,196	2,120	5,500	5,500
4230 Services	346,149	359,124	370,000	408,000
4410 Communications	188	0	0	0
4501 Memberships and Dues	400	111	4,600	4,600
4503 Training	1,125	1,328	5,000	5,000
sub-total	349,058	365,970	388,070	425,544
TOTAL	690,232	757,858	794,132	832,637

FUNCTION:	City Clerk	CITY CLERK: Mary Lavelle

Description: The City Clerk serves as the legislative administrator, elections official, and records manager for the City.

Services

- Ensures municipal records are readily available and accessible to all and serve as main source of information for residents, City officials and staff, and other governments.
- Complies with the Ralph M. Brown Act, the Public Records Act and the City's Open Government ordinance.
- Provides centralized records management, including agendas and minutes of all City Council/RDA actions.
- Coordinates outreach and tracking of appointments to all City Commissions and Committees.
- Administers codification of ordinances, i.e. maintenance of the Milpitas Municipal Code.
- Manages implementation of municipal elections, including campaign finance filing.
- Coordinates and receives annual Form 700/ Statements of Economic Interest for all designated employees and Commissioners, and for elected officials.
- Serves as a U.S. passport acceptance agency for passport applications.
- Offers centralized Document Processing for police reports, business cards, forms, reports and other typed documents along with printing/ graphics services.
- Staffs the lobby City Hall Information Desk 45 hours per week, offering live assistance to the public over the telephone and in person to staff, residents and visitors at the counter.

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Prepared all City Council meeting agendas and minutes for all regular and special meetings.	x				
2. Transitioned to paperless Agenda Reports (electronic only).	x	x	x	x	
3. Collected required FPPC* filings (campaign documents and Conflict of Interest forms) and sent select forms to State of CA.	x			x	
4. Administered Passport Application Acceptance program.	x	x	x	x	
5. Provided public information to citizens, staff, and elected officials.	x	x	x		
6. Administered Municipal Election of November 4, 2008.	x	x	x	x	
7. Implemented elements of the Open Government Ordinance.	x				
8. Staffed City Council Subcommittees: Library and Open Government.	x		x		
2009-2010 Goals					
1. Continue Passport Application acceptance services.	x	x			
2. Re-certify as Notaries Public the City Clerk and Deputy City Clerk.	x		x		
3. Prepare all City Council meeting agendas and minutes.	x				
4. Ensure additional public access to documents online.	x	x		x	
5. Staff new City Council Rules Committee.	x	x		x	
6. Review and Update Records Retention Schedule.	x	x			
7. Publish and distribute Commissioners Handbook.	x				

*FPPC: Fair Political Practices Commission

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2009-10
City Council agenda items processed	494	441	425	425
Passport applications accepted	2,451	2,811	1,750	2,250
Public Information inquiries	40,102	38,469	33,000	35,000
Total printing impressions (copies)	2,664,224	1,866,837	2,000,000	2,500,000
Total documents processed (Police and other documents)	4,912	4,656	4,750	4,750
% documents turnaround time achieved in DPC* (50% or more of total # turnaround in 48 hours)	Unknown	Unknown	79.3%	75%

*DPC: Document Processing Center

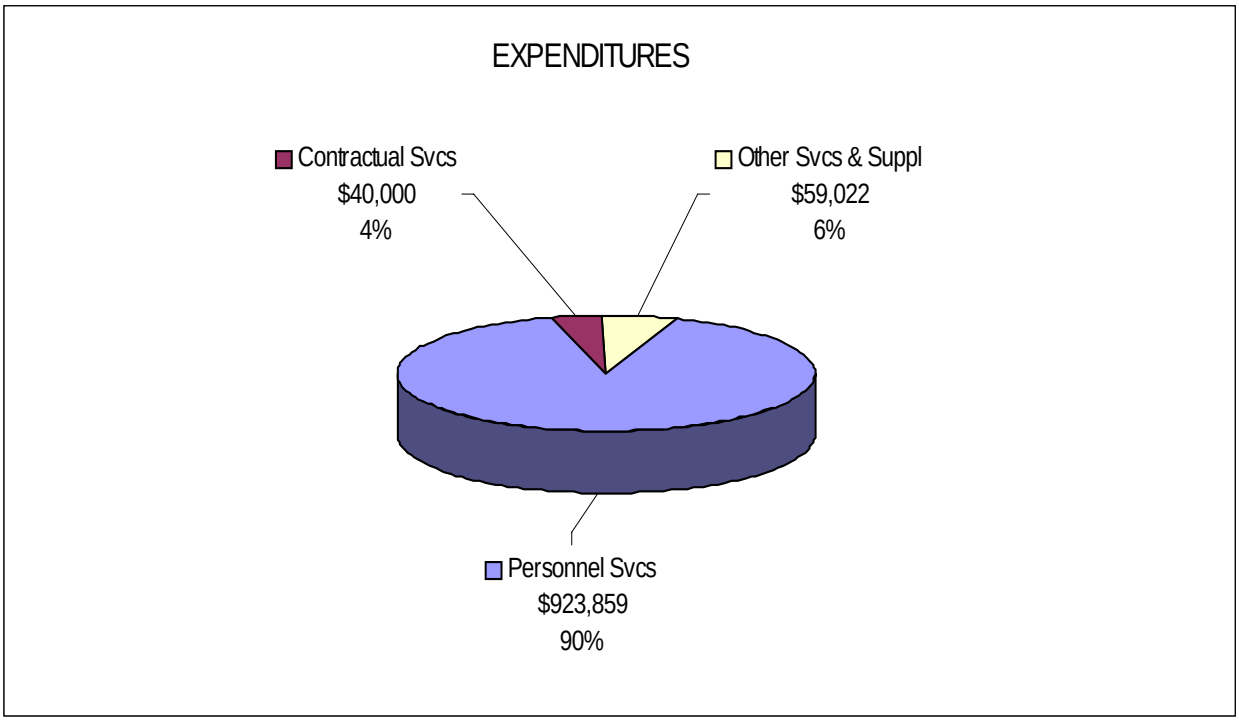
Personnel Allotment of 10 FTE

Position	Auth FTE	Vacant Funded	Vacant Unfunded	Position	Auth FTE	Vacant Funded	Vacant Unfunded
City Clerk	1			Document Proc Tech II	3		
Deputy City Clerk	1			Confidential Office Specialist	1		
Lead Doc Processing Tech	1		1	Printing Services Tech II	1		
Office Assistant II	2		1				
				TOTAL	10	0	2

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and increased medical premiums.
Services and Supplies	Reduced contractual services $75,000 due to no election in FY09-10.
Capital Outlay	None.



	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	543,763	603,349	619,352	644,825
4112 Temporary Salaries	16,290	6,195	5,000	5,000
4113 Overtime	5,633	3,911	6,000	6,000
4124 Leave Cashout	6,447	7,048	0	0
4131 PERS	78,321	90,215	95,900	94,754
4132 Group Insurance	71,622	79,341	112,692	125,256
4133 Medicare	7,154	7,962	7,973	8,305
4135 Worker's Compensation	4,737	5,272	5,283	5,456
4138 Deferred Comp-Employer	3,978	2,710	2,700	2,700
4139 PARS	244	93	75	75
4161 Retiree Medical Reserve	0	29,706	30,252	31,488
sub-total	738,190	835,802	885,227	923,859
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	16,350	6,834	4,528	3,522
4220 Supplies	28,979	22,859	30,000	30,000
4230 Services	52,411	54,150	62,500	62,500
4280 Elections	34,530	0	75,000	0
4410 Communications	(293)	67	75	0
4501 Memberships and Dues	794	674	800	1,000
4503 Training	615	1,475	1,900	2,000
sub-total	133,387	86,059	174,803	99,022
TOTAL	871,577	921,861	1,060,030	1,022,881

FUNCTION:	RDA & Econ Dev	RDA & ECON DEV MGR: Diana Barnhart

Description: This function provides administration of the City's Economic Strategic Plan and oversight of the Redevelopment Agency. Economic Development is focused on improving the economic health of the City so that the revenue stream continues to grow.

Services

- Responsible for business retention and attraction.
- Facilitates project fast-tracking with Development Services.
- Manages the City's Redevelopment Agency programs.
- Maintains ongoing outreach to large revenue generators.
- Provides liaison staffing to Economic Development Subcommittee and Economic Development Commission.
- Represents Milpitas with National Association of Industrial and Office Properties (NAIOP), Joint Venture Silicon Valley, and the Milpitas Chamber of Commerce.

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Successfully implemented the Use Tax outreach program.	x	x		x	
2. Initiated Corporate Outreach program.	x	x		x	
3. Organized three Mayor's Business Roundtables.	x	x		x	
4. Completed Freeway Signage Agreement for revenue generating message boards.	x			x	
5. Initiated Great Mall Redevelopment Plan amendment.	x			x	
6. Initiated redevelopment feasibility analysis for Town Center Business Park.	x			x	
2009-2010 Goals					
1. Installation of freeway signs.	x	x		x	
2. Revenue growth from business retention efforts.	x	x		x	
3. Revenue growth from Use Tax outreach.	x			x	
4. Assist in local programming to create hotel nights.	x			x	
5. Complete Great Mall Redevelopment Plan amendment.	x			x	
6. Complete feasibility analysis for Town Center Business Park.	x			x	
7. Facilitate re-leasing of former Mervyn's site.	x			x	x

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2009-10
Corporate Outreach Visits	N/A	N/A	8-12	8-12
Increase in tax revenue from outreach efforts	N/A	N/A	50%	50%
Business retention as a result of outreach efforts (1)	N/A	N/A	75%	80%

Footnotes:

(1) % of business retained or attracted as a result of outreach or facilitation efforts.

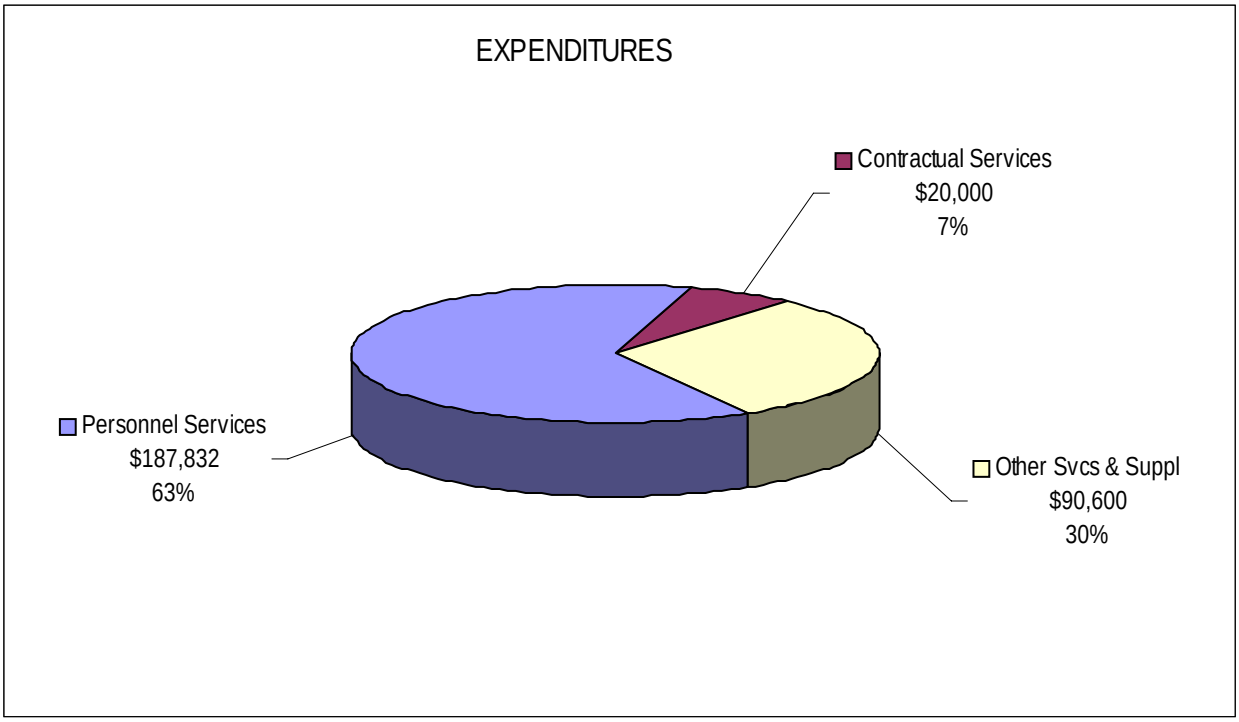
Personnel Allotment of 1 FTE

Position	Auth FTE	Vacant Funded	Vacant Unfunded		Auth FTE	Vacant Funded	Vacant Unfunded
RDA/ Economic Development Manager	1						
				TOTAL	1	0	0

Staff Change(s): None

Expenditure Analysis

Personnel Services	Decrease attributed to a reduction in PERS contribution.
Services and Supplies	No change.
Capital Outlay	None.



	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	129,163	125,930	141,026	141,026
4131 PERS	18,617	18,800	21,698	20,594
4132 Group Insurance	7,277	7,542	15,492	15,492
4133 Medicare	1,871	2,046	2,062	2,062
4135 Worker's Compensation	651	702	702	702
4138 Deferred Comp-Employer	563	1,847	900	900
4161 Retiree Medical Reserve	0	7,037	7,056	7,056
sub-total	158,141	163,905	188,936	187,832
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	16,956	20,912	15,110	44,000
4220 Supplies	374	1,030	0	250
4230 Services	199,820	84,563	74,000	42,000
4501 Memberships and Dues	17,526	20,066	18,490	18,490
4503 Training	1,126	3,362	3,000	5,460
4520 Commissions and Boards	0	0	0	400
sub-total	235,802	129,933	110,600	110,600
TOTAL	393,943	293,837	299,536	298,432

DEPARTMENT:	Building and Safety	CHIEF BUILDING OFFICIAL:	Keyvan Irannejad

Description: This department is responsible for implementation of safety and quality standards in construction achieved by enforcing California Building Codes, State and Federal regulations, and City standards that pertain to physical development of the City. The department's five functions include: Inspection Services, Plan Checking, Building Administration, Permit Center, and Public Works Inspection Services.

Services

- Reviews construction plans and documents to ensure safety through compliance with technical codes, State and local regulations, and acceptable engineering practices.
- Provides inspections to ensure buildings, streets. public utilities, parks and community projects are constructed in accordance with approved plans and applicable local and State regulations.
- Schedules inspections using Integrated Voice Recognition System (IVR), on-line or by phone.
- Assists customers in obtaining building permits and monitors plan submittal process from initial submittal to permit issuance.
- Issues permits, including permits by fax and on-line.
- Processes plans, collects permit fees, performs records research, and maintains the building plans and records.
- Provides permit submittal information to the public and responds to codes-related questions in person, by telephones, e-mails, and through web site. Directs customers to proper City staff members.
- Provides and updates submittal requirements, handouts and pamphlets at Permit Center and on-line to explain how to obtain permits, design and construction requirements.
- Meets with design professionals, homeowners and contractors to assist them in the timely issuance of permits and completion of projects including after hours, lunch time and weekend meetings.
- Provides assistance to the Community Development Block Grant (CDBG) Housing Rehabilitation Program to enhance the quality of life for low-income families.
- Provides assistance to the Fire Department in fire investigations and building owners for other emergencies.
- Provides assistance and inspections to mobile home parks.
- Provides same day plan check services thereby reduces the standard plan check process by a minimum of two to three weeks.

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Introduced "Commitments to Services"	x	x			x
2. Combined Public Works and Building Inspection services to provide more efficient and improved level of customer service	x		x	x	
3. Introduced On-line Permitting System and continued in-house training and cross-training of staff	x		x	x	x
4. Continued improvement of new permitting software and web site enhancements to create an effective and efficient public access tool	x			x	x
5. Roadmap for Service Improvements Committee continued to streamline the permitting process and customer service	x				
6. Continued "Office in the Vehicle" program by utilizing computer technology in the field allowing inspectors to be more efficient	x			x	
2009-2010 Goals					
1. Expand on-line permitting system and information on the web site.	x			x	x
2. Improve our image to the public through meetings with community and industry, education, community outreach and in support of sustainability	x	x			x
3. Expand checklists for plan check, submittal and inspection to create more balanced approach and consistent interpretations	x			x	x
4. Continue to assist Fire Department and respond to emergency incidents	x	x			x
5. Continue cross-training of staff to improve consistency and promote working environment where learning is encouraged, new ideas are welcome, and a friendly atmosphere prevails as the most productive approach to business	x		x	x	x
6. Continue to utilize same inspector from start to finish, provide same day and outside business hours services as requested	x	x		x	x

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2009-10
New Construction Valuation (Millions)	$222	$183	$180	$180
Total Building Permits Issued/Avg. Permits Issued per day	3,897/15	3,950/16	3,500/14	3,500/14
Total Plan Checks Performed/% Express Plan Checks Performed *	1,068/27	1,035/57	1,000/40	1,000/40
Number of Customers Served/Avg. Waiting Time in minutes	8,269/3	7,955/3	8,000/1.5	8,000/1.5
Daily Inspections per Inspector/Avg. Min. **	11.5/37.5	12.5/33.5	9/45	10/45
% Customer Survey rating Excellent or Good	98	98	98	100
% of Plan Checks completed on schedule	90	90	90	95
% Inspections completed on requested time	93	93	95	95
% accuracy of building plan check	97	97	98	98

NOTE: *Express projects performed over the counter/same day. **Inspections (building and misc.) Include inspection time, travel, paperwork, computer input and phone calls.

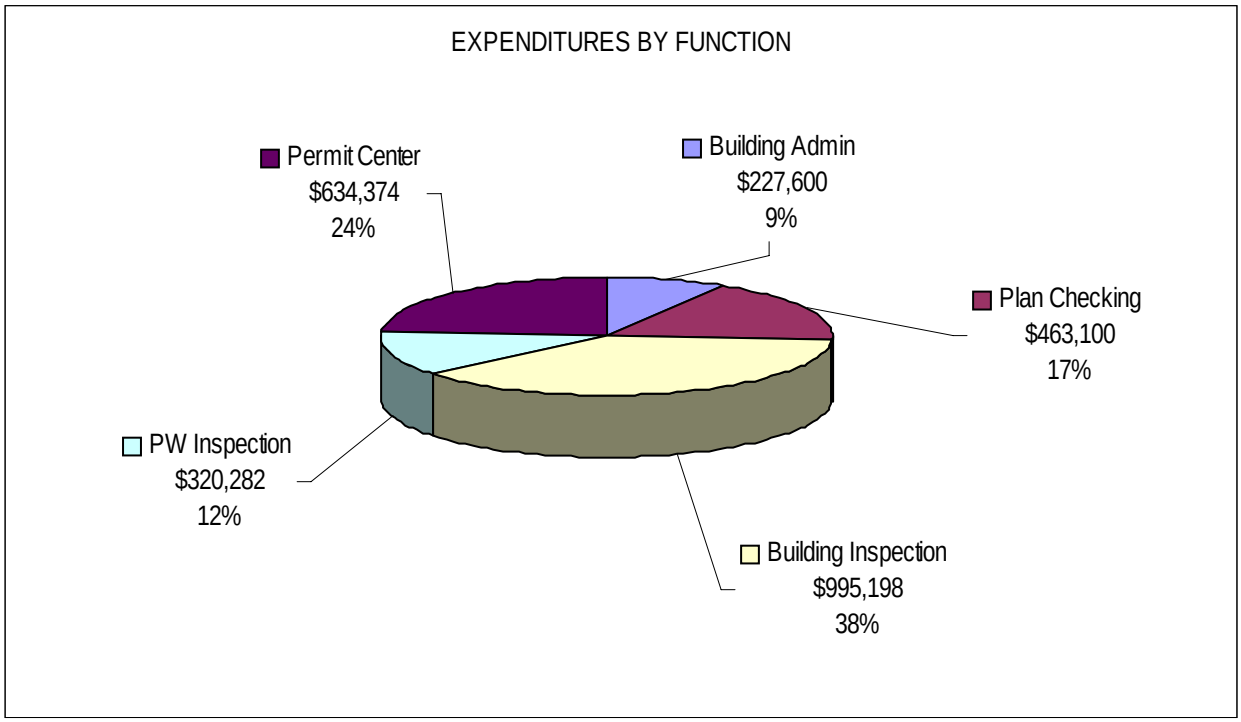
Personnel Allotment of 28 FTE

Position	Auth FTE	Vacant Funded	Vacant Unfunded	Position	Auth FTE	Vacant Funded	Vacant Unfunded
Chief Building Official	1			Public Works Inspector	4		2
Building/NP Inspector	7		3	Sr Public Works Inspector	1		
Electrical Inspector	2			Plan Check Engineer	4		2
Plan Checker	1			Building Permit Technician	3	1	1
Sr Building Inspector	1			Office Assistant II	1		
Permit Center Manager	1			Office Specialist	1		
Sr Plan Check Engineer	1		1				
				TOTAL	28	1	9

Staff Change(s): Five Public Works positions have been transferred from Engineering Division. Three temporary inspectors have been eliminated. Two funded vacant positions, 1 Plan Check Engineer and 1 Building Inspector, are not funded this fiscal year.

Expenditure Analysis

Personnel Services	Decrease attributed to 2 vacant funded positions are not funded and temporary positions being eliminated.
Services and Supplies	Decrease attributed to reduced amortization of vehicles.
Capital Outlay	None.



	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	1,447,753	1,555,885	1,786,048	1,939,479
4112 Temporary Salaries	182,534	221,002	254,440	0
4113 Overtime	22,191	21,277	25,000	21,000
4124 Leave Cashout	23,228	36,603	0	0
4131 PERS	235,028	266,091	314,202	283,367
4132 Group Insurance	222,018	270,181	279,225	296,292
4133 Medicare	22,191	24,740	27,993	26,463
4135 Worker's Compensation	41,784	46,318	46,775	46,279
4138 Deferred Comp-Employer	8,850	4,165	1,800	1,800
4139 PARS	0	39	0	0
4143 Charged to CIPs	0	0	0	(212,101)
4161 Retiree Medical Reserve	0	79,583	100,768	96,830
sub-total	2,205,577	2,525,882	2,836,251	2,499,409
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	24,540	32,080	39,887	30,830
4220 Supplies	25,865	15,303	24,025	27,340
4230 Services	20,959	40,990	63,250	63,250
4410 Communications	1,643	0	0	0
4501 Memberships and Dues	1,370	1,420	1,530	1,530
4503 Training	7,315	9,354	16,200	18,195
sub-total	81,693	99,147	144,892	141,145
TOTAL	2,287,270	2,625,029	2,981,143	2,640,554

DEPARTMENT:	Information Services	IS DIRECTOR: Bill Marion

Description: This department provides strategic automation planning, coordination of system procurement and implementation, management of technology projects to fulfill customer-defined functional requirements, development and maintenance of the City's technical architecture and infrastructure, partnering with key product and service providers, ensuring customer satisfaction, providing automation support and training development, support of the City's web site, Cable TV channel, AM radio station and public-access TV studio, implementation and support of security access systems and all automated data systems. Additionally, Information Services is responsible for the City's public information function.

Services

- Strategic Planning – This service includes maintaining and updating the City's Telecommunications Strategic Plan in addition to providing the technology planning and support for each department to achieve their annual goals and objectives.
- Project Management – One of the key services provided by the Information Services Department includes project management for both large and small technology projects. These services range from the 5-year implementation of Public Safety improvements to the implementation of new systems and processes.
- Development and support of the technical architecture and infrastructure. This service includes the maintenance and support of the City's telephone systems, mobile phone and data services, metropolitan-area fiber optic network, paging, radio, video, remote communications and the wired and wireless computer networks.
- Development and support of the City's website, cable TV channel and AM radio system. This service serves City staff, City residents and visitors, both local and foreign. One of fastest and easiest ways to evaluate a city as a potential site for starting a business is by visiting that City's website. Since first impressions are lasting impressions, this service provides an invaluable opportunity to advertise the benefits of doing business within the community.
- Implementation and operation of the City's security access and control systems. It is essential to protect City assets, especially given the times we operate and live in. This service is used to enhance the safety of not only City staff and residents but also the City's public buildings.
- Management and support of the complex information systems. The City supports a data network of more than 65 servers, 500 computers, 80 laptops and 120 printers. It is critical to continuously maintain and upgrade these systems to ensure highest possible availability for all business users.
- Development and support of the City's Geographic Information System. The GIS system supports the work of virtually all departments within the City. From the 911 emergency computer-aided dispatch system to the notification of residents regarding pending zoning actions, the GIS system is used widely to support all of the City's business functions.
- Support of the Public Information function. This service includes acting as the City's liaison for information dissemination through the City's website, cable TV channel and AM radio station. It also includes the duties and responsibilities associated with performing the role of Public Information Officer during times of emergencies.

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Completed City Website Design	x	x	x		
2. Completed year one of the scheduled 8-year Equipment Replacement Project		x	x	x	x
3. Completed Building Security Project	x	x	x	x	x
4. Completed New Library and Garage Technology Projects	x	x		x	
5. Completed Mobile Computer Upgrade for Public Safety	x	x		x	x
2009-2010 Goals					
1. Milpitas Public WiFi	x	x		x	x
2. Emergency 911 Phone System Upgrade	x	x		x	x
3. Computer Aided Dispatch Upgrade	x	x		x	x
4. Fire Records Management System Upgrade	x	x		x	x
5. New City Network Replacement Implementation	x	x	x	x	x

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2008-09
Network Availability	99.50%	99.00%	99.95%	99.95%
First line Helpdesk Resolution	50%	60%	60%	70%
Server Availability	99.00%	99.00%	99.50%	99.50%
Website Availability	99.00%	99.00%	99.50%	99.50%

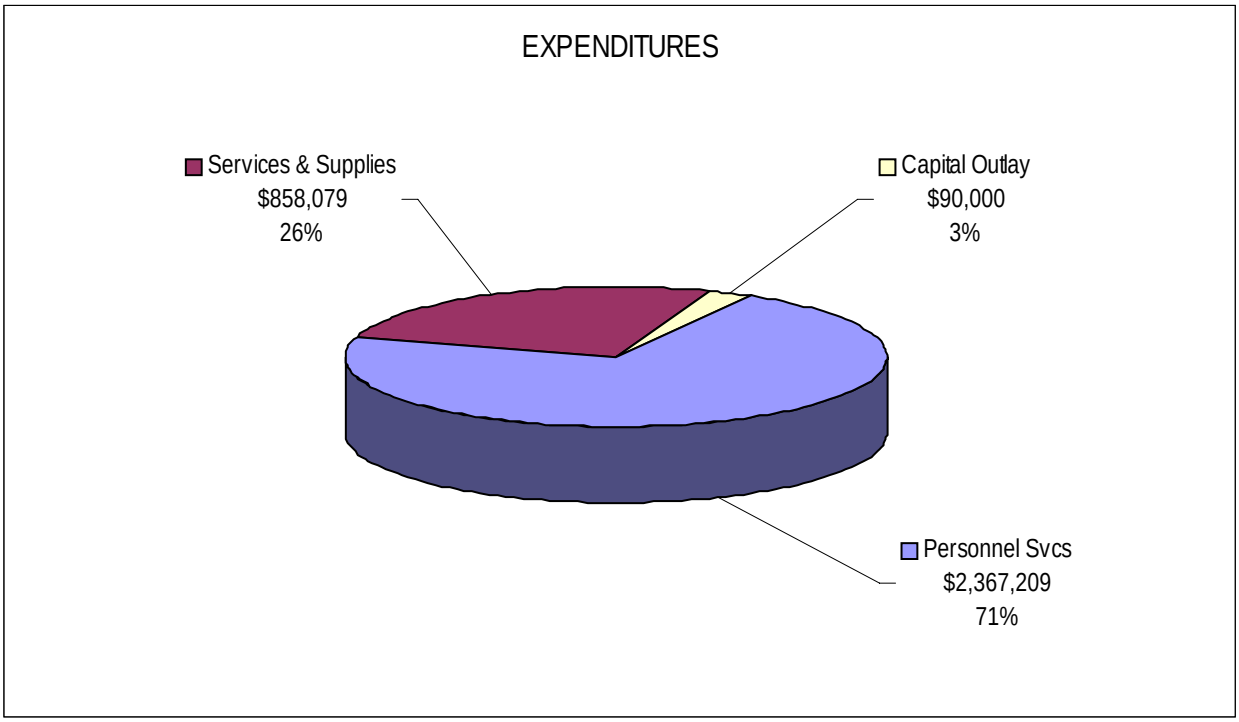
Personnel Allotment of 20 FTE

Position	Auth FTE	Vacant Funded	Vacant Unfunded	Position	Auth FTE	Vacant Funded	Vacant Unfunded
Information Services Director	1			Customer Service Manager	1		
Asst Information Svcs Director	1		1	Systems Administrator	5		2
Public Information Specialist	1			G I S Manager	1		
Telecom Manager	1			Desktop Technician	5		
Network Manager	1			Office Assistant I	1		1
Operations Manager	1			Office Specialist	1		
				TOTAL	20	0	4

Staff Change(s): None

Expenditure Analysis

Personnel Services	Negotiated salary and benefits increases and reduction in CIP charge-backs have resulted in an overall 4.7% increase.
Services and Supplies	Inclusion of Lease payments in the amount of $77,200 from the equipment replacement fund and increases in contracted support and maintenance has led to a 14.4% increase.
Capital Outlay	Inclusion of $90,000 in Equipment Replacement Funding.



	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	1,417,349	1,501,023	1,697,562	1,735,827
4113 Overtime	1,341	225	0	0
4124 Leave Cashout	28,145	10,154	0	0
4131 PERS	204,994	228,899	261,314	253,576
4132 Group Insurance	175,241	185,142	224,868	247,728
4133 Medicare	21,021	22,335	24,736	25,343
4135 Worker's Compensation	9,388	8,867	8,956	9,149
4138 Deferred Comp-Employer	11,683	9,035	9,000	9,000
4143 Charged to CIPs	0	0	(50,000)	0
4161 Retiree Medical Reserve	0	83,922	84,684	86,586
sub-total	1,869,161	2,049,602	2,261,120	2,367,209
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	4,560	6,895	6,537	5,379
4220 Supplies	28,367	12,048	17,000	25,000
4230 Services	352,785	420,840	518,900	626,100
4410 Communications	170,870	192,211	202,730	196,900
4501 Memberships and Dues	175	75	300	0
4503 Training	30	6,425	4,700	4,700
sub-total	556,786	638,493	750,167	858,079
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	11,179	2,415	0	90,000
sub-total	11,179	2,415	0	90,000
TOTAL	2,437,127	2,690,510	3,011,287	3,315,288

DEPARTMENT:	Human Resources	HR DIRECTOR: Carmen Valdez

Description: This department is a centralized full-service department that provides Citywide services including: recruitment, benefits administration, a self funded workers' compensation program, labor negotiations, administration of memorandum of understanding with the various employee groups, employee relations, the safety program, compliance with State and Federal employment laws, training and maintenance of personnel systems and files.

Services

- Recruitment - The Human Resources (HR) Department is committed to finding top-quality candidates in a timely manner. The department takes an aggressive approach in identifying and recruiting the most qualified candidates for all positions.
- Benefit Administration - The HR Department provides benefit administration services to approximately 400 active employees with an excellent benefit package that includes medical coverage through CalPERS. Additional benefits include Dental, Vision, Life Insurance, Long Term Disability, Short Term Disability, Deferred Compensation and the Employee Assistance Program (EAP).
- Workers' Compensation - The City is self-insured for workers' compensation contracted through a Third Party Administrator, Southern California Risk Management Association (SCRMA). Staff works closely with SCRMA to ensure that all injured employees are receiving the proper care for their work related injuries.
- Labor Relations - The HR Department negotiates on behalf of the City and oversees six separate bargaining units by administering, implementing and interpreting labor contracts and assisting in the resolution of grievances.
- Employee Relations and Customer Service - The HR Department treats all employees and residents with dignity and respect. One of the department's goals is to maintain productive and positive employer-employee relationships while ensuring the highest level of service to those we serve.
- Training - The HR Department coordinates all state mandated trainings, such as: employee safety, benefits, Department of Transportation, and ergonomics trainings.

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Organized several "Brown Bag" lunches to inform employees about various City benefits and retirement planning.	x	x	x	x	x
2. Cross-trained HR Technicians.	x	x	x		
3. Conducted Classification Studies and updated Job Descriptions for ADA compliance.	x			x	
4. Successfully completed the transition of the Life Insurance provider from Cigna to Lincoln Life Insurance.	x	x	x	x	
5. Created and distributed the 2008 Total Compensation Reports with the help of the Information Services Department.	x	x	x		
6. Successfully negotiated contracts with ProTech, Mid-Management and Confidential, MPOA, and IAFF.	x	x	x	x	
2009-2010 Goals					
1. Develop and implement along with the support of the Information Services Department an online Benefit Information Program.	x		x		
2. Develop and implement an expanded new employee orientation program that includes an inventory checklist for equipment, keys, supplies, etc. that are issued to new employees.	x		x	x	
3. Succession Planning: update Job Descriptions and conduct classification studies for career growth opportunities.	x		x	x	
4. Continue to provide citywide training.	x	x	x	x	x
5. Finalize an FMLA* Policy, a Fitness for Duty Program, a Short Term Disability Program, and a Modified Duty Program.	x	x	x	x	x
6. Develop a tracking system for employees' education and training.	x		x	x	x

*FMLA = Family Medical Leave Act

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2009-10
Percentage of Customer Surveys rating Very Satisfied/ Satisfied	N/A	85/15	N/A	95/5
Number of employees returned to full duty after a Workers' Compensation injury	8	10	10	10
Percentage of error free Personnel Action Forms processed	99%	99%	97%	99%
Percentage of error free Benefit Change forms processed within 10 days of receipt	100%	100%	95%	100%
Percentage of error free Address Change requests processed within 24 hours of receipt	100%	100%	95%	100%

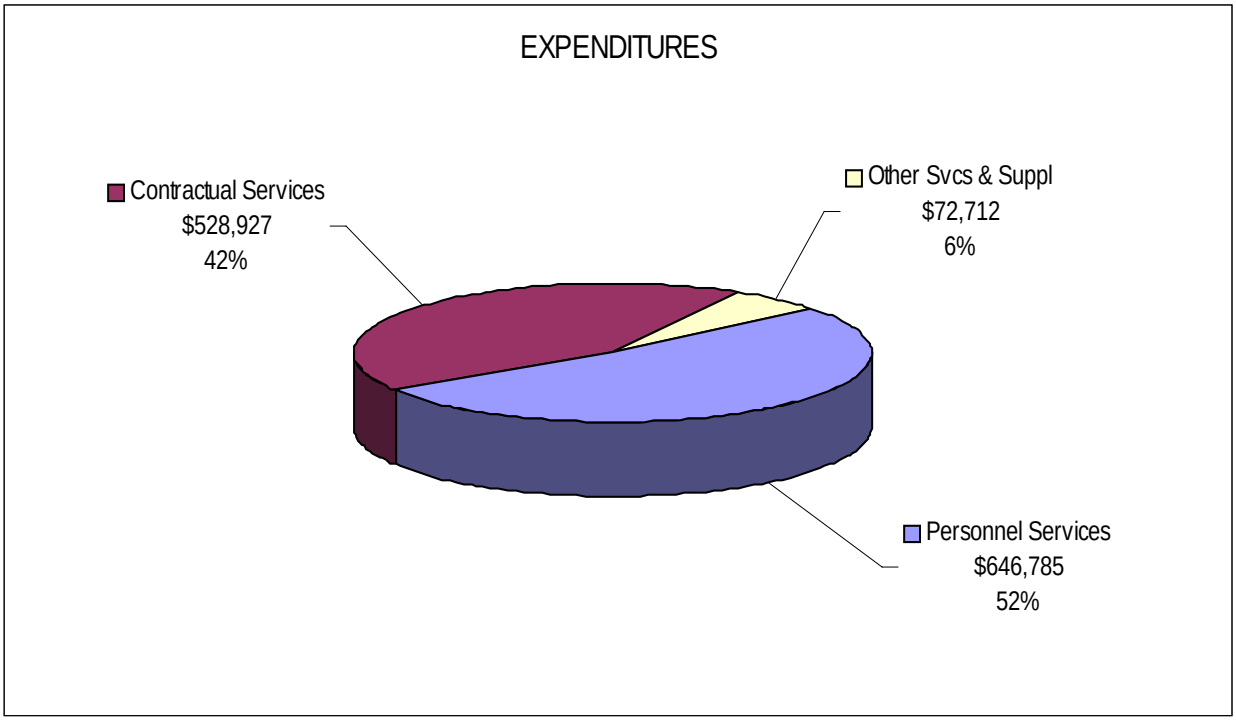
Personnel Allotment of 7 FTE

Position	Auth FTE	Vacant Funded	Vacant Unfunded	Position	Auth FTE	Vacant Funded	Vacant Unfunded
Human Resources Director	1			Human Resources Tech	2	1	
Admin Analyst I/II	3		2	Confidential Office Assist II	1		
				TOTAL	7	1	2

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and increased medical premiums.
Services and Supplies	Decrease due to reduced worker's compensation excess insurance premium.
Capital Outlay	None.



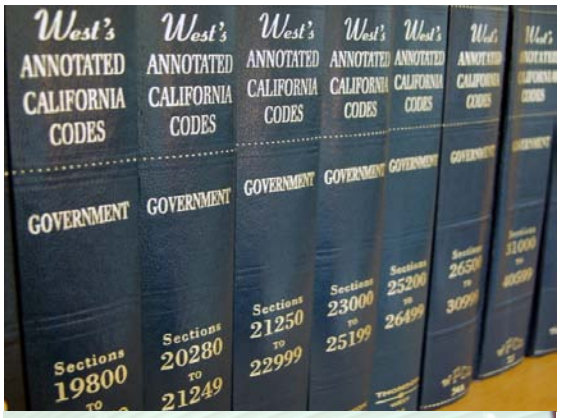
	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	340,850	411,052	431,483	464,248
4113 Overtime	1,308	73	0	1,000
4124 Leave Cashout	5,796	9,366	0	0
4131 PERS	49,035	61,470	66,454	67,840
4132 Group Insurance	43,352	52,196	73,572	77,076
4133 Medicare	5,068	6,048	6,323	6,796
4135 Worker's Compensation	1,582	1,944	2,140	2,309
4138 Deferred Comp-Employer	3,767	4,492	4,500	4,500
4161 Retiree Medical Reserve	0	19,448	21,376	23,016
sub-total	450,758	566,090	605,848	646,785
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	4,707	5,000	6,000
4220 Supplies	9,384	4,296	2,000	2,000
4230 Services	446,239	436,140	622,450	584,927
4410 Communications	183	85	75	0
4501 Memberships and Dues	2,224	2,094	2,212	2,212
4503 Training	3,293	4,222	6,500	6,500
sub-total	461,322	451,544	638,237	601,639
TOTAL	912,081	1,017,634	1,244,085	1,248,424

DEPARTMENT:	Office of the City Attorney	CITY ATTORNEY: Michael Ogaz

Description: This department provides general legal advice and services to the City Council, Redevelopment Agency Board, City Commissions, City Manager and City departments. The City Attorney's department prepares or approves as to form all proposed ordinances, resolutions, agreements and amendments thereto. This department also, at times, negotiates and drafts Memorandums of Understanding with the various employee labor groups and provides guidance in all personnel matters. This department represents the City in litigation.

Services

- General Legal Advice
- Employee Labor Group Negotiations
- Litigation
- Employee Training
- Compliance advice related to current and forthcoming Federal and State regulations
- Redevelopment Agency Counsel and Legal Services
- Personnel advice
- Land use advice
- Conflict of Interest and Open Government guidance



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Provided affordable on-site legal guidance, assuring Council goals and projects are successfully implemented with a minimum of risk		x	x	x	
2. Completed hiring of full staff, set up internal filing, record-keeping and budget systems, and implemented staff assignment plan	x		x	x	
3. Created Emergency Procedures manual for Office of the City Attorney	x	x			x
4. Created Long Range Council Agenda/internal agenda review process				x	
5. Revised the Purchasing, Mobile Home, and Open Government Ordinances	x	x		x	
6. Updated/revised the City's standard contract, resolution and ordinance forms	x			x	
7. Provided Brown Act training and AB1234 training video	x		x		
8. Advised staff through Library, Garage, and Main Street completion	x	x		x	
9. Negotiated/amended various RDA Development Agreements	x	x		x	
10. Advised on prequalification/bids/contracts for new Senior Center		x		x	
11. Advised staff and ensured compliance with Proposition 218 in proposed increase of wastewater and water service rates				x	x
12. Developed City-wide procedure for incoming subpoenas	x			x	
13. Advised staff in efforts toward accomplishing economic development goals	x	x		x	
2009-2010 Goals					
1. Assist City staff in improving Agenda process			x		
2. Integrate legal services with department strategic plans		x	x	x	
3. Comprehensive Municipal Code review and revisions	x	x		x	x
4. Continue updating/standardizing departmental form contracts	x				
5. Revisions to City Housing Element of General Plan	x	x			
6. Review and update City Standard Operating Procedures (SOP)			x	x	
7. Update Sexual Harassment/Discrimination policies; provide training	x		x		x
8. Advise staff in efforts toward accomplishing economic development goals	x	x		x	
9. Continue to provide superior, affordable, full-service legal advice		x	x	x	

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2009-10
Agenda contracts drafted/reviewed/edited	N/A	N/A	84	80
Ordinances/resolutions drafted/reviewed/edited	N/A	N/A	234	250
Court appearances	N/A	N/A	8	6
Court actions defended and/or prosecuted	N/A	N/A	31	35
Subpoenas. inquiries, records requests	N/A	N/A	35	35
Individuals receiving training*	30	496	62	500
Labor negotiations completed	1	0	4	2

Note: *Includes video training.

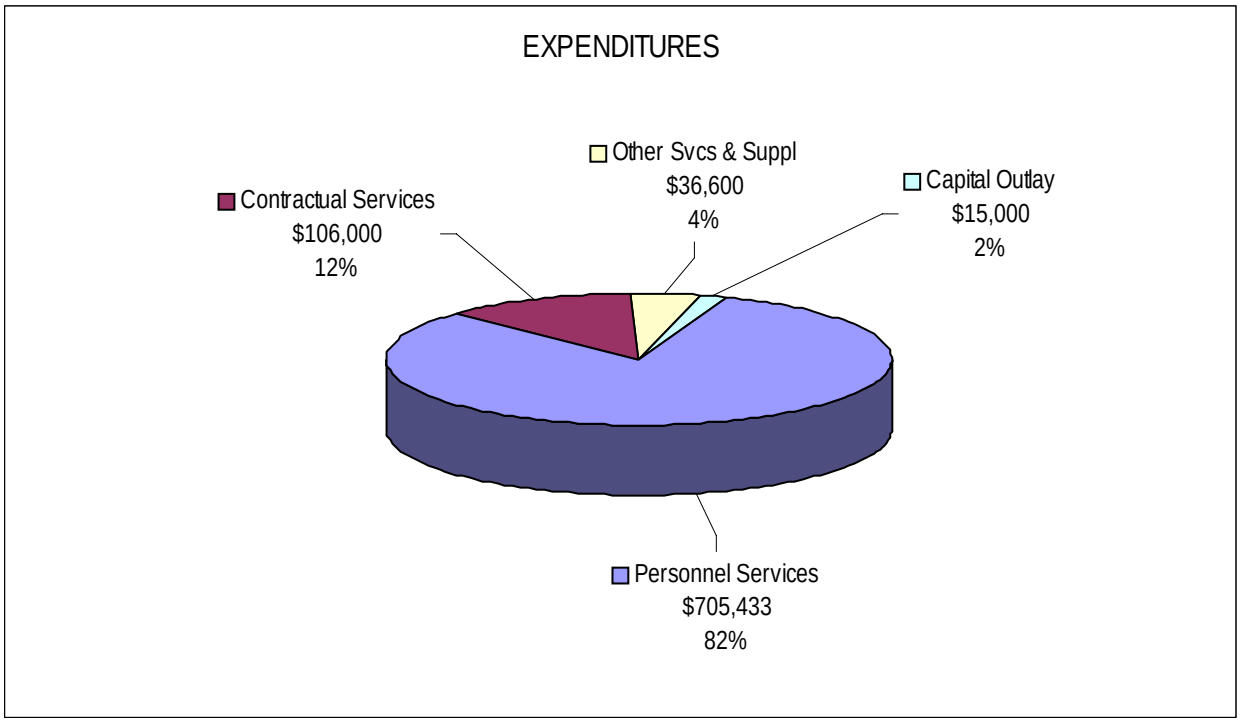
Personnel Allotment of 4 FTE

Position	Auth FTE	Vacant Funded	Vacant Unfunded	Position	Auth FTE	Vacant Funded	Vacant Unfunded
City Attorney	1			Deputy City Attorney	1		
Assistant City Attorney	1			Legal Assistant	1		
				TOTAL	4	0	0

Staff Change(s): Hired Deputy City Attorney, completing department staffing.

Expenditure Analysis

Personnel Services	Slight decrease due to hiring of new employees below the top range salaries budgeted.
Services and Supplies	No change.
Capital Outlay	Planned office furniture and fixtures expense deferred from prior fiscal year, previously budgeted as office supplies.



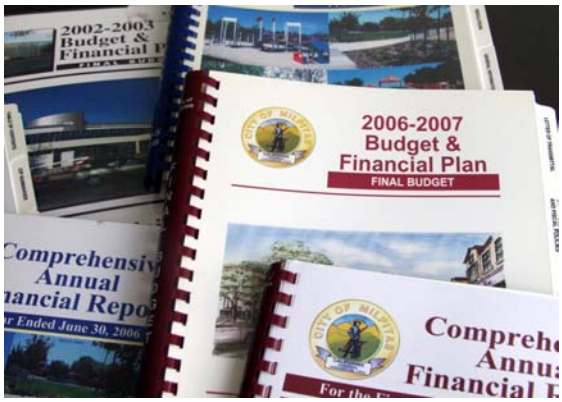
	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	0	157,697	543,026	514,353
4131 PERS	0	22,450	83,540	89,876
4132 Group Insurance	0	13,911	60,996	61,872
4133 Medicare	0	2,190	7,930	7,507
4135 Worker's Compensation	0	786	2,716	2,569
4138 Deferred Comp-Employer	0	822	3,600	3,600
4161 Retiree Medical Reserve	0	15,772	27,144	25,656
sub-total	0	213,627	728,952	705,433
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	540	13,132	40,000	20,000
4230 Services	1,602,373	338,614	100,000	109,000
4501 Memberships and Dues	0	645	2,000	2,600
4503 Training	0	2,069	9,000	11,000
sub-total	1,602,912	354,459	151,000	142,600
CAPITAL OUTLAY				
4910 Office Furniture & Fixtures	0	0	0	15,000
4920 Machinery Tools & Equipment	0	0	6,000	0
sub-total	0	0	6,000	15,000
TOTAL	1,602,912	568,086	885,952	863,033

DEPARTMENT:	Finance	FINANCE DIRECTOR:	Emma Karlen

Description: This department provides management of the City's financial operations in accordance with established fiscal policies. The department is organized in four divisions, Administration, Accounting Services, Fiscal Services and Purchasing; each provides essential customer services and internal support to other departments.

Services

- Acts as an advisor to the City Manager, City Council and Departments in the areas of financial planning and fiscal analysis. Provides leadership in the development and implementation of sound financial policies for the City.
- Coordinates the preparation of the Annual Operating Budget that includes projection of revenues and expenditures, organizing and publication of the adopted budget document.
- Invests the City's idle cash to ensure that there is sufficient cash flow to meet operating needs while maintaining safety, liquidity and competitive returns on the investment portfolio.
- Manages the City's and Agency's outstanding bonds by ensuring timely payments, performance of arbitrage calculations and filing of required continual disclosure reports.
- Manages all the tort claims against the City and represents the City in the Association of Bay Area Government Pooled Liability Assurance Network (ABAG PLAN).
- Prepares and maintains accurate financial records including grants, capital projects, enterprise funds, governmental funds, and fixed assets. Files required grant reports.
- Prepares the Annual Financial Report in accordance with Generally Accepted Accounting Principles and pronouncements of the Governmental Accounting Standards Board.
- Processes all the payments for goods and services timely and accurately.
- Issues payroll checks and benefits payments bi-weekly. Files all the required Federal and State payroll tax withholding reports.
- Monitors all the capital projects that have external funding sources to ensure collection.
- Collects and records all City revenues including utility payments, business licenses, franchise fees, transient occupancy taxes, private job accounts and miscellaneous invoicing.
- Provides customer service to the City's utility customers, including billing, new account set-ups, inquiries and meter readings.
- Provides a full range of procurement services to purchase goods and services at competitive prices and to ensure compliance with Federal and State laws and City ordinances.
- Maintains a central warehouse and inventories and oversees the sale of the City surplus property.
- Provides internal mail service by delivering and distributing mails from the Post Office.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Resolved tort claims within 180 days from the date of claim	x			x	
2. Received awards for "Distinguished Budget Presentation", "Excellence in Financial Reporting" and "Excellence in Procurement"				x	
3. Researched on-line ordering for office and warehouse supplies to reduce obsolete inventory	x			x	
4. Assumed retiree medical payment responsibility, saving $6,600 in contractual services.	x			x	
5. Processed invoices for payment within five working days from the date of departments' approval	x			x	
6. Provided accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget	x			x	
7. Provided 99.9% accuracy on initial meter reads	x			x	
8. Implemented on-line Business License application and the acceptance of business license renewal on-line with credit card payments	x			x	
9. Implemented on-line utility bill presentation and allowed customers to view internet payment transactions	x			x	
2009-2010 Goals					
1. Review and update budget policy and standard operating procedure				x	
2. Resolve tort claims within 180 days from the date of claim	x			x	
3. Receive awards for "Distinguished Budget Presentation", "Excellence in Financial Reporting" and "Excellence in Procurement"				x	
4. Implement on-line purchasing of office supplies to reduce obsolete inventory	x			x	
5. Provide CAL-Card refresher training to ensure appropriate usage	x			x	
6. Provide Citywide purchasing and contracts training to departments	x			x	
7. Research electronic imaging and storage of financial records				x	
8. Process invoices for payment within 5 working days from approval date	x			x	
9. Provide accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget	x			x	
10.Provide 99.9% accuracy on initial meter reads	x			x	

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2009-10
Receive awards for Budget and Financial Report	Yes	Yes	Yes	Yes
Percent of tort claims resolved within 180 days	90%	82%	95%	95%
Average turn around time of account payable invoices (number of days)	5	5	5	5
Average turn around time of purchase requisitions (number of days)	10	12	9	9
Percent of accurate meter reads	99.9%	99.9%	99.9%	99.9%

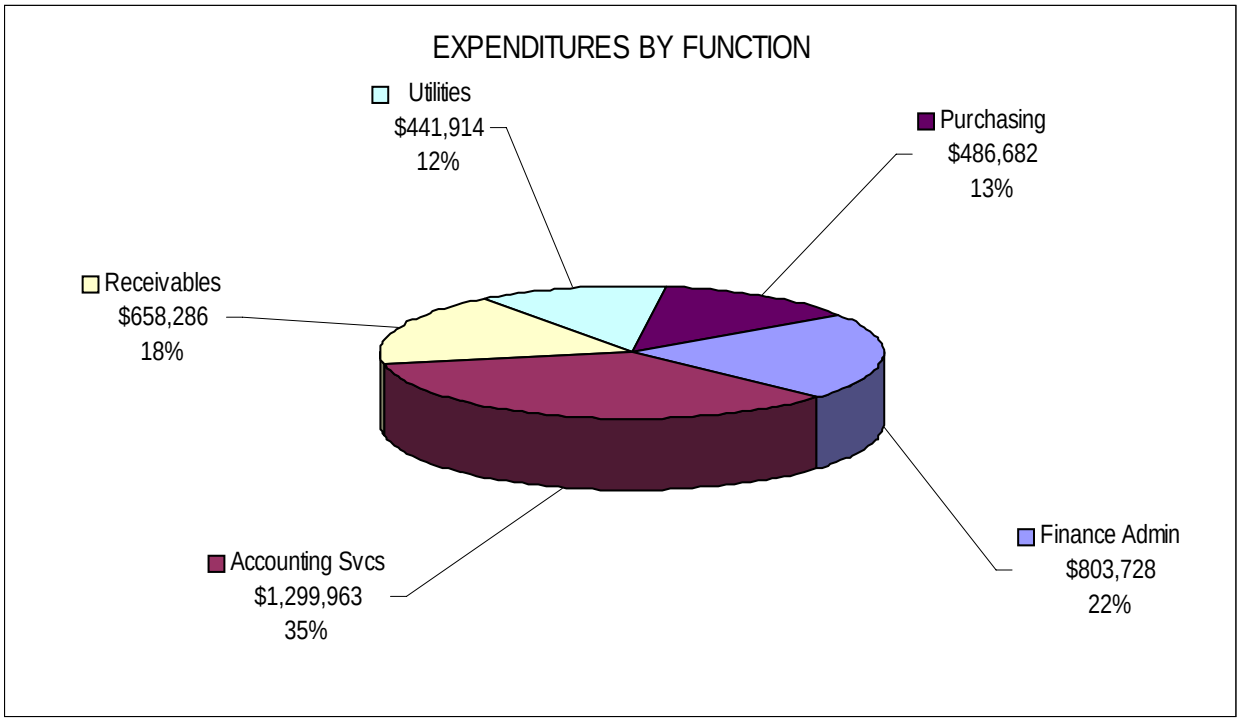
Personnel Allotment of 35.5 FTE

Position	Auth FTE	Vacant Funded	Vacant Unfunded	Position	Auth FTE	Vacant Funded	Vacant Unfunded
Director of Financial Services	1			Accounting Technician	1		
Purchasing Agent	1			Fiscal Asst I/II	12		3
Assistant Finance Director	1		1	Senior Fiscal Assistant	1		
Accounting Services Manager	1			Office Specialist	1		
Budget Manager	1			Confidential Fiscal Asst II	1		
Accountant	3			Water Meter Reader II	2.5	0.5	
Admin Analyst I/II	2		1	Maintenance Worker II-40	1		
Buyer	1			Temporary Positions (FTE)	2		
Senior Accountant	2	1					
Fiscal Services Manager	1		1				
				TOTAL	35.5	1.5	6

Staff Change(s): Added one Budget Manager and one half-time Water Meter Reader. Deleted one Administrative Analyst and one Water Meter Reader Supervisor.

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and increased medical premiums.
Services and Supplies	Slight decrease attributed to savings on utility bill printing and processing.
Capital Outlay	No change.



	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	2,065,263	2,174,927	2,289,911	2,365,477
4112 Temporary Salaries	17,256	27,311	16,000	16,000
4113 Overtime	13,562	9,740	23,500	23,500
4121 Allowances	8,241	(89)	1,080	1,080
4124 Leave Cashout	42,381	36,370	0	0
4125 Accrued Leave	(12,753)	(9,983)	0	0
4131 PERS	299,591	326,610	354,135	346,741
4132 Group Insurance	309,271	331,131	392,640	432,012
4133 Medicare	30,146	31,154	32,551	34,702
4135 Worker's Compensation	19,786	20,771	20,624	20,032
4138 Deferred Comp-Employer	12,362	8,131	9,000	9,000
4139 PARS	554	404	240	240
4143 Charged to CIPs	0	0	(63,000)	(63,000)
4161 Retiree Medical Reserve	0	112,750	113,056	117,120
sub-total	2,805,660	3,069,226	3,189,737	3,302,904
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	46	0	0	0
4211 Equip Replacement Amortization	18,145	21,121	18,439	15,904
4220 Supplies	83,960	89,029	142,625	152,925
4230 Services	216,419	257,209	186,450	174,600
4410 Communications	264	0	0	0
4501 Memberships and Dues	1,784	2,131	3,080	2,990
4503 Training	4,603	9,422	11,150	11,250
sub-total	325,221	378,912	361,744	357,669
CAPITAL OUTLAY				
4870 Machinery & Equipment	0	3,750	0	0
4920 Machinery Tools & Equipment	14,180	0	0	0
4930 Hydrants & Meters	0	0	30,000	30,000
sub-total	14,180	3,750	30,000	30,000
TOTAL	3,145,062	3,451,888	3,581,481	3,690,573

DEPARTMENT:	Public Works	PUBLIC WORKS DIRECTOR: Greg Armendariz.

Description: This department provides maintenance of City infrastructure, vehicles, equipment, City buildings and facilities. The department's six functions include: Public Works Administration, Street Maintenance, Utility Maintenance, Trees and Landscaping, Fleet Maintenance and Facilities Maintenance.

Services

- Provides management, direction and coordination for maintenance and operation of City infrastructure and equipment.
- Participates in the development and administration of Capital Improvement Projects.
- Investigates high priority customer service requests within 30 minutes of receipt providing a high level of customer service (approximately 3,900 per year).
- Provides street sweeping and sidewalk cleaning services and repairs, as well as immediate graffiti removal. Provides safe, effective and efficient traffic flow by maintaining the City's traffic signal coordination system, traffic signs, paved roadways, and pavement and curb markings, in accordance with the Clean and Safe Street Program.
- Provides routine and emergency operation, maintenance, and repair of utilities (water, sewer, and storm systems and facilities.) Provides high level of maintenance to ensure uninterrupted water and sewer service for residents and the prevention of flooding during storms.
- Provides weed control and litter pick-up on public landscaped areas. Monitors a weed and insect control program that utilizes early detection and treatment, and the use of cultural and mechanical means to reduce pesticide applications.
- Provides maintenance and long-term sustainability for city streetscapes of 12,400 trees and 133 acres of public landscaping. Services include city tree installation and pruning, and the maintenance and care of the city's landscaped medians and trails.
- Maintains and repairs equipment and 617 city-owned vehicles including Police vehicles, Fire apparatus and 142 communication radios. Provides proactive and preventative maintenance and repairs programs while maintaining regulatory compliance.
- Provides maintenance of city buildings and grounds, including all building systems (plumbing, pools, air ventilation, electrical and backup systems.) Performs repairs, preventative maintenance, remodel project management and administration of janitorial contract. Also provides room set-ups for meetings and rental groups.

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Investigated 3,900 customer service requests and provided immediate response for urgent/safety related service requests.	x	x		x	x
2. Managed completion of the Main Lift Station Improvement Project.	x	x		x	x
3. Provided cross-training and safety training to staff to improve efficiency and reduce injuries.			x	x	
4. Continued City's Clean & Safe Street Program.	x				x
5. Performed 900 utilities underground locates.	x	x		x	x
6. Responded immediately to all roadway hazards, graffiti abatement, and emergency storm service requests.	x	x		x	x
2009-2010 Goals					
1. Continue to investigate all customer service requests and provide immediate response for urgent/safety related service requests.	x	x		x	x
2. Respond to after hours emergency storm and roadway problems within 45 minutes.	x	x		x	x
3. Continue to provide immediate response for roadway hazards and graffiti abatement service requests.	x	x		x	x
4. Continue to provide high-level maintenance to protect the City's facilities and infrastructure.	x	x		x	x
5. Continue to provide safety and job related training to employees.			x	x	

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2009-10
Customer service requests processed	3,208	3,500	3,924	4,000
City street and sidewalk miles maintained	139	139	139	139
Number of set-ups for classes & meetings	3,966	2,801	3,500	3,600
Buildings maintained (square feet)	350,000	350,000	350,000	350,000
Traffic signals/streetlights maintained	68/4354	68/4507	71/4557	73/4597
Street signs maintained	7,675	7,825	7,950	8,000
Water meters serviced	540	538	700	500
Clean sewer lines (feet)	459,458	667,046	500,000	500,000
Year end street tree inventory/annual cost per tree	11,316/$29	11,709/$27	12,200/$27	12,400/$27
Street landscaped acres maintained/sites maintained	108/61	121/63	123/65	133/68
Completed vehicle repairs	2,033	1,845	2,000	2,000
Average vehicle downtime (hours)	1.95	1.72	3	3
Respond to after-hours urgent customer service requests within 45 minutes of receipt (percent of time)	100%	100%	100%	100%

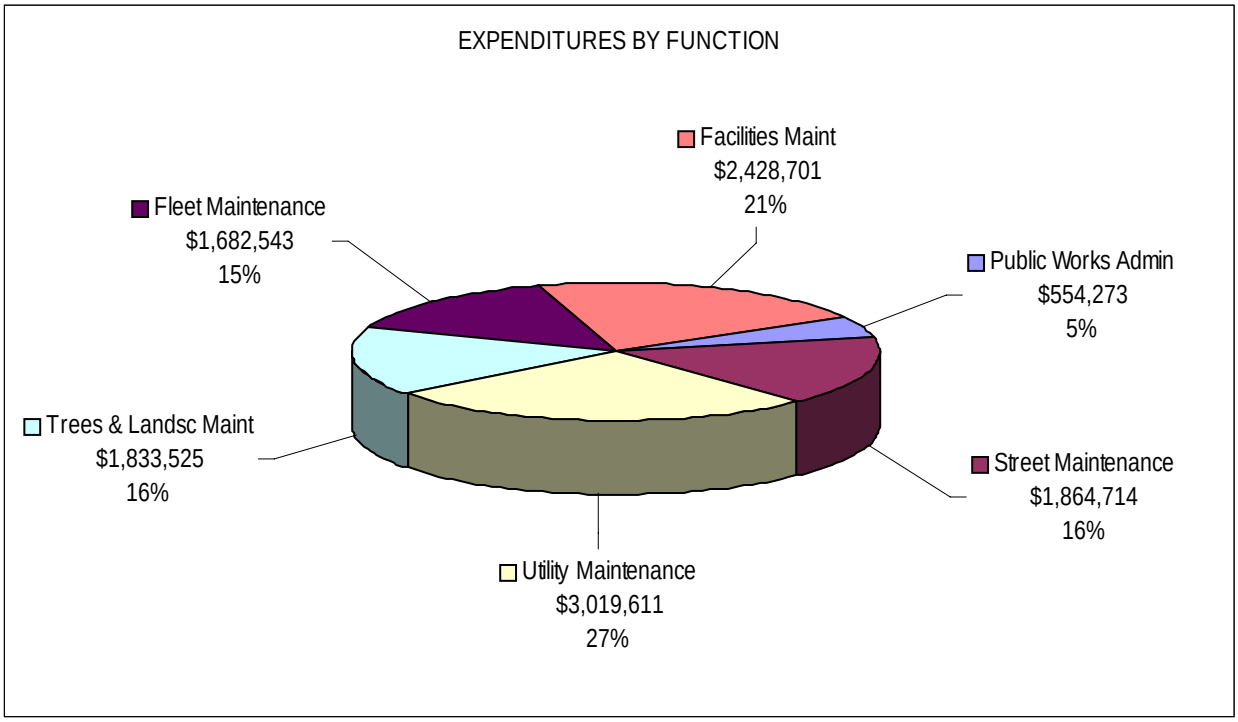
Personnel Allotment of 81.25 FTE

Position	Auth FTE	Vacant Funded	Vacant Unfunded	Position	Auth FTE	Vacant Funded	Vacant Unfunded
Public Works Director	1			Fleet Maint Assistant-37.5 hr	1		
Assoc Civil Engineer	1		1	Water System Operator	1		
Community Svcs Proj Mgr	1		1	Asst Water System Operator	1		
Office Assistant I	1			Maintenance Custodian II	4		
Office Specialist	2		1	Maintenance Custodian III	1		
Secretary	1			Maint Custodian I-40 Hr	1		1
Equipment Maint Worker II	2			Maint Custodian II-40 Hr	2		1
Equipment Maint Worker III	5	1		Maintenance Supervisor-40	1		
Senior Maint Supervisor	3		1	Maintenance Worker I-37.5	1		1
Fleet Maint Supervisor	1			Maintenance Worker II-37.5	26	1	2
Fleet Maint Worker II	3		1	Maintenance Worker III	13	1	4
Fleet Maint Worker III	2			Temporary Positions (FTE)	6.25		
				TOTAL	81.25	3	14

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and increased medical premiums.
Services and Supplies	Increase of $275,000 for Gibraltar pump station fuel costs, $22,000 for the Public Works lot lease, and $75,000 for maintenance of the new library.
Capital Outlay	$39,998 for a Ford F450 truck for the Utilities section.



	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	4,389,732	4,469,511	4,813,780	4,836,701
4112 Temporary Salaries	161,867	163,725	156,936	234,245
4113 Overtime	102,600	112,813	118,258	125,000
4121 Allowances	73,747	75,240	111,820	111,892
4124 Leave Cashout	47,850	140,100	0	0
4125 Accrued Leave	62,082	24,951	0	0
4131 PERS	646,596	685,082	778,468	746,748
4132 Group Insurance	785,517	862,774	975,348	1,014,684
4133 Medicare	61,837	63,446	65,888	68,457
4135 Worker's Compensation	164,858	178,529	176,167	179,454
4138 Deferred Comp-Employer	6,162	5,853	6,300	5,400
4139 PARS	1,486	1,001	1,015	1,572
4141 Adjustments-Payroll	0	830	0	0
4143 Charged to CIPs	0	0	(22,000)	(22,000)
4161 Retiree Medical Reserve	0	233,312	229,279	230,899
sub-total	6,504,335	7,017,167	7,411,259	7,533,052
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	713,450	729,744	717,699	614,155
4220 Supplies	1,431,991	1,485,639	1,507,737	1,532,737
4230 Services	1,079,327	1,094,745	1,305,920	1,471,950
4410 Communications	5,847	1,494	4,250	4,250
4420 Utilities	26,419	27,483	38,200	49,700
4501 Memberships and Dues	3,543	3,850	5,995	7,740
4503 Training	6,194	11,247	19,315	19,785
sub-total	3,266,771	3,354,202	3,599,116	3,700,317
CAPITAL OUTLAY				
4850 Vehicles	0	0	74,750	39,998
4870 Machinery & Equipment	0	0	27,458	0
4910 Office Furniture & Fixtures	0	9,930	0	0
4920 Machinery Tools & Equipment	9,285	13,077	0	0
4930 Hydrants & Meters	95,241	47,362	110,000	110,000
sub-total	104,526	70,369	212,208	149,998
TOTAL	9,875,632	10,441,738	11,222,583	11,383,367

DIVISION:	Engineering	PUBLIC WORKS DIRECTOR: Greg Armendariz

Description: This division provides professional engineering management and review of new infrastructure, both private and public, which may impact the public right-of-way or the public's use and enjoyment of municipal facilities or services. The division also manages the municipal utility services provided to the community including water, recycled water, sewer, stormwater quality protection, flood control, garbage, and recycling. The division's functions include: Special (RDA) Projects, Design & Construction, Land Development, Traffic, and Utilities.

Services

- Provides direction and coordination for the division, including allocation of resources, assignments, and staff development.
- Plans and implements the Capital Improvement Program, including design and construction engineering, project management, and construction administration of the City's street, water, sewer, storm drain, parks, and community projects.
- Provides engineering support on regional programs such as BART, highway and flood control projects.
- Reviews and approves all subdivision maps and developer public improvement plans and issues encroachment permits for work within the City's public right-of-way.
- Manages the City's water, sewer, and solid waste utilities to ensure that the public receives adequate supply and quality of these essential municipal services including financial planning and rate-setting processes for cost recovery.
- Complies with State and Federal public health and environmental regulations for monitoring, testing, correcting, and reporting on potable water distribution, recycled water use, sewer system management, urban runoff, solid waste recycling, flood control and environmental programs.
- Provides effective and timely public outreach and public information on utility programs for urban runoff, water conservation, recycling, and community involvement in the Master Plan for the $1 billion San Jose Water Pollution Control Plant reconstruction project.
- Maintains utility maps for water, sewer, recycled water, and storm drain facilities and all City drawings, deeds, maps, assessment district diagrams, aerial photos, and utility drawings.
- Provides for the operation and maintenance of the City's existing transportation facilities and provides planning and support for the development of future transportation improvements, including regional transportation improvements.
- Provide engineering analysis and design.

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Adoption of Sewer, Water and Financial Utility Master Plans	x	x		x	x
2. Continued to meet deadlines for development projects and provide quality service to our customers.	x	x		x	
3. Continued to pursue grant-funding opportunities to implement the City's Capital Improvement Program	x	x			x
4. Completed the Sanitary System Management Plan	x	x		x	x
5. Updated the Infrastructure Emergency Response Plan and training	x	x	x	x	x
6. Completed construction of the new Milpitas Library and the North Main Street Streetscape improvements	x	x		x	x
2009-2010 Goals					
1. Start construction of the new Senior Center project.	x	x		x	x
2. Start construction of Phase III of the Alviso Adobe restoration	x	x		x	x
3. Start construction of the Gibraltar Reservoir & Pump Station Improvements and new system operations	x	x	x	x	x
4. Start construction of the Calle Oriente Park Improvements	x	x		x	x
5. Complete the Water Supply Agreement with the San Francisco Public Utility Commission	x	x		x	x
6. Start the Traffic Signal Management Upgrade Project and training		x	x	x	

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2009-10
Contracts Awarded/Value	18/$8M	17/$6.9M	18/$13.5M	14/$12M
Meet all water quality standards for potable water distribution	100%	100%	100%	100%
Achieve City solid waste diversion rate (goal: 50% minimum)	56%	57%	57%	60%
Review first submittals of private development plans within 20 working days (% of time)	80%	92%	92%	95%
Development projects reviewed	190	180	100	100
Responded to flood zone and other inquiries	200	100	100	100
Engineering and Traffic Surveys	20	28	13	20
Grants Submitted	3	5	8	9
Projects Completed (Initial Acceptances)	17	8	12	10

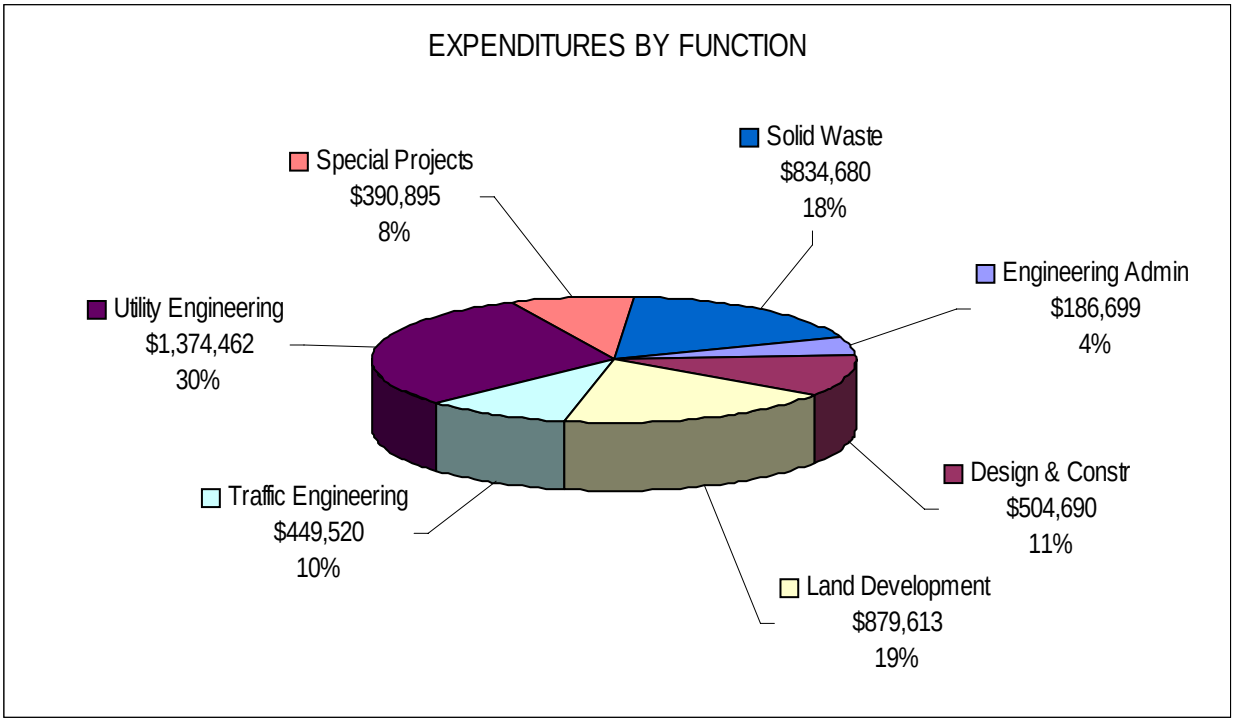
Personnel Allotment of 42.5 FTE

Position	Auth FTE	Vacant Funded	Vacant Unfunded	Position	Auth FTE	Vacant Funded	Vacant Unfunded
City Engineer	1		1	Engineering Permit Tech	1		1
Assistant City Engineer	1		1	CIP Manager	1		
Administrative Analyst I/II	2		1	Princ Transportation Planner	2		1
Public Information Specialist	1			Asst Transportation Planner	1		
Assistant Civil Engineer	10		2	Engineering Aide	5		3
Associate Civil Engineer	7		2	Office Assistant II	1		1
Principal Civil Engineer	3		1	Office Specialist	2		
Traffic Engineer	1			Secretary	1		
C A D Technician	1			Temporary Positions (FTE)	1.5		
				TOTAL	42.5	0	14

Staff Change(s): Due to interdepartmental reorganization, five Pubic Works Inspector positions were transferred to Building and Safety Department.

Expenditure Analysis

Personnel Services	Decrease attributed to the transfer of five Public Works Inspector positions to Building and Safety Department.
Services and Supplies	Increase due to $260,000 for Street Sweeping cost funded by the new utility fee.
Capital Outlay	None.



	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	2,541,222	2,455,240	3,187,568	2,852,898
4112 Temporary Salaries	176,668	109,204	73,864	84,450
4113 Overtime	45,581	45,113	55,000	45,500
4121 Allowances	6,543	5,459	5,400	5,400
4124 Leave Cashout	92,478	46,322	0	0
4125 Accrued Leave	24,335	5,983	0	0
4131 PERS	394,978	385,670	499,946	425,723
4132 Group Insurance	317,991	342,760	418,800	419,892
4133 Medicare	36,330	35,461	43,388	38,717
4135 Worker's Compensation	32,048	36,014	27,339	15,167
4138 Deferred Comp-Employer	16,112	6,961	7,200	7,200
4139 PARS	0	141	211	585
4143 Charged to CIPs	0	0	(648,541)	(792,528)
4161 Retiree Medical Reserve	0	170,551	157,638	141,866
sub-total	3,684,286	3,644,878	3,827,814	3,244,870
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	217,351	178,700	220,000	230,000
4211 Equip Replacement Amortization	31,960	38,948	34,158	30,509
4220 Supplies	21,464	26,035	21,370	19,870
4230 Services	836,287	989,804	879,490	1,039,490
4410 Communications	600	0	0	0
4501 Memberships and Dues	6,922	5,047	10,520	17,620
4503 Training	4,046	3,056	37,200	38,200
sub-total	1,118,633	1,241,590	1,202,738	1,375,689
CAPITAL OUTLAY				
4870 Machinery & Equipment	5,500	0	0	0
4920 Machinery Tools & Equipment	9,410	4,659	0	0
sub-total	14,910	4,659	0	0
TOTAL	4,817,829	4,891,127	5,030,552	4,620,559

DEPARTMENT:	Planning & N Svcs	PLAN & NEIGH SVCS DIR: James Lindsay

Description: This department reviews land development applications and environmental assessments, insures compliance and provides information on state and local ordinances and policies for the public and decision makers, maintains the City's general plan, specific plans and zoning ordinance, provides key Redevelopment Agency support, staffs the Planning Commission, Community Advisory Commission and Sister Cities Commission, insures that residential, commercial and industrial properties are maintained in accordance with city regulations, operates programs for housing, neighborhood beautification, graffiti abatement, abandoned vehicles, and shopping carts, administers the Community Development Block Grant program, and oversees services provided by outside agencies such as fair housing and animal control.

Services

- Provides oversight and maintenance of the General Plan, and other specific plans and regulations. Prepares, and assists other departments in preparing special-purpose long-range plans and insures consistency with existing plans. Coordinates with outside agencies on regional issues and maintains city information on demographics, cultural resources and municipal boundaries.
- Performs and coordinates review of land development applications, oversees implementation of Zoning Ordinance and planning policies and maintains them in compliance with state and federal regulations, conducts environmental review assessments, and provides public information on land development regulations and processes.
- Responds to public service requests to insure residential, commercial and industrial properties are maintained in accordance with city regulations, and administers programs for neighborhood beautification, graffiti abatement, abandoned vehicles, shopping carts and animal control.
- Administers the Community Development Block Grant program, affordable housing program and the Housing Element, provides programs for housing rehabilitation, administers grants to various agencies for housing related services, and negotiates affordable housing units in new residential developments.
- Provides staff support to the Planning Commission, Community Advisory, Transportation & Land Use Subcommittee, and the Redevelopment Agency.

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Prepared a standardized Planning Procedure Manual to ensure consistency in service delivery.	x		x		
2. Improved the delivery of information about the Department's services on the City's web page.	x				
3. Completed the update to the General Plan Housing Element.	x		x		
4. Simplified documents associated with affordable housing loans.	x				
5. Led the effort to establish the Transit Area Development Impact Fee and a new municipal services Community Facilities District in the Transit Area.	x			x	
6. Completed a number of zoning amendments to make the regulations easier to understand and implement.	x		x		
7. Completed the permit tracking system transition for Code Enforcement.	x				
2009-2010 Goals					
1. Coordinate with other departments to standardize conditions of approval for development projects.	x		x		
2. Update General Plan and create supporting Climate Action Plan for regional greenhouse gases reduction.		x			
3. Assist in updating the Parks Master Plan.		x			x
4. Create electronic AVASA reporting.	x				
5. Prepare a standardized Neighborhood Services Procedure Manual to ensure consistency in service delivery.	x		x		
6. Establish a training program and handbooks for the Planning and Community Advisory Commissions.	x		x		
7. Establish programs and criteria for the use of RDA 20% Housing Funds to support neighborhood improvement projects.		x		x	

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2009-10
Applications to Planning Commission	124	150	112	84
Percentage of rehabilitation loan recipients rating our service as at least "satisfactory".	N/A	90%	90%	90%
Planning Division customer contacts	5,366	3,200	3,200	3,500
Percentage of routine Planning applications completed within three months.	87%	89%	91%	92%
Customer service requests/violations abated	1,470	1,100	1,250	1,300
Percentage complaints responded to within 5 days	99%	100%	100%	100%
Days to abate graffiti on private property	10	15	14	13
Abandoned vehicles abated on private property	208	150	216	225
Affordable housing units approved	318	336	48	200

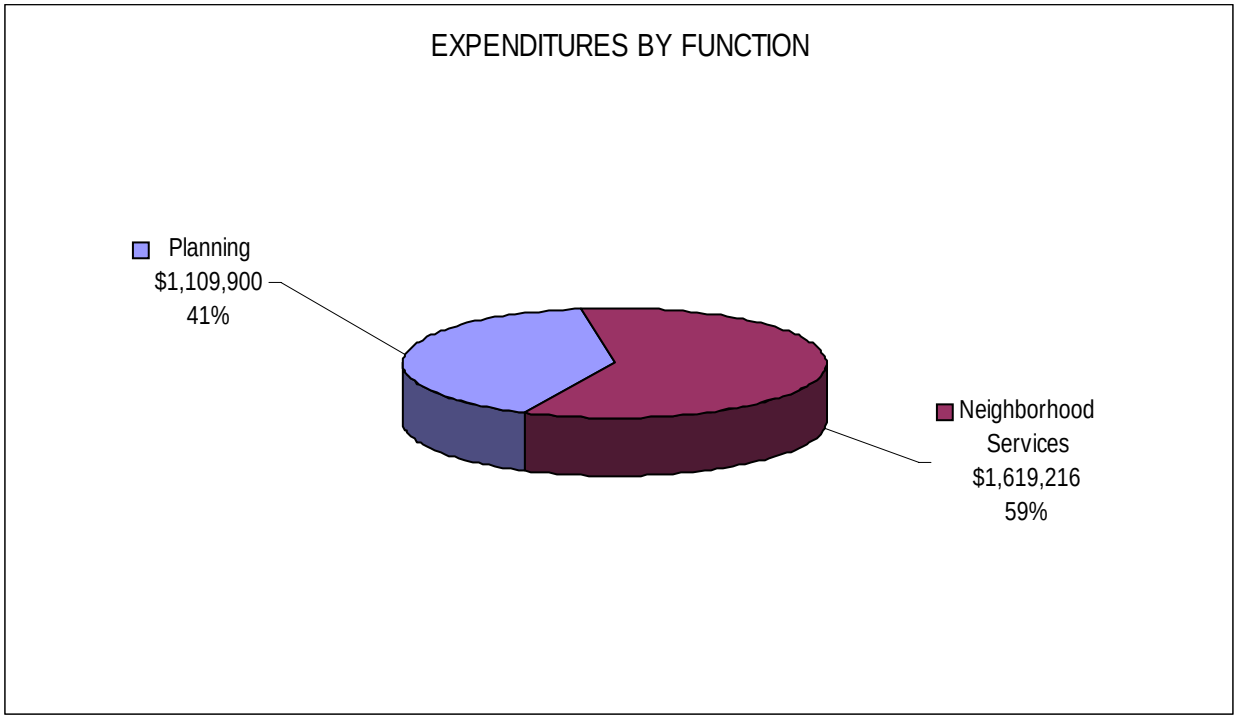
Personnel Allotment of 17 FTE

Position	Auth FTE	Vacant Funded	Vacant Unfunded	Position	Auth FTE	Vacant Funded	Vacant Unfunded
Planning & Neigh Svcs Dir	1			Principal Planner	1		
Administrative Analyst II	1		1	Housing/Neigh Pres Spec	3		
Assistant Planner	1.5		0.5	Senior Housing Specialist	1		
Associate Planner	2		2	Office Specialist	2		
Planning Manager	1		1	Confidential Office Specialist	1		
Junior Planner	1			Recreation Svcs Asst IV	0.5		
Senior Planner	1						
				TOTAL	17	0	4.5

Staff Change(s): Due to interdepartmental reorganization, a Secretary position was deleted and a Confidential Office Specialist was transferred from another department. In 2008, the City Council approved to change the Principal Administrative Analyst to an Administrative Analyst I/II.

Expenditure Analysis

Personnel Services	Increase due to increased medical premiums.
Services and Supplies	Increase due to an increase in the San Jose Animal Services contract, Shopping Cart Retrieval contract, and the cost of lodging for training.
Capital Outlay	None.



	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	961,394	943,534	1,149,172	1,146,077
4112 Temporary Salaries	107,023	110,135	0	0
4113 Overtime	9,845	7,131	9,000	2,500
4121 Allowances	5,193	(517)	0	0
4124 Leave Cashout	20,623	31,172	0	0
4131 PERS	155,433	157,344	176,978	167,528
4132 Group Insurance	138,063	146,004	170,544	194,376
4133 Medicare	14,383	13,697	14,988	16,668
4135 Worker's Compensation	6,267	6,187	5,858	5,827
4138 Deferred Comp-Employer	7,024	3,298	3,600	3,600
4161 Retiree Medical Reserve	0	54,386	56,992	56,675
sub-total	1,425,250	1,472,371	1,587,132	1,593,251
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	423,546	316,291	406,823	459,125
4211 Equip Replacement Amortization	12,832	13,504	12,123	7,234
4220 Supplies	13,689	11,414	17,260	27,430
4230 Services	418,371	591,953	683,130	628,201
4410 Communications	556	0	0	0
4501 Memberships and Dues	1,290	1,304	2,980	3,125
4503 Training	3,095	6,791	10,100	10,750
sub-total	873,378	941,257	1,132,416	1,135,865
TOTAL	2,298,628	2,413,628	2,719,548	2,729,116

DEPARTMENT:	Parks and Recreation	PARKS AND RECREATION DIR:	Bonnie Greiner

Description: This department provides recreational opportunities, parks and facilities for all residents of Milpitas. We are committed to enhancing the quality of life and providing endless Recreational opportunities to our residents that strengthen community image and sense of place, support economic development, promote health and wellness, foster human development, increase cultural unity, facilitate solutions to community needs and provide recreational experiences while preserving and enhancing our city resources.

Services

- Provides safe, well-maintained, and attractive parks by servicing outdoor athletic facilities, playgrounds, and picnic areas. Services include daily cleaning and security of park restrooms and pathways; playground safety inspections; care of park trees; mowing of park turf; maintenance of aquatic features, a dog park and parking lots.
- Oversees indoor/outdoor facility rentals, Recreation Assistance program, coordinates citywide special events, sponsor and donation functions, supervises departmental operations, coordinates promotions, public relations, publishes the Milpitas Connect activity guide, and staffs six City Commissions.
- Monitors daily operation of the Senior Center that provides a daily lunch program with transportation, a wide variety of drop-in programs, trips, classes, specials events, and social services.
- Provides a variety of youth programs ranging from Preschool children ages 2-5 offering enriching experiences with and emphasis on learning through active play and socialization. For older youth ages 6-12, Recreation offers a variety of year round youth and adult sports leagues and camps as well as weekly summer camps which provides recreational opportunities for children to promote healthy living and socialization. During the school year, grades 1-6 can attend After the Bell, which is offered at four school sites and includes a variety of activities.
- Provides resources and networking opportunities for childcare providers, parents, as well as offering Child Care Grants to local providers.
- Oversees operation of a free drop-in Teen Center that provides programs, computer lab, services, classes and special events that directly serve youth ages 12-17 years.
- Oversees operation of a Sports Center with a full service Fitness Center, fitness classes, personal training, aquatic classes, swim team, adult and youth sports programs and more.
- Provides a volunteer program where over 1,060 individuals serve their community throughout the city. Offers a children's theatre program with six shows a year for ages 5 to 100 years old and Cultural Arts programs, the Phantom Art Gallery and the Cultural Arts Support Program.
- Provides over 715 contract classes, for youth and adults to promote health and wellness and developmental opportunities for the community.

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Summer Day Camp program revenues increased by 10% from $101,840 to $112,074.				x	
2. Increased volunteers participation from 135 to 180 individuals from the local high school and middle school students for annual Park Clean-up.		x			
3. Hosted over 18,450 participants in aquatics programs, including swim lessons, recreational swimming, lap swimming, water exercise, Arthritis Aquatics, Junior Lifeguard Programs, and summer swim camps.		x			x
4. Held first Spooktacular Event with an attendance of approximately 3,000.	x	x			
5. Installed a centralized irrigation system at 15 parks.	x				
6. Opened three new community parks in Milpitas and installed eight new park signs.	x	x			
2009-2010 Goals					
1. Install 20 new park signs.		x			
2. Provide a smooth transition to the new Senior Center.	x	x			
3. Facilitate gallery displays at both the Milpitas Phantom Art Gallery and the Milpitas Library showing a wide variety of artists and mediums.		x			
4. Provide new volunteer opportunities for youth and adults.				x	
5. Complete the Parks Master Plan.		x			
6. Partner with outside organizations to assist in the planning, implementing, and funding of City-sponsored special events.				x	
7. Establish a Tree Evaluation and Maintenance Program.		x			

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2009-10
Households/Individuals Assisted in Recreation Assistance Program (RAP)	91	95	112	125
Senior Center Members	1,028	1,040	1,118	1,250
Nutrition Meals Served at Senior Center	20,667	20,115	23,228	24,056
Drop-in Sports Participants	7,250	2,500	4,500	7,250
Sports Center Members	7,508	7,885	8,500	9,000
Athletic Field Maintenance (hours)	1,947	1,946	2,242	2,100
Parks Maintained (acres)	171.55	171.55	178.65	178.65

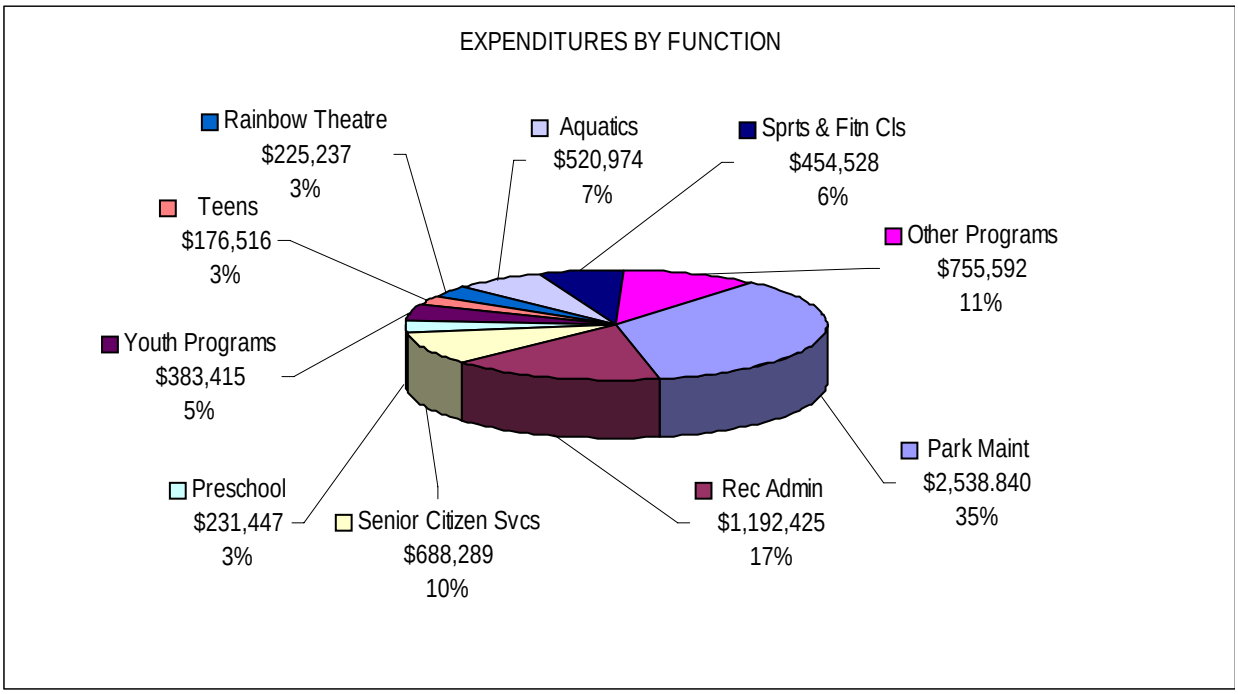
Personnel Allotment of 95.25 FTE

Position	Auth FTE	Vacant Funded	Vacant Unfunded	Position	Auth FTE	Vacant Funded	Vacant Unfunded
Parks and Rec Director	1			Maintenance Worker II-37.5	12		2
Recreation Services Supv	4	1	2	Maintenance Worker III	6		
Recreation Services Mgr	1		1	Maintenance Supervisor	2		
Program Coordinator	7		2	Recreation Services Asst I	0.75		
Office Assistant II	2		1	Recreation Services Asst II	1.75	0.75	1
Public Services Asst II	5			Recreation Services Asst III	0.75		
Public Services Supervisor	1			Recreation Services Asst IV	4.25		0.5
Maintenance Worker I-37.5	1		1	Temporary Positions (FTE)	45.75		
				TOTAL	95.25	1.75	10.5

Staff Change(s): Reclassify Recreation Assistant II to Recreation Assistant IV.

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and addition of Recreation Services Supervisor.
Services and Supplies	Decrease attributed to reduced amortization of vehicles and less monies for grants.
Capital Outlay	None.



	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	2,795,359	2,664,482	2,806,672	2,889,077
4112 Temporary Salaries	1,142,700	1,147,531	1,291,791	1,366,988
4113 Overtime	33,207	34,542	29,100	31,100
4121 Allowances	12,300	10,400	9,000	10,400
4124 Leave Cashout	32,052	49,224	0	0
4131 PERS	468,959	455,310	490,501	470,041
4132 Group Insurance	496,027	509,828	573,336	633,684
4133 Medicare	51,946	51,438	54,096	56,297
4135 Worker's Compensation	80,680	78,423	77,678	77,562
4138 Deferred Comp-Employer	11,136	4,686	5,400	5,400
4139 PARS	10,577	11,632	14,408	16,521
4161 Retiree Medical Reserve	0	136,957	129,324	140,718
sub-total	5,134,945	5,154,453	5,481,306	5,697,788
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	55,856	52,775	62,600	49,100
4211 Equip Replacement Amortization	233,232	257,095	263,380	224,513
4220 Supplies	349,888	349,763	361,878	347,357
4230 Services	687,785	686,191	827,064	836,025
4410 Communications	3,087	571	0	0
4501 Memberships and Dues	2,475	2,489	3,730	3,730
4503 Training	7,175	7,918	7,750	7,750
4600 Ins, Settlements & Contgcy	757	830	1,000	1,000
sub-total	1,340,254	1,357,631	1,527,402	1,469,475
CAPITAL OUTLAY				
4910 Office Furniture & Fixtures	10,364	0	0	0
4920 Machinery Tools & Equipment	429	433	0	0
sub-total	10,793	433	0	0
TOTAL	6,485,992	6,512,517	7,008,708	7,167,263

DEPARTMENT:	Police	POLICE CHIEF:	Dennis Graham

Description: This department provides 24 hours-a-day, 365 days-a-year policing services to the City, keeps the peace and prevents and controls crime. The Department's nine functions include: Administration, Patrol, Traffic, Crossing Guards, Community Relations, Investigations, Communications, Records and Personnel and Training.

Services

- Provides 24-hours a day, 365 days-a-year response to calls for police services. Safeguards the community from crime through deterrence, prevention and arrest of offenders. Preserves the public peace, protects life and property, and appropriately enforces laws and ordinances.
- Investigates auto thefts, hit-and-runs, and traffic accidents; conducts accident reconstruction for major-injury and fatal collisions; provides traffic control at major events; and enforces traffic laws.
- Manages the Crossing Guard program, which staffs the 28 most critical intersections within the City to ensure the safety of children walking to and from school.
- Provides DARE instruction to all fifth graders and to Middle Schools, teaches Police Science at Milpitas High School, and conducts PAL, Neighborhood Watch, Police Explorer, Citizen Volunteer and other crime prevention programs.
- Works closely with the school district and county agencies to divert first time offenders from the juvenile justice system through parent counseling and other innovative programs. School Resource Officers serve Milpitas High, Calaveras Hills, and Rancho and Russell middle schools.
- Provides follow-up investigation of crimes against persons, fraud, high technology and crimes against property.
- Conducts gang prevention, intervention and investigation; tracks sex registrants; and conducts pro-active narcotic investigations.
- Provides 24 hours-a-day, 365 days-a-year 9-1-1 emergency telephone answering and emergency dispatching for Police, Fire and other City Departments.
- Provides public counter service, filing of criminal complaints and evidence management. Processes, maintains and distributes Police and Fire reports, prepares statistical data required by law, and responds to report requests and telephone inquiries from citizens and other authorized entities.

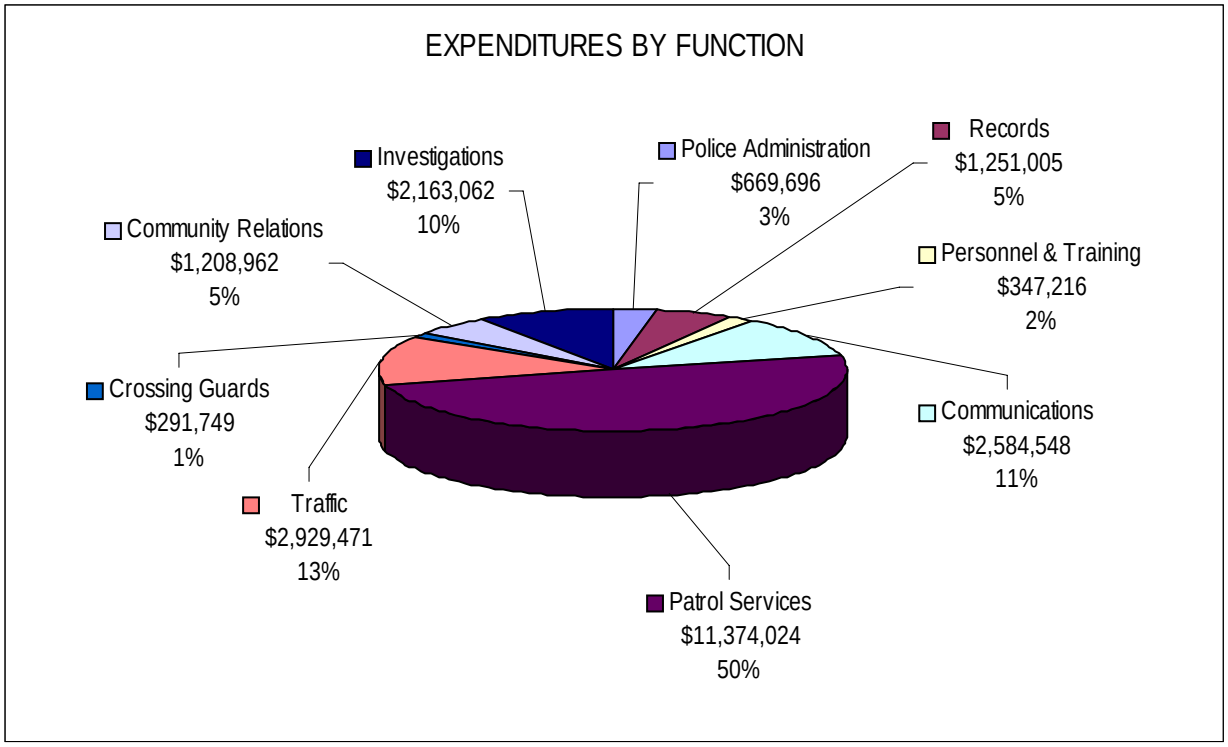
	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Reduced crime by 6.4% in 2008.		x			x
2. Reduced residential burglaries by 17% in 2008.		x			x
3. Reduced violent crime by 20% in 2008, to a 36-year low of 2.15 incidents per 1,000 residents.		x			x
4. Response times to emergency calls reduced to 2:46 in 2008, an 8-year low.	x	x			x
5. Expanded car seat safety program to include presentations in Spanish.	x	x	x		x
6. Implemented Gang Suppression Policy, reducing the number of on-campus assaults at MHS by 45% in 2008.	x	x			x
7. Increased the number of Police Department volunteers by 5%, from 39 to 41.	x	x	x	x	x
2009-2010 Goals					
1. Reduce robberies by 2%.		x			x
2. Expand implementation of Parent Project program.	x	x			x
3. Ensure 100% registration by known sex offenders.		x			x
4. Increase the number of Reserve Police Officers by 25%.		x	x	x	x
5. Ensure average response times to emergency calls remain at 3:00 minutes or under.	x				x

Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2009-10
Avg. response time to emergency calls (minutes)	3:00	2:57	2:46	3:00
Percentage of 9-1-1 calls answered by a dispatcher within 10 seconds	99%	99%	99%	99%
Percentage of public requests for report information completed within two days	90%	93%	92%	92%
Number of anti-terrorist Patrol checks	10,628	3.558	3,500	3,500
Number of accidents involving school children at intersections staffed by Crossing Guards	0	0	0	0
Parent Drug Awareness presentations	4	10	11	12
DARE presentations: schools/students	14/1,515	14/1,489	13/1,440	14/1,503
Community presentations	214	268	275	271
Number of vehicle citations issued	11,226	11,891	11,558	11,700
Number of arrests reported to FBI (all crimes)	3,345	3,231	3,066	3,150

Personnel Allotment of 138.5 FTE							
Position	Auth FTE	Vacant Funded	Vacant Unfunded	Position	Auth FTE	Vacant Funded	Vacant Unfunded
Police Chief	1			Secretary	1		
Police Captain	2		2	Police Assistant	1		1
Police Commander	3		1	Police Clerk II	6		1
Police Lieutenant	4			Police Clerk Supervisor	2		
Patrol Officer	5		1	Police Property Clerk	1.5		0.5
Police Officer	67		4	Communications Dispatcher	12	1	1
Police Sergeant	13			Communications Supervisor	4		1
Office Assistant II	1			Temporary Positions (FTE)	15		
				TOTAL	138.5	1	12.5

Staff Change(s): None.

Expenditure Analysis	
Personnel Services	Increase due to MOU contractual obligations.
Services and Supplies	Increase attributed to higher county crime lab fees, CAL-ID fees, telephone service fees and confidential data encryption fees, and training costs.
Capital Outlay	Decrease due to the vehicle purchases are paid by the Equipment Replacement Fund.



	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	12,102,813	12,984,503	13,608,199	13,943,097
4112 Temporary Salaries	274,934	278,549	349,676	353,173
4113 Overtime	636,771	624,020	772,902	788,437
4121 Allowances	144,780	150,176	137,946	149,928
4124 Leave Cashout	828,056	626,094	0	0
4131 PERS	2,641,371	2,890,147	2,959,147	2,882,499
4132 Group Insurance	1,391,141	1,485,514	1,746,576	1,759,068
4133 Medicare	154,486	170,737	172,169	177,643
4135 Worker's Compensation	526,866	543,697	549,671	562,319
4138 Deferred Comp-Employer	5,880	5,409	4,050	3,600
4139 PARS	3,798	3,919	4,704	4,465
4161 Retiree Medical Reserve	0	583,146	590,138	603,143
sub-total	18,710,896	20,345,912	20,895,178	21,227,372
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	3,000	3,000	3,000	3,000
4211 Equip Replacement Amortization	527,560	531,231	526,227	486,539
4220 Supplies	179,015	150,737	230,438	230,438
4230 Services	479,455	491,604	651,891	689,668
4410 Communications	26,344	28,470	29,700	33,900
4501 Memberships and Dues	1,762	1,311	3,963	4,265
4503 Training	52,192	64,510	79,551	84,551
sub-total	1,269,329	1,270,862	1,524,770	1,532,361
CAPITAL OUTLAY				
4850 Vehicles	0	9,668	32,348	0
4870 Machinery & Equipment	31,266	127,227	0	0
4920 Machinery Tools & Equipment	69,065	83,976	60,000	60,000
sub-total	100,332	220,871	92,348	60,000
TOTAL	20,080,557	21,837,645	22,512,296	22,819,733

DEPARTMENT:	Fire	INTERIM FIRE CHIEF:	Ruben Grijalva

Description: This department provides full response, preparedness, and prevention services. The response and preparedness division handles emergency incidents, safety, training, para-medicine compliance, and disaster preparedness functions. The fire prevention division handles fire plans and permits, hazardous materials regulation, inspections and investigations.

Services

- Administration: Manages and directs command, administrative, operational, planning, and logistical aspects of the department.
- Emergency Response: Responds to and manages emergency incidents involving fires, medical and traumatic injuries, vehicle accidents, rescues, hazardous-materials re-leases and other risks affecting the health and welfare of those in the community. Personnel staff five apparatus at four fire stations strategically located for quick response throughout the City.
- Safety, Training, & Para-medicine Compliance: Provides safety programs to reduce the firefighter injury rate and risks. Operates drill grounds and training curricula to ensure readiness for all-risk response. Oversees compliance with paramedic and emergency medical technician licenses and certifications, state and local reporting and quality assurance requirements, and cooperative contracts with the ambulance service provider.
- Disaster Preparedness: Ensures citywide disaster readiness by performing Emergency Operations Center training and maintenance, Strategic Actions For Emergencies (SAFE) training, care-and-shelter cache maintenance, amateur radio operator support, and large-scale disaster planning in accordance with state, regional, and federal guidelines. Provides prevention-education for schools, businesses, citizen groups and community events in Milpitas. Also ensures that prevention and preparedness information is available in handouts, the city website, and community media.
- Plan-check & Permits: Provides fire plan reviews and permits related to fire code compliance for new construction, change in occupancy, tenant improvement, and fire-systems.
- Hazardous Materials Regulation: Conducts plan reviews and inspections related to hazardous materials use and storage, and urban-runoff, in accordance with state and local laws.
- Inspections & Investigations: Conducts inspections related to fire code compliance for new construction and high-risk occupancies. Provides fire cause and origin investigations and follow-up case preparation in cooperation with the Police Department.

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2008-2009 Accomplishments					
1. Responded to 4,361 emergency incidents with an average response time 4.1 minutes*	x	x			x
2. Implemented prioritized emergency medical dispatch services	x		x		x
3. Reduced lost-time for firefighter injuries			x	x	x
4. Certified 230 new S.A.F.E.** Team members	x	x			x
5. Conducted 1,276 plan reviews, issued 936 approvals/permits, and performed 1,585 inspections*	x				x
6. Presented prevention information at over 60 events; over half these events with more than 25 attendees*	x	x			x
2009-2010 Goals					
1. Maintain response times of 4.2 minutes or less	x	x			x
2. Reduce firefighter injuries			x	x	x
3. Certify an additional 25 S.A.F.E. team members and provide refresher training to 90% of critical Emergency Operations Center staff	x	x			x
4. Achieve target turn-around times of plan reviews/inspections at a rate of 90% or higher	x				x
5. Respond to 100% of prevention education requests.	x	x			x

*These are calendar year figures. **Strategic Actions For Emergencies

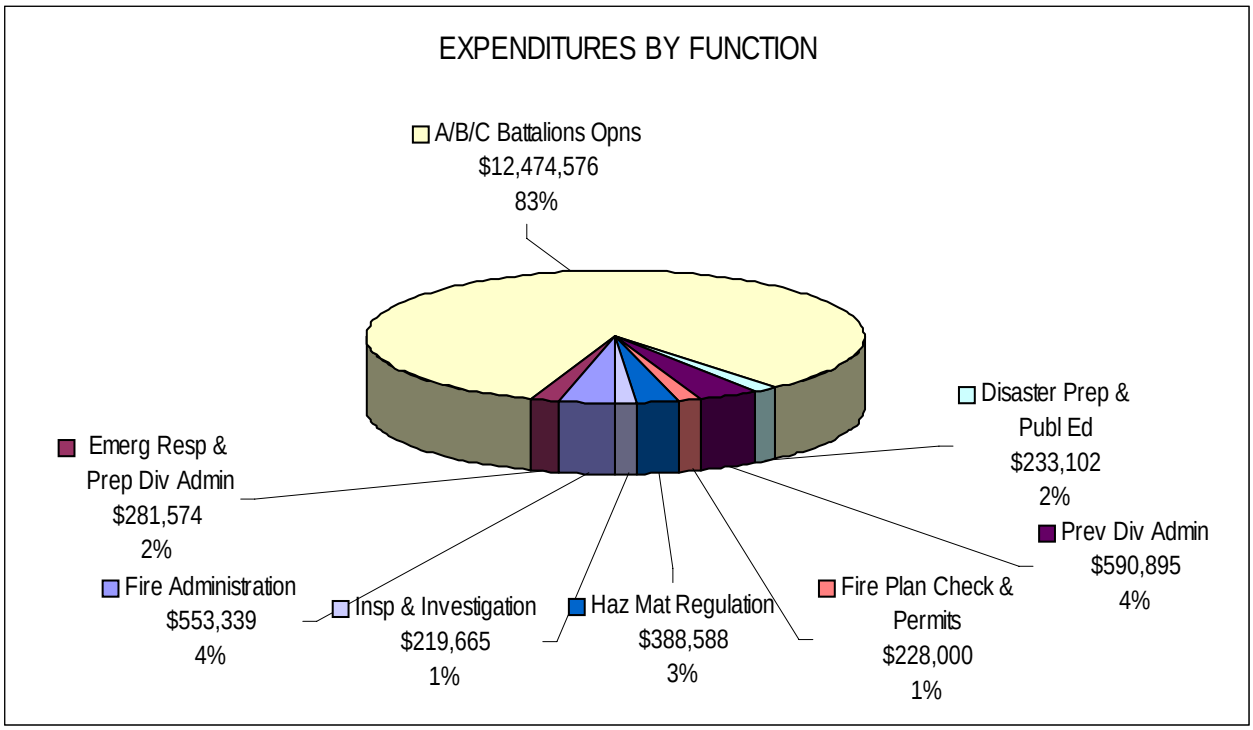
Performance Measures	Actual 2006-07	Actual 2007-08	Projected 2008-09	Estimated 2008-09
Calls for service & average response times (minutes)	3,967/4.2	4,361/4.1	4,300/4.1	4,400/4.2
Number of disaster preparedness citizens (per 1,000) & civilian employees (%)	3.0/10	3.0/10	3.1/10	3.2/10
Number of platoon training hours & personnel certified to serve at higher rank	250/28	250/21	240/23	250/20
Number of plan reviews/inspections	1,000/4,300	995/3,819	995/4,000	1,000/4,300
Plan reviews/inspections meeting target turn-around times (90%)	95%	96%	86%	95%
Prevention information events	65	70	70	73

Personnel Allotment of 80 FTE							
Position	Auth FTE	Vacant Funded	Vacant Unfunded	Position	Auth FTE	Vacant Funded	Vacant Unfunded
Fire Chief	1	1		Fire Protection Engineer	2		1
Assistant Fire Chief	1		1	Fire Engineer	15	1	4
Fire Marshal	1			Firefighter	12		2
Assistant Fire Marshal	1			Firefighter/Paramedic	12		
Emerg Svcs Coordinator	1			Fire Engineer-Paramedic	6	1	2
Fire Battalion Chief	4	1		Office Assistant II	1		
Fire Captain	16		1	Office Specialist	1		
Fire Prevention Inspector	2		2	Secretary	1		
Hazardous Materials Inspector	3						
				TOTAL	80	4	13

Staff Change(s): None.

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations.
Services and Supplies	Decrease due to decrease in contractual costs and supplies.
Capital Outlay	None.



	Actual 2006-07	Actual 2007-08	Budget 2008-09	Proposed 2009-10
PERSONNEL SERVICES				
4111 Permanent Salaries	7,885,335	7,938,593	8,324,475	8,574,930
4112 Temporary Salaries	5,581	0	0	0
4113 Overtime	887,998	1,101,583	659,660	921,000
4121 Allowances	62,282	61,079	62,748	61,752
4124 Leave Cashout	251,257	350,256	0	0
4131 PERS	1,800,670	1,850,877	1,876,942	1,832,480
4132 Group Insurance	891,918	903,811	1,033,044	1,064,916
4133 Medicare	93,114	103,353	92,298	101,082
4135 Worker's Compensation	347,722	356,839	361,496	371,952
4138 Deferred Comp-Employer	18,048	41,879	41,700	41,100
4139 PARS	84	0	0	0
4161 Retiree Medical Reserve	0	375,729	380,713	392,195
sub-total	12,244,008	13,083,999	12,833,076	13,361,407
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	1,536	0	1,500	1,500
4211 Equip Replacement Amortization	1,065,700	1,100,020	1,028,991	1,035,701
4220 Supplies	186,588	184,762	270,060	244,260
4230 Services	148,900	232,711	229,936	218,186
4410 Communications	9,253	4,265	4,500	3,600
4501 Memberships and Dues	2,647	2,650	9,890	9,940
4503 Training	38,747	54,277	99,095	95,145
sub-total	1,453,372	1,578,685	1,643,972	1,608,332
CAPITAL OUTLAY				
4850 Vehicles	19,545	0	0	0
4870 Machinery & Equipment	0	15,840	0	0
4920 Machinery Tools & Equipment	0	1,032	0	0
sub-total	19,545	16,872	0	0
TOTAL	13,716,924	14,679,555	14,477,048	14,969,739

DEPARTMENT:	Non-Departmental

Description: This department finances a variety of activities that are not specific to any one department. Personnel Services include expenditures not budgeted in the individual departments such as vacation and leave cashouts, benefit administration fees, retiree medical benefits and self-funded unemployment insurance. Supplies and Contractual Services include centralized copier costs for City Hall, utility payments and citywide tuition reimbursement. Sewer treatment plant capital contribution, maintenance and operation are funded in this department, as are all water purchases for the water fund. This department also funds debt services, equipment and vehicle replacement.

Expenditure Analysis

Personnel Services: $1,872,000 will finance vacation and leave cashouts, MOU contractual obligations, retiree medical benefits and unemployment. Administration costs for the City's Public Agency Retirement System (PARS) program are included in this function.

Services and Supplies: $9,751,000 is for Treatment Plant fees; $2,460,000 is for gas, electric and water utilities; and $8,722,000 is for water purchases. $6,800,000 is set aside for Housing Grants and Loans. A total of $37,000 is reflected in this function for citywide tuition reimbursement, computer training, personnel training and redevelopment training. The City's insurance premium with ABAG is $425,000 for the 2009-10 fiscal year.

Debt Service: $13,585,000 is projected to pay the principal and interest due on the Agency Tax Allocation Bonds. $687,000 is scheduled to pay the principal and interest due on the 2006 Certificates of Participation for the sewer system. $4,000,000 is for payment to the County of Santa Clara in accordance to a Purchase & Sale Agreement.

Equipment Replacement: $799,487 is for equipment replacement from monies that are available in the Equipment and Information Technology Replacement Funds.

	100 General Fund	211 H-H Lease Fund	212 Public Art Fund	237 CFD Fund
PERSONNEL SERVICES				
4124 Leave Cashout	456,000	0	0	0
4132 Group Insurance	18,500	0	0	0
4136 Unemployment	30,400	0	0	0
4137 MOU Contractual Agreements	615,100	0	0	0
4139 PARS	6,200	0	0	0
4141 Adjustments-Payroll	90,300	0	0	0
4162 Retiree Medical Payment	924,000	0	0	0
4163 Retiree Medical Reimbursement	(617,000)	0	0	0
sub-total	1,523,500	0	0	0
SUPPLIES & CONTRACTUAL SERVICES				
4201 Community Promotions	0	0	0	0
4205 Miscellaneous Grants	0	0	0	0
4209 Miscellaneous Loans	0	0	0	0
4237 Contractual Services	27,100	0	115,000	5,000
4239 Audit Fees	56,000	0	0	0
4242 Rents & Leases	0	28,000	0	0
4252 Retainers & Fees	200,000	0	0	0
4253 ABAG Attorney's Fees	20,000	0	0	0
4254 ABAG Settlements	46,000	0	0	0
4421 Utilities-Gas	174,000	0	0	0
4422 Utilities-Electric	1,269,900	0	0	0
4423 Utilities-Water	266,800	0	0	0
4424 SFWD, Wholesale Water Purchase	0	0	0	0
4425 SCVWD, Wholesale Water Purchase	0	0	0	0
4427 Recycled Water Purchase	0	0	0	0
4428 Treatment Plant, Capital	0	0	0	0
4429 Treatment Plant, M&O	0	0	0	0
4501 Memberships and Dues	3,000	0	0	0
4503 Training and Registration	8,000	0	0	0
4509 Tuition Reimbursement	17,000	0	0	0
4600 Insurance & Settlements	254,000	0	0	0
4610 Uncollectible Accounts	29,000	0	0	0
4640 Contingent Reserve	356,000	0	0	0
sub-total	2,726,800	28,000	115,000	5,000
DEBT SERVICE				
4701 Retirement of Principal	0	0	0	0
4711 Interest Expense	0	0	0	0
4720 Contractual Obligation	0	0	0	0
sub-total	0	0	0	0
CAPITAL OUTLAY				
4850 Vehicles	0	0	0	0
4870 Machinery & Equipment	0	0	0	0
4920 Machinery Tools & Equipment	0	0	0	0
sub-total	0	0	0	0
TOTAL	4,250,300	28,000	115,000	5,000

250 HCD Fund	310 Street Fund	390 RDA Fund	400/406 Water Fund	450/452 Sewer Fund	500/505 Equipment Replacement	Proposed 2009-2010
0	0	19,000	15,000	10,000	0	500,000
0	0	2,400	1,900	1,200	0	24,000
0	0	4,000	3,200	2,400	0	40,000
0	0	80,000	64,000	40,900	0	800,000
0	0	800	600	400	0	8,000
300	0	2,400	3,600	2,100	1,300	100,000
0	0	121,200	97,200	57,600	0	1,200,000
0	0	(81,000)	(64,000)	(38,000)	0	(800,000)
300	0	148,800	121,500	76,600	1,300	1,872,000
0	0	15,000	0	0	0	15,000
0	0	800,000	0	0	0	800,000
0	0	6,000,000	0	0	0	6,000,000
0	1,400	8,100	4,400	9,100	0	170,100
6,000	8,000	14,000	10,000	10,000	0	104,000
0	0	0	0	0	0	28,000
0	0	0	0	0	0	200,000
0	0	7,000	8,000	30,000	0	65,000
0	0	15,000	19,000	70,000	0	150,000
0	30,000	6,000	52,000	38,000	0	300,000
0	47,600	170,000	93,500	119,000	0	1,700,000
0	46,000	9,200	78,200	59,800	0	460,000
0	0	0	5,737,000	0	0	5,737,000
0	0	0	2,633,000	0	0	2,633,000
0	0	0	352,000	0	0	352,000
0	0	0	0	5,104,000	0	5,104,000
0	0	0	0	4,647,000	0	4,647,000
0	0	0	0	0	0	3,000
0	0	5,000	1,000	1,000	0	15,000
0	0	2,000	2,000	1,000	0	22,000
0	0	46,000	23,000	70,000	32,000	425,000
0	0	0	56,000	50,000	0	135,000
0	0	0	0	0	0	356,000
6,000	133,000	7,097,300	9,069,100	10,208,900	32,000	29,421,100
0	0	5,035,000	0	355,000	0	5,390,000
0	0	8,550,000	0	332,000	0	8,882,000
0	0	4,000,000	0	0	0	4,000,000
0	0	17,585,000	0	687,000	0	18,272,000
0	0	0	0	0	780,526	780,526
0	0	0	0	0	18,961	18,961
0	0	0	0	0	0	0
0	0	0	0	0	799,487	799,487
6,300	133,000	24,831,100	9,190,600	10,972,500	832,787	50,364,587

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City of Milpitas
2009-14 CAPITAL IMPROVEMENT PROGRAM
GRAND SUMMARY

Project Expenses	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Community Improvement	(1,477,400)	800,000	200,000	680,000	305,000	**507,600**
Park Improvement	1,802,949	3,020,000	1,425,000	4,095,000	5,565,000	**15,907,949**
Streets	12,614,000	1,300,000	1,490,000	1,510,000	1,425,000	**18,339,000**
Water	5,300,000	6,990,000	15,320,000	4,125,000	5,500,000	**37,235,000**
Sewer Improvement	1,150,000	1,085,000	4,050,000	2,050,000	2,000,000	**10,335,000**
Storm Drain Improvement	275,000	255,000	2,275,000	3,000,000	1,900,000	**7,705,000**
Total	**19,664,549**	**13,450,000**	**24,760,000**	**15,460,000**	**16,695,000**	**90,029,549**

Finance Sources	2009-10	2010-11	2011-12	2012-13	2013-14	Total
1997 RDA Tax Allocation Bonds	100,000	0	0	0	0	**100,000**
Grants/Reimbursement/Developer Fee	5,446,572	75,000	0	0	0	**5,521,572**
Midtown Park Fund	0	2,370,000	0	0	0	**2,370,000**
Park Fund	1,645,000	650,000	1,250,000	2,074,000	1,171,000	**6,790,000**
RDA Fund	(986,400)	835,000	187,000	930,000	180,000	**1,145,600**
Sewer Fund	150,000	85,000	50,000	50,000	0	**335,000**
Sewer Infrastructure Fund	1,000,000	1,000,000	2,000,000	1,000,000	1,000,000	**6,000,000**
Street Fund	2,884,377	1,225,000	1,340,000	1,360,000	1,425,000	**8,234,377**
Water Fund	2,000,000	1,520,000	1,550,000	2,100,000	1,700,000	**8,870,000**
Water Line Extension Fund	2,200,000	70,000	70,000	75,000	0	**2,415,000**
Storm Drain Fund	275,000	50,000	513,000	800,000	800,000	**2,438,000**
Equipment Replacement Fund	0	0	125,000	0	125,000	**250,000**
Recycled Water Fund	1,300,000	300,000	0	0	0	**1,600,000**
Unidentified Funding	0	4,070,000	4,525,000	6,071,000	7,194,000	**21,860,000**
Traffic Impact Fees	0	0	150,000	0	0	**150,000**
Water Infrastructure Fund	1,100,000	1,000,000	1,000,000	1,000,000	1,100,000	**5,200,000**
TASP Impact Fees	2,550,000	200,000	12,000,000	0	2,000,000	**16,750,000**
Total	**19,664,549**	**13,450,000**	**24,760,000**	**15,460,000**	**16,695,000**	**90,029,549**

NOTES

(a) RDA Tax Increment funding dependent upon fund availability.

(b) "Other" are identified on the detailed project sheets.

(c) Grants are identified on the detailed project sheets.

COMMUNITY IMPROVEMENT PROJECTS

The Community Improvement category includes continued funding of one existing project, defunding of one existing project and substitution of funding of one existing project shown on the opposite page:

Project Number-Name
Description

3397-Public Cable Access Facility

Provides for the design, development and installation of a Public, Educational and Government (PEG) access facility within the Milpitas City Hall. The facility and associated equipment will support the production and broadcast of Public, Educational and Government programming for the residents of Milpitas.

8176-Senior Center

Provides for the design and construction of a new Senior Center at the Civic Center by remodeling and enlarging the existing library building. Building improvements will include new roofing, HVAC equipment, interior modifications and rest room facilities, building code upgrades, kitchen facilities, and other improvements to support current and future senior facility programming.

8182-City Building Improvements

Provides renovation and rehabilitation work to all City buildings. The work involves replacement of heating, ventilation and air conditioning systems, energy savings, lighting replacements and other improvements to the City's facilities.

COMMUNITY IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	PROPOSED
331-3397	Public Cable Access Facility	$ 50,000
391-8176	Senior Center (Defunding)	(1,527,400)
391-8182	City Building Improvements (substitution of funding sources)	0
	TOTAL COST	$ (1,477,400)

AVAILABLE FINANCING SOURCE:

Defunding transfer to RDA Tax Increment	$ (1,527,400)
1997 RDA Tax Allocation Bond	100,000
Developer Contributions	50,000
Reduction of Grants	(100,000)
TOTAL AVAILABLE	$ (1,477,400)

NOTE: Asterisk (*) indicates new projects.

PARK IMPROVEMENT PROJECTS

The Park Improvement category includes funding of four existing projects and one new project as shown on the opposite page:

Project Number-Name
Description

5055-Alviso Adobe Renovation
Provides for park improvements and restoration of the historic Alviso Adobe building.This includes structural stabilization, seismic strengthening, interior restoration, exterior renovation and other related improvements.

5087-Calle Oriente Park
Provides for design and construction of a complete renovation of Calle Oriente Park. This includes ADA compliant improvements, new playground equipment, basketball court, lighting, drinking fountain, shade structure, benches, barbecue, landscaping, park sign, and other related improvements.

5088-Cardoza Park Playground Renovation
Provides for replacement and renovation of various park elements at Cardoza park. This includes the playground located by the washrooms, ADA compliance assessment and improvements, drainage, landscaping, walkways and other related improvements.

5089-Park Renovation Project 2009
Provides for miscellaneous park renovations and the installation of additional and replacement park equipment on a prioritized based schedule.

5090-Park Sign Replacement Project
Provides for the replacement of 24 aging park signs, with the new City standard park name signs.

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PARK IMPROVEMENT PROJECTS

NUMBER		PROJECT TITLE		PROPOSED
321-5055		Alviso Adobe Renovation	$	170,000
321-5087		Calle Oriente Park		437,949
321-5088		Cardoza Park Playground Renovation		1,000,000
321-5089		Park Renovation Project 2009		150,000
321-5090	*	Park Sign Replacement Project		45,000
		TOTAL COST	$	1,802,949

AVAILABLE FINANCING SOURCE:

Park Fund	$	1,645,000
Grants		157,949
TOTAL AVAILABLE	$	1,802,949

NOTE: Asterisk (*) indicates new projects.

STREET IMPROVEMENT PROJECTS

The Street Improvement category includes continued funding of seven existing projects and three new projects as shown on the opposite page:

Project Number-Name
Description

8192-City-Wide Traffic Deficiency Plan

Provides a study to perform a City-wide traffic analysis of intersections, establish existing levels of service, and determine current and future deficiencies. This study is required due to regional growth and ongoing development within Milpitas and will be done in accordance with Santa Clara Valley Transportation Authority (VTA) guidelines.

4245-Minor Traffic Improvements 2009

Provides for improvements identified through the Clean & Safe Streets Program and unanticipated traffic-related needs. It is also used to analyze neighborhood traffic concerns requested by the community and the Council.

4246-Sidewalk Replacement 2009

Provides for City-wide replacement of existing curb, gutter and sidewalk, as needed. The project also provides street tree root cutting to prevent damage to sidewalk. This is a bi-annual project.

8196-Soundwall Renovation

Provides for renovation of the City sound walls along N. Milpitas Boulevard, Escula Parkway, Jacklin Road at Horcajo and La Palma and other locations.

4039-Tasman/I-880 Interchange

Provides for the design and construction of an interchange at Tasman Drive-Great Mall Parkway and Interstate 880. Construction has been completed and Right-of Way transfer is currently in progress with Caltrans.

4247-Suggested Routes to School

Provides a 3-year school safety program targeting the City's nine elementary and two middle schools to encourage walking and bicycling to school. Program elements include the preparation of Suggested Routes to School maps, walking-biking-carpooling education and programs. This program is fully-funded from a Department of Transportation (Caltrans) Safe Routes to School Grant awarded to the City in 2007.

4249-Traffic Signal Modifications 2009

Provides for minor traffic signal improvement projects resulting from the need for operations improvements or emergency repairs and safety enhancements, such as pedestrian countdown signals and battery back-up systems. This project also provides for studies to determine larger capital improvement program projects.

4250-Street Resurfacing Project 2010

Provides for the street resurfacing in 2010. The program includes a variety of pavement treatments from slurry seal to major rehabiliation/reconstructions. Streets to be selected for improvements are determined from the City's Pavement Management System. This project also includes $200,000 to Public Works maintenance for pothole patching.

4170-Hwy 237/I-880 Interchange

Provides design and construction of the 237/I-880 interchange through cooperative agreement between Milpitas and Santa Clara County Traffic Authority. The construction for this project was completed in 2004. The remaining work includes right-of-way transfer to Caltrans, landscaping and a gateway monument. In 2008-09, $174,000 will be defunded from this project. Staff will pursue recycled water and landscape grants to replace the funds.

2010-Light Rail Median Landscaping

Provides design and construction of median landscape improvements on Great Mall Parkway from I-880 to the southern City limits at Capitol Expressway. There are eight separate median islands under the LRT viaduct structure which will be landscaped.

STREET IMPROVEMENT PROJECTS

NUMBER		PROJECT TITLE	PROPOSED
391-8192		City-Wide Traffic Deficiency Plan	$ 25,000
311-4245		Minor Traffic Improvements 2009	50,000
311-4246		Sidewalk Replacement 2009	150,000
391-8196	*	Soundwall Renovation	300,000
311-4039		Tasman/I-880 Interchange	75,000
311-4247		Suggested Routes to School	150,000
311-4249		Traffic Signal Modifications 2009	190,000
311-4250	*	Street Resurfacing Project 2010	2,000,000
311-4170		Hwy 237/I-880 Interchange	3,674,000
351-2001	*	Light Rail Median Landscaping	6,000,000
		TOTAL COST	$ 12,614,000

AVAILABLE FINANCING SOURCE

Street Fund	$ 2,884,377
Transit Area Impact Fee Fund	2,550,000
RDA Tax Increment	541,000
Grants	5,338,623
Recycled Water Fund	1,300,000
TOTAL AVAILABLE	$ 12,614,000

NOTE: Asterisk (*) indicates new projects.

WATER IMPROVEMENT PROJECTS

The Water Improvement category includes continued funding of four existing projects and one new project as shown on the opposite page:

Project Number-Name
Description

7098-South Milpitas Water Line Replacement

Provides for the replacement of approximately 3,900 linear feet of 16" diameter steel cylinder pipe along South Milpitas Boulevard between Calaveras Boulevard and Yosemite Drive. This pipe is in a very corrosive soil environment and has reached its useful life of 35 years.

7100-Water System Seismic Improvements

Provides seismic upgrades to the City's water system at key locations throughout the City, including water lines near geologic faults and areas subject to soil liquefaction.

7102-Ayer Reservoir & Pump Station Improvements

Provides for several improvements to the Ayer Reservoir and Pump Station located behind the Milpitas Sports Center. The overflow structure has settled and needs to be replumbed to the sanitary sewer system.

7108-Water System Hydraulic Modeling

Provides for miscellaneous hydraulic modeling of the water system, including impacts from new developments. This project also creates the City's first hydraulic model for the recycled water system.

7110-Hydrant Replacement

Provides for the replacement of hydrants in the Manor, Sunnyhills, and Milford neighborhoods.

WATER IMPROVEMENT PROJECTS

NUMBER		PROJECT TITLE	PROPOSED
401-7098		South Milpitas Water Line Replacement	$ 3,000,000
401-7100		Water System Seismic Improvements	2,000,000
401-7102		Ayer Reservoir & Pump Station Improvements	150,000
401-7108		Water System Hydraulic Modeling	50,000
401-7110	*	Hydrant Replacement	100,000
		TOTAL COST	$ 5,300,000

AVAILABLE FINANCING SOURCE:

Water Fund	$ 2,000,000
Water Line Extension Fund	2,200,000
Water Infrastructure Fund	1,100,000
TOTAL AVAILABLE	$ 5,300,000

NOTE: Asterisk (*) indicates new projects.

SEWER IMPROVEMENT PROJECTS

The Sewer Improvement category includes continued funding of three existing projects as shown on the opposite page:

Project Number-Name
Description

6073-Sewer Deficiency Program
Provides the design and construction of sewer line replacement due to structural deficiencies, differential settlement, and damaged sewer lines.

6107-Minor Sewer Projects 2009
Provides the ongoing analysis, engineering and implementation of various minor modifications and improvements to the existing sewer system which arise during the year.

6110-Sewer System Hydraulic Modeling
Provides for ongoing hydraulic modeling of the sanitary sewer system as needed for Public Works operations and impacts from new developments.

SEWER IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	PROPOSED
451-6073	Sewer Deficiency Program	$ 1,000,000
451-6107	Minor Sewer Projects 2009	100,000
451-6110	Sewer System Hydraulic Modeling	50,000
	TOTAL COST	$ 1,150,000

AVAILABLE FINANCING SOURCE:

Sewer Fund	$ 150,000
Sewer Infrastructure Replacement Fund	1,000,000
TOTAL AVAILABLE	$ 1,150,000

NOTE: Asterisk (*) indicates new projects.

STORM DRAIN IMPROVEMENT PROJECTS

The Storm Drain Improvement category includes continued funding of two existing projects and one new project as shown on the opposite page:

Project Number-Name
Description

3702-Minor Storm Drain Projects 2009
Provides for the analysis and implementation of various minor modifications and improvements to the existing storm drain system.

8188-Storm Pump Station Improvements
Provides for the exterior painting and floor coating of Wringley Ford, McCarthy, Oak Creek, Bellew, Murphy Ranch, California Circle, Penitencia, Jurgens, and Abbott Storm Pump Stations. The project work also includes minor renovations of mechanical and electrical systems.

3703-Emergency Pump Station Generators
Provides for the procurement of two trailer mounted emergency generator for use at the storm pump stations.

STORM DRAIN IMPROVEMENT PROJECTS

NUMBER		PROJECT TITLE	PROPOSED
341-3702		Minor Storm Drain Projects 2009	$ 75,000
391-8188		Storm Pump Station Improvements	100,000
341-3703	*	Emergency Pump Station Generators	100,000
		TOTAL COST	$ 275,000

AVAILABLE FINANCING SOURCE:

Storm Drain Fund	$ 275,000
TOTAL AVAILABLE	$ 275,000

NOTE: Asterisk (*) indicates new projects.

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CITY OF MILPITAS

CALIFORNIA

INCORPORATED

JANUARY 26, 1954

ESTIMATED REVENUES

Property Tax, Current	35,273,000
Use of Money & Property	2,170,000
Other Revenue	856,000
Total Estimated Revenues	38,299,000

Other Financing

(Increase) Decrease in Fund Balance	343,078
Operating Transfers In	
Street Improvement Fund	125,000
Storm Drain Development Fund	100,000
Reimbursement of 2005 CFD formation costs	20,000
Operating Transfers (Out)	
Operating Cost reimbursement to General Fund from Housing Reserve	(1,144,219)
Operating Cost reimbursement to General Fund from RDA Projects	(5,028,961)
Public Improvement	(6,000,000)
Transit Area Impact Fee Fund	(341,000)
Public Art Fund	(200,000)
TOTAL ESTIMATED REVENUES AND OTHER FINANCING SOURCES	26,172,898

ESTIMATED EXPENDITURES

Salaries & Wages	2,354,572
Grants & Loans	6,859,000
Services & Supplies	476,726
Total Operating Costs	9,690,298

Capital Projects		
391-8176	Defunding of Senior Center	(1,527,400)
391-8188	Storm Pump Station Improvements	100,000
391-8192	City-Wide Traffic Deficiency Plan	25,000
391-8196	Soundwall Renovation	300,000
	Total Capital Projects	(1,102,400)
Debt Service		
	03 Tax Allocation Bonds	13,585,000
	Contractual Obligation to County for Land	4,000,000
	Total Debt Service	17,585,000
	Budgeted Appropriations	26,172,898

FUND BALANCE:

Fund Balance 7/1	75,660,000
Increase (Decrease) in Fund Balance	(343,078)
Fund Balance 6/30	75,316,922
Reserved	18,071,000
Unreserved, Designated for CIP	3,000,000
Unreserved, Designated for Housing	20,591,577
Unreserved undesignated	33,654,345
Fund Balance 6/30	75,316,922

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Budget and Budgetary Accounting

What is the City Budget?

Every year the City Council adopts a Budget and Financial Plan for the next fiscal year, (the City's fiscal year runs from July 1 of one year through June 30 of the next year). The Budget is the City's business and financial plan for the year.

The two purposes of the Budget are: (1) to set goals, objectives, and service levels for the City to meet during the next year (thus insuring the provision of City services to Milpitas residents); and (2) to estimate and allocate the money the City will take in and spend during the year.

In many ways the City's Budget is like a household budget. Every year we sit down and estimate what we think our income will be for the coming year, and make plans on how to spend and save this income. There are some key differences, however, between the City and a household budget. Our income (called revenue) can fluctuate substantially within a given year or from year to year. It is not like having a known paycheck to spend or save. There are very few sources of income over which the City has direct control. For example, we have no control over property tax revenue; it can fluctuate depending on the number of homes sold in the community and the amount of building activity. The level of building activity also impacts other sources of revenue such as building permit fees. These are revenues that have a somewhat direct relationship with the general state of our economy. The economy also affects another major source of income -- sales tax -- which depends on the amount of goods people buy in our community.

We have a little more certainty and control over how much money we spend, but even that has some impacts and restrictions which reduce our flexibility. The federal government and state government require we make additional expenses, such as Medicare contributions and require methods of compensating for overtime mandated by federal law. In addition, we do not, in most cases, have the ability to stop doing things simply because we do not have the income. Police and fire protection are good examples. Even if revenue decreases substantially, we still need to be able to staff the fire stations and provide a minimum level of police patrol services.

It is important to remember that the numbers in the Budget are estimates. Many things happen during the year that impact our income and spending. However, we try to budget as best we can. We try very hard to estimate revenues realistically but also conservatively enough to insure that there are adequate funds to meet our needs. We also budget a contingency reserve each year to meet unanticipated expenses, and we maintain adequate reserves to protect us from future unknowns. As a "rule of thumb", we try to maintain an unallocated, or unbudgeted, reserve in the general fund that is at least 15% of the general fund operating budget.

What are "Funds"?

The City's Budget is financed by the use of different "funds". A fund can be thought of as a separate bank account used for specific purposes. The **General Fund** is the City's main operating fund used to pay for "traditional" city services such as police and fire protection, administration, street maintenance, and recreation functions. These activities utilize most tax dollars, such as property tax and sales tax, but are also supported by licenses and permits, court fines, and investment earnings. Some activities in the General Fund, such as building inspection and recreation functions, are also intended to be substantially self-supporting through fees for services charged to individuals. In areas where specific benefit for a service can be identified to specific individuals, the City has a policy of charging a fee to offset the cost of providing the service.

Another major group of City funds are called **Enterprise Funds**. These funds are used to account for specific services which are funded directly by fees and charges to users. In Milpitas, Enterprise Funds include the Water Fund and the Sewer Fund. The intent is that these two funds be completely self-supporting and not be subsidized by any general revenue or taxes. The utility bills sent to each household and business in the community charge for the cost of providing water and sewer customer services. These funds are accounted for as if each activity was a separate, independent non-profit business of the City.

Various **Capital Improvement Funds** are also maintained by the City. A capital improvement is usually a large construction project such as the resurfacing of City streets, the development of park land, the construction of an overpass, the installation of a traffic signal, or the acquisition of land and construction or remodeling of a public building. The City's Capital Improvement Funds include the Street Improvement Fund, the Park Fund, the Redevelopment Project Fund, and the Treatment Plant Construction Fund. Water and Sewer capital projects are financed in the respective Enterprise Funds.

Finally, the City maintains **Debt Service** and **Special Revenue Funds**. The former type of fund is used to pay the principal and interest payments associated with retiring bonds that either the City or the Milpitas Redevelopment Agency has issued. The later funds set aside special revenue, such as Housing and Community Development federal revenue, which is restricted in its use.

How is the Operating Budget Prepared?

The **Proposed Budget and Financial Plan** is prepared each year by staff, detailing what will be necessary to provide City services for the upcoming year, identifying various department objectives and significant policy issues for Council direction. After delivery of the Proposed Budget to the Council, the City Council holds public budget hearings in May to provide the public with the opportunity to make any comments or suggestions regarding the Budget. The City Council then adopts the Proposed Budget as it may be amended during the budget hearings. A Final Budget is subsequently adopted, formally incorporating in a single document the changes that were directed during the budget hearings.

The proposed budget document is prepared to insure that the spending authority proposed carries with it an anticipated level of service. The budget process is designed to integrate the managerial task of planning with the quantitative task of presenting expenditure requests for approval. The process assumes that individual managers have the most insight into their own operations and, therefore, should be the ones to identify and support the various alternative levels of service they are able to provide as well as the costs of those levels.

How is the Capital Improvement Program Budget Prepared?

The **Five-year Capital Improvement Program Budget** is prepared each year, in a process that parallels the preparation of the Operating Budget (as shown in the Budget Preparation Timeline included in the Budget Guidelines and Fiscal Policies section).

Departments are asked to submit a comprehensive prioritized list of all of their Capital Improvement Program (CIP) projects. CIP projects are prioritized using the following categories (listed in priority order): mandatory or committed projects, health and safety projects, maintenance of existing capital assets or systems, major service equipment replacement, projects which avoid future additional costs, studies and analyses, enhance economic development and improve the quality of life. The Finance Department and the Engineering Division work closely in the funding analysis phase of the CIP process to determine which project will proceed and which projects may be accelerated or delayed. Unlike the Operating Budget,

before the CIP Budget can be submitted to the City Council, the Parks projects must be submitted to the Parks, Recreation and Cultural Resources Commission for their approval. All CIP projects are submitted to the Planning Commission to ensure the CIP projects are in conformance with the General Plan.

After delivery of the Preliminary Report to the Council, the City Council holds public budget hearings in May to provide the public with the opportunity to make any comments or suggestions regarding the CIP. The City Council then adopts only the first year of the Five-year Capital Improvement Program Budget as it may be amended during the budget hearings. A Final Capital Improvement Program Budget is subsequently adopted, formally incorporating the changes that were directed during the budget hearings into a single document.

Budgets and Budgetary Accounting

The City's budget is adopted on a basis consistent with generally accepted accounting principals (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis. (See discussion of basis of accounting on the next page.)

The City and the Redevelopment Agency adopt an annual Operating Budget and Financial Plan on or before June 30th each year. The City and the Agency follow these procedures in establishing the budgetary data reflected in their financial statements:

- On or before June 14, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and identified financing means.
- Public budget hearings are conducted to evaluate the proposed budget and seek public input.
- Prior to July 1, the budget, as may be amended, is adopted by the City Council and Agency Members.
- A final budget document which summarizes the adopted budget is formally enacted, within 90 days, by resolution of the City Council and the Agency Members.
- The City Manager is authorized to transfer budgeted amounts within departments within a fund. The City Manager has limited discretion to appropriate funds in an aggregate amount not to exceed the equivalent of 1% of the General Fund budget.
- Budgeted amounts are as originally adopted, or as amended by the City Council or the Agency Members.

The legal level of budgetary control is exercised at the departmental level for those funds which have annually adopted budgets: General Fund, Special Revenue Funds and Capital Projects Funds.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Capital Projects Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through the various bond indenture provisions.

Appropriations automatically lapse at the end of the fiscal year unless an encumbrance exists, with the exception of balances remaining in the capital project accounts and grant accounts at the end of the fiscal year. These balances are carried forward to the following fiscal year until the project is completed.

Prop 4 – Appropriations Limit

The City establishes an appropriations limit by resolution, each year during the budget process, which commences after the beginning of each fiscal year. The appropriation base is adjusted each year by changes in population, cost of living and transfers of financial responsibility.

Budget Amendments

The operating budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. The procedure for amending budgets depends on the type of change that is needed. One type of change does not affect the "bottom line" total for a department. These changes, mainly transfers from one-line item to another within a department's operating budget or changes between two divisions within a department, may be effected by preparing a budget change form for the City Manager's authorization.

The second type of budget amendment brings about a change in the total appropriation for a department or fund. Examples of these changes include but are not limited to:

- the acceptance of additional grant money which might become available;
- changes providing for increases in permanent personnel or changes in classification for personnel from the number of positions approved in the Budget;
- the appropriation of additional funding if expenditures are projected to exceed budgeted amounts; or
- the reappropriation of monies from one fund to another when deemed necessary.

These types of changes would require City Council and/or Redevelopment Agency approval in the form of a budget appropriation.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement that is applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Fund revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Those revenues susceptible to accrual are property and sales taxes and interest revenue. Forfeitures, licenses, permits, and miscellaneous revenue are not susceptible to accrual because they are not measurable until received in cash. Revenues not considered earned but received are accounted for as revenue collected in advance.

Expenditures are also generally recognized under the modified accrual basis of accounting. An exception to this rule is principal and interest on general long-term debt, which is not recognized by debt services funds until it is due. Financial resources usually are appropriated in funds responsible for repaying debt for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Revenues for services provided but not billed at the end of the fiscal year are not material and are not accrued.

Use of Cost Accounting

The City uses cost accounting to determine the proper allocation to recover costs for services provided. For each City service or program, in addition to direct staff support and appropriations for supplies and services, it also receives support from the administrative staff and benefits from centralized services such as building occupancy and equipment maintenance. These indirect costs (also known as administrative and overhead costs) need to be allocated to each major service or program in order to determine the full cost of providing City services. Similarly, the centralized service costs also need to be allocated to various operating funds. Centralized service costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds share the administrative and overhead costs equitably. In FY 2006-07, the City conducted an updated Cost Allocation study to calculate the percentage of costs that should be allocated to each major program and major operating fund. The results from the study were applied to the FY 09-10 Budget. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 09-10 can be found on pages 94-95 of this document.

How Can I Learn More?

We hope that this brief introduction to the Budget has been helpful. You can learn a great deal more by reading this document. We have also included a glossary of terms in the Appendix section of this Budget to help you better understand some of the common jargon. If you would like additional information about the Budget, or have ideas on how we can make the Budget more understandable and informative, please contact the Director of Financial Services at (408) 586-3145.

Fund Descriptions

The basic accounting and reporting entity for a City is a fund. A fund is "an independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created". Funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds used in government are classified into three broad categories: governmental, proprietary and fiduciary. Governmental funds include activities usually associated with a typical state or local government's operations (public safety, general government activities, etc.). Proprietary funds are used in governments to account for activities often found in the private sector (utilities, stadiums, and golf courses are prime examples). Trust and Agency funds are utilized in situations where the government is acting in a fiduciary capacity as a trustee or agent. The various funds are grouped in fund types and categories as follows:

Governmental Funds

Government Funds include activities usually associated with the governmental entities' operations (police, fire and general government functions).

General Fund -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are sales taxes, property taxes, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for general government activities, public safety, most street work and the other services described above.

Special Revenue Funds -- Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

- **Public Art Fund** - was established to account for construction or acquisition of public art to expand opportunities for the City of Milpitas' citizens to experience public art and enhance the quality of life in the community. The city dedicates 1.5% of eligible projects within the annual Capital Improvement Project expenditures to the acquisition and installation of public art. The expenditures will include, but not limited to, the cost of public art, its installation, maintenance and repair of artwork funded by this fund.
- **Gas Tax Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided by the City's share of state gasoline taxes.
- **2005 Community Facility District Fund -** was established to account for special taxes collected within the district to provide park maintenance and street landscape maintenance services.
- **Housing and Community Development Fund** - was established to account for community development block grants and expenditures.
- **Law Enforcement Services Fund** - was established to account for the proceeds from the sale of assets which were seized in connection with drug related arrests made by the Allied Agency Narcotic Enforcement Team (AANET) of Santa Clara County and federal asset forfeiture funds received through the Equitable Sharing program. Shared funds must be used only for specified law enforcement purposes; funds are to be used to augment law enforcement budgets, not supplant them. This fund also accounts for the Supplemental Law Enforcement Services grant and expenditures.
- **Solid Waste Reduction and Services Fund** - was established to account for landfill tipping fees allocated by Santa Clara County. The County allocates a fee of $1 per ton to each City to be used in relation to the State of California Waste Reduction Act. Revenue is used for the implementation of future waste reduction programs to meet the future State required landfill deposits percentage reduction. The fund also accounts for special charges built into garbage rates specifically for community promotions and household hazardous waste activities. These activities support the City's ongoing efforts to meet State mandates to reduce waste.

- **Lighting and Landscape Maintenance District Fund** - was established to account for assessments within a district. Revenue is used for servicing and maintaining the public landscaping and additional lighting for the district.
- **Housing Reserve Fund** - was established by the Redevelopment Agency of the City of Milpitas to account for tax allocations set aside for the purpose of increasing or improving the City's supply of low or moderate income housing.

Debt Service Funds -- Debt Service Funds are used to account for financial resources to be used for the payment of principal and interest on governmental fund long-term debt. The City has the following outstanding bonds: 2003 Tax Allocation Bond and 2006 Certificates of Participation.

Capital Projects Funds -- Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

- **Redevelopment Project** - was established to account for the financing and construction activities in the redevelopment project areas.
- **Street Improvement Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided through State and federal grants.
- **General Government Fund** - was established to account for the construction and maintenance of community improvements. Capital projects previously accounted for in the General Fund has been incorporated in this fund.
- **Park Improvement Fund** - was established to account for the construction and maintenance of City parks. Financing is provided by a special parks improvement fee imposed on developments.
- **Transit Area Impact Fee Fund** - was established to account for the financing and construction activities of infrastructure in the Transit Area Specific Plan.
- **Storm Drain Improvement Fund** - was established to account for the construction and maintenance of City storm drains. Financing is partially provided by fees imposed on developments.

Trust Funds).

Proprietary Funds

Enterprise Funds -- Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City operates the Water Utility and Sewer Utility enterprise funds.

- **Water Utility Fund** - was established to provide water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, and billing and collection.
- **Recycled Water Utility Fund** - was established to provide recycled water services to the businesses within a specific area of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, and billing and collection.
- **Sewer Utility Fund** - was established to provide sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

Internal Service Funds -- Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

- **Equipment Management Fund** - was established to finance and account for the replacement of equipment used by City departments on a cost reimbursement basis.
- **Information Technology Replacement Fund** - was established to finance and account for the replacement of information technology equipment used by City departments.
- **Permit Automation Fund** - was established to finance and maintain the online permit development system.

Fiduciary Funds

Agency Funds -- Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

- **Employee Deferred Compensation Plan** - was established to account for accumulated employee funds withheld and invested as provided by the Plan.
- **LIDs Fund** - was established to account for debt service reserves of Local Improvement Districts (LID) for which the City acts as administrator and paying agent. The City is not obligated for the debt issued by the LIDs.
- **Employee Benefit Fund** – was established to account for self-insured employee dental plan, short-term disability plan and MOU contractual agreements.
- **Senior Advisory Commission Fund** – was established to account for the fund raising activities of the Commission.

Revenue Descriptions

The City of Milpitas provides many services to its residents such as Police, Fire, Parks, Recreation, etc. These services are not without cost to the taxpayer. It is the task of City Officials to produce the necessary revenue to satisfy the ever-growing demand for local services.

The City of Milpitas receives revenue from many sources to offset the costs of its operations. Revenue is received from sales taxes, property taxes, and many other sources. For each fiscal year, the City's revenues are estimated conservatively and, therefore, actual revenues received often exceed the estimated projections. This section will describe the major revenue sources available to the City. The Summary of Current Revenues by Fund will provide a more detailed breakdown of all revenues. The major revenue sources are as follows:

Property Taxes

Property Taxes -- Property tax is imposed on real property (land and permanently attached improvements, such as buildings) and tangible personal property located within the City. The tax comprises one percent of the assessed value of the property. The assessed value of real property appraised by the County Assessor in the 1975-76 assessment role value adjusted after 1975 by a two percent inflation factor per year. When property changes hands or new construction occurs, it is reassessed at its current market value.

Other Taxes

Sales and Use Tax -- Sales and use tax is imposed on retailers for the privilege of selling, at retail, within the City limits. This tax is based on the sales price of any taxable transaction of tangible personal property. The Bradley-Burns Uniform Local Sales and Use Tax Law, adopted in 1955, extends the authority to impose local tax to counties. One percentage point of the sales tax collected by the State Board of Equalization is allocated back to the City for general purposes. This revenue is placed in the General Fund for unrestricted uses.

Franchise Fees -- A Franchise Fee is imposed on various utilities and organizations which permits them to use and operate those facilities within the City. In Milpitas, franchise fees are charged for Electric, Gas, Garbage, Nitrogen Gas and Cable Television franchises.

Business License Tax -- A Business License Tax is imposed on businesses for the privilege of conducting business within the City. Fees are based on bracketed structures according to the type of business. The fee structures are as follows: average number of employees, number of units or rooms, number of vehicles or a flat fee.

Transient Occupancy Tax -- The Transient Occupancy Tax in Milpitas is a ten percent (10%) tax on the cost of a hotel room and imposed on "transients" who occupy a room or rooms in a hotel, inn, motel, tourist home or other lodging facility within the City's limits.

Licenses and Permits

Building Permits -- The City requires that building permits be obtained to ensure that structures meet specific standards as identified in the Municipal Code. The City requires various construction permits for activities such as the installation of electrical and plumbing. The City charges a fee for issuing these permits in order to recover the costs incurred.

Fire Permits -- The Milpitas Municipal code requires permits be obtained and inspections conducted to ensure activities regulated by the fire code meet specific standards for the protection of life, property and the environment. Activities include: high piled combustible storage, hazardous materials, assembly, and life safety inspections of licensed facilities, apartments, and hotels and motels.

Fines and Forfeitures

Vehicle Code and Other Court Fines -- The City receives a portion of all fines assessed, in Milpitas, for infractions of the State of California Vehicle Code and may receive other court fines as directed by the County, State or Federal Courts.

False Alarm Fees -- Currently the Milpitas Municipal Code provides that a property may have three false alarms in a one-year period. Subsequent false alarms, within that period, are assessed a service charge that can increase from $300 to $900 depending on the number of alarms.

Booking Fees -- Counties within California are authorized to charge a "criminal justice administrative fee" intended to cover the "reimbursement of County expenses incurred" for booking and processing of arrested persons who are brought to the County jail for booking or detention. In return, Judges may pass along the City's costs to the offender as part of their court-ordered restitution.

Use of Money and Property

Interest on Pooled Investments -- Interest income is earned as the City invests its idle funds in various investment instruments. The goal of the City regarding investments is to ensure the safety of each investment and maintain liquidity while achieving a fair rate of return - safety, liquidity and yield - in that particular order.

Intergovernmental

Motor Vehicle In-Lieu Tax -- The Motor Vehicle In-Lieu Tax is collected by the State Department of Motor Vehicles through its vehicle registration program in-lieu of a City personal property tax on motor vehicles.

Gas Tax -- The State Gas Tax is derived from State of California taxes on gasoline purchases and is allocated, on a share basis, to cities. The Gas Tax revenues are broken down into Sections 2106, 2107 and 2107.5. Sections 2106 and 2107 funds are restricted to the construction, improvements and maintenance of public streets. Section 2107.5 funds are restricted to engineering costs and administrative expenses with respect to City streets.

Federal, State and County Contributions -- Senior Nutrition fees are one example a County contribution that is reimbursed to the City from the County of Santa Clara for lunches provided to senior citizens.

Miscellaneous Grants --

- Community Development Block Grant - The Housing and Community Development Block Grant (CDBG or HCD) program was designed by the Department of Housing and Urban Development (HUD) to revitalize low and moderate income areas within a city. The use of CDBG funds is restricted by specific provisions and is managed by the Housing function.
- Public Safety Grants - The City is currently receiving multiple public safety grants including: Supplemental Law Enforcement Services Grant, Local Law Enforcement Block Grant, and Justice Assistance Grant. Future grant spending will be designated for vehicles, equipment and technology improvements.
- SB90 - The law in the State of California provides for the reimbursement of costs incurred by local agencies for costs mandated by the State. Costs mandated by the State means any increased costs which a local agency is required to incur after July 1, 1990, as a result of any new statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service in an existing program.

Charges for Current Services

Charges for Current Services -- All City's basic service charges are recorded at the department or division levels that are associated with specific governmental and enterprise activities. These service levels are: General Government, Planning, Fire, Police, Recreation, Building and Public Works. This is a GASB 34 requirement.

Planning Fees and Sale of Maps and Documents -- Included in these fees are a range of service charges for staff responses to inquiries from the public to review and interpretation of complicated planning and zoning ordinances. Also included are reproduction costs associated with maps and documents from all functions within the organization.

Recreation Fees -- Recreation fees include user program fees for Rainbow Theatre (participation and attendance); preschool, after-school, teen and summer camp programs; swimming lessons; special events and youth and adult recreational classes.

Rents and Concessions -- Rental fees are charged for the private use of City facilities. Rental facilities include the Community Center, Sports Center, Senior Center, the Jose Higuera Adobe and parks throughout the City.

Other Revenues

Development --

- Park Development Fees - The Park Development Fee is paid by a developer or subdivider for park or recreation purposes, in-lieu of the dedication of the land.
- Treatment Plant Fees - Treatment Plant fees are payment for the purchase of waste water treatment capacity rights. The fee is measured in gallons per day, and the higher the usage, the higher the fee. All fees collected are used for Capital Improvement Projects or for Capital Operating Costs at the San Jose/Santa Clara Water Pollution Control Plant or within the City.
- Traffic Impact Fees - A Traffic Impact Fee is an exaction from a developer to mitigate traffic impacts associated with the development of the subject property. These fees can be dictated by ordinance or by documentation in a Traffic Impact Analysis (TIA) and are then conditions of approval for the development.

Reimbursements --

- AVASA - Beginning in 1996, the State of California, through the Abandoned Vehicle Abatement Service Authority, began reimbursing cities for vehicle abatement activities based on a per vehicle cost. The State reimbursement varies from year to year based on the number of vehicles claimed by all participating cities.

Miscellaneous --

- Special Assessments - Local Improvement Districts (LIDs) are established in various parts of the City to provide improvements to properties located in those districts. Properties in the districts are assessed for the cost of improvements; these assessments are payable over the term of the debt issued to finance the improvements and must be sufficient to repay this debt
- Solid Waste - Currently the Solid Waste function has two very different revenue streams. The first AB939 is collected by the County as a Tipping Fee at the Landfill and reimbursed to the City on a quarterly basis. The purpose of this fee is to encourage achievement of the State's landfill reduction goal. The second fee is paid by the solid waste customers, incorporated in user rates, and is specifically earmarked for community education and the Household Hazardous Waste programs.

Expenditure Descriptions

Personnel Services

Salaries and Wages

Permanent – Salaries for full time and part time permanent employees.

Temporary – Salaries full time and part time employees who are hired in temporary or substitute basis.

Overtime – Amounts paid to employees for work performed in addition to the normal work period. Hours work in excess of 40 hours per week.

Allowances / Leaves

Allowances – Amounts paid to employees who are entitled to allowances such as car, telephone, uniform, special licenses, canine, motorcycle, SWAT, pager and bilingual pay.

Leave CashOut – Amounts paid to employees for hours cashed out from sick or vacation time banks.

Accrued Leave – To record year-end adjustments of accrued vacation according to the Generally Accepted Accounting Principles (GAAP). For ACCOUNTING USE ONLY.

Benefits

P E R S – Amounts contributed to the Public Employees' Retirement System (PERS) plan for its employees.

Group Insurance – City of Milpitas' share of any insurance coverage for its employees such as Medical, Dental, Vision, Life Insurance, Long Term Disability and Short Term Disability.

Medicare-Employer's Contribution – City of Milpitas' share of the Federal Medicare contributions for its employees.

Worker's Compensation – Amount allocated to pay for worker's compensation claims made by employees.

MOU Contractual Agreements – Amounts paid according to negotiated MOU agreements.

Deferred Compensation – Employer Contribution – Contributions made to the employees' deferred compensation plan.

P A R S – Amounts contributed to the Public Agency Retirement System-Alternate Retirement System (PARS-ARS) plan for temporary employees not in the PERS system. This is an alternative to the Social Security System.

Retiree Benefits

Retiree Medical Reserve – Amount allocated to fund a portion of the outstanding retiree medical benefits liability.

Retiree Medical Payment – Payment of the outstanding retiree medical benefits liability.

Retiree Medical Reimbursement – Reimbursement from California Employer Benefit Trust fund for retiree medical payment.

Adjustments – Payroll

Adjustments – Payroll – To record year-end payroll adjustments in accordance to the Generally Accepted Accounting Principles (GAAP), i.e., Accrued Payroll which reflects salaries and wages earned by employees as of June 30 but not paid until July. FOR ACCOUNTING USE ONLY.

Vacancy Factor – Budget amount to account for vacant positions.

Charged to CIPs – Budget amount to account for payroll costs that will be charged to the Capital Improvement Projects.

Overhead – PJs contractual Labor and Payroll – A charge made to a developer account or the Redevelopment Agency to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account charged.

Reduced Funding – Budget amount to account for reduced funding.

Supplies and Contractual Services

Community Promotions, Grants and Loans

Community Promotions – Public relations activities that are aimed to contribute to the progress or growth of the community.

Community Promotions CC Allocated – Public relations activities for progress or growth of the community allocated by the CITY COUNCIL.

Community Promotions CC Unallocated – Public relations activities for progress or growth of the community not yet allocated by the CITY COUNCIL.

Cultural Arts Grants – Financial assistance provided for Cultural Arts programs or activities.

Miscellaneous Grants – Financial assistance provided for miscellaneous grant programs.

Sports Grants – Financial assistance provided for Sports programs or activities.

Housing Rehab Loans – Amount loaned to homeowners for housing rehabilitation purposes under the Community Development Block Grant (CDBG) program.

CDBG Grants – Payment to subrecipients of CDBG Grants.

Miscellaneous Loans – Loans other than for housing rehabilitation purposes under the CDBG program.

Department Allocations

Equipment Replacement Amortization – Department's share of the fund being set aside for the purpose of replacing equipment in the Equipment Replacement Program.

Supplies

Generally, these are items that are consumed.

Office Supplies – Purchased for office use. Examples are pen, folders, drinking water, and coffee.

Departmental Supplies – Items that are used for the programs of the department. Examples are food for the Senior Center, sports supplies for the Recreation Department, target supplies for the Police Department, and tools for Public Works.

Maintenance Supplies – Used for repairs and maintenance of equipment or building. Examples are bolts, screws, nails, janitorial supplies, etc.

Health & Safety Supplies – Used for health and safety purposes. Examples are goggles, safety shoes, hard hats, gloves, first-aid kits, VDT glasses, etc.

Contractual Services

Generally, amount paid for services rendered by organization or personnel not on the payroll of the City of Milpitas. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

Advertising – Costs of media services and associated costs. Media advertising includes magazines, newspapers, radio and television programs, direct mail, exhibits, and the like. Examples are advertising for such purposes as personnel recruitment, legal ads, new and used equipment and sale of property, and City Clerk notices of meetings.

Blueprinting – Usually are services provided to blueprint the engineering plans.

Contractual Services – Services rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement. Payment of fees to contractors to acquire license or permits for the City of Milpitas should be recorded in this account. NOTE: Copier charges should be paid from this account.

Contractual Services-PJ's Labor – Rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement for its Private Jobs (PJ). Examples are carpentry, painting, and other labor for the City's Private Jobs.

Audit Fees – Professional services provided by Certified Public Accountants (CPA) firms for the purpose of auditing the City's financial statements. Example is the Comprehensive Annual Financial Report.

Street Sweeping – Includes sweeping and washing streets, flushing gutters and underpasses and collecting and disposing of debris from streets and public roadways.

Repair & Maintenance – Repair and maintenance services provided by personnel not on the payroll of the City of Milpitas. This includes repair and maintenance of the City's buildings and equipment. Examples are vehicular, equipment, and/or facilities repair and maintenance. Cost of warranty obtained after the original equipment warranty expired or any warranties obtained after the purchase of the equipment should be recorded to this account. Annual maintenance agreement or contract on equipment should be recorded here.

Rents and Leases – Costs for renting or leasing land, buildings, equipment and vehicles for either temporary or long range use by the City of Milpitas. Agreement should not have an option to buy or to acquire ownership at the end of the lease term. (Please see Capitalized Leases, also).

Contributions to Non-City owned Capital Assets – Costs incurred in capital improvement projects that the City does not have the ownership of the property. These costs generally incurred by the City for the benefits of the residents in Milpitas but the property is owned by another government agency. For example, the City spent money to improve the I880/237 intersection to improve the quality of life for local residents, but the City does not own the intersection. CalTrain owns the intersection. For ACCOUNTING USE ONLY – GASB 34.

Legal Services

Retainers and Fees – Fees paid to engage the services of a professional adviser as an attorney.

ABAG Attorney's Fees – Fees paid to Associate Bay Area Government (ABAG) attorney.

ABAG Settlements – Costs paid to ABAG for settling insurance claims.

Litigation – Costs incurred to settling litigation or lawsuits. This should include costs incurred during legal proceedings.

Elections

Elections – Includes expenditures for holding general primary and special elections.

Communications

Communications – Except the categories below, any services provided by persons or businesses to assist in transmitting and receiving messages or information.

Phone-Local – Basic monthly telephone charges.

Computer Data Lines – Charges for computer data lines services such as internet user's fees and charges, T1 line monthly charges, and web site charges, if any.

Phone-Long Distance – Long distance telephone charges.

FAX – Fax line fees and charges.

Pagers – Pagers monthly fees.

Cellular Phones – Fees and charges associated with cellular telephones.

Fire Alarms – Fees and charges for usage and maintenance of fire alarm lines.

Police Alarms – Fees and charges for usage and maintenance of police alarm lines.

Utilities

Utilities – Expenditures for energy except gas, electric and water. Examples are bulk oil normally used for heating, and bulk gasoline or diesel purchase for non-transportation use. Gasoline or diesel purchased for transportation purposes should be charged to account 4223 departmental supplies.

Utilities-Gas – Gas purchased from a public or private utility company for the City of Milpitas facilities consumption.

Utilities-Electric – Electricity purchased from a public or private utility company for the City of Milpitas facilities consumption.

Utilities-Water – Water purchased for the City of Milpitas facilities consumption. Drinking water bottles purchased should be charged to account 4221 Office Supplies.

SFWD, Wholesale Water Purchase – Water purchased from San Francisco Water Department (SFWD) for resale to the residence and businesses being served by the City of Milpitas.

SCVWD, Wholesale Water Purchase – Water purchased from Santa Clara Valley Water District (SCVWD) for resale to the residence and businesses being served by the City of Milpitas.

Recycled Water Purchase – Purchased for resale to the businesses being served by the City of Milpitas. For irrigation use only.

Treatment Plant, Capital – City of Milpitas share of the Water Pollution Control Plant-Capital Improvement Program paid to City of San Jose.

Treatment Plant, M & O – City of Milpitas waste water treatment fees paid to City of San Jose – Maintenance and Operation.

Memberships, Training and Travel

Membership and Dues – Amount paid for an employee or group of employees of the City of Milpitas to be a member of an organization.

Professional Licensing – Fees paid for an employee of the City of Milpitas to acquire or renew a license or permit in order for him/her to exercise his/her profession. Examples are CPA and Civil Engineer licenses.

Training/Registration – Fees paid for a City of Milpitas employee to enroll or attend a seminar, workshop, and/or training class.

Lodging/Travel – This is the actual amount paid for a place to stay while a City of Milpitas employee is conducting out-of-the-office business (e.g. hotel accommodation). Airfare and other transportation expenses, except use of own vehicle, such as shuttle to airport and hotel, and car rental are recorded in this account. This is associated with approved travel request.

Meals for Meetings – Expenses incurred to provide food in conducting department and/or business meetings. Restaurant meals eaten off site must be approved in advance according to the SOP 8-1.

Per Diem – Specified daily meals, incidental expenses, and/or lodging allowance in lieu of actual meal(s), and/or lodging expenses incurred while conducting out-of-the-office business. This is associated with approved travel request. Per Diem rates vary according to your business destination. City of Milpitas' per diem rates are according to the Maximum Federal Per Diem Rates for Travel in Continental United States (CONUS). Please call the Accounting Services Division or refer to the current IRS Publication 1542 for the appropriate per diem rates of your business destination.

Mileage Reimbursement and Parking – Payment to an employee for the use of his/her vehicle to conduct out-of-the-office business including parking costs. According to the City of Milpitas SOP 6-1, Section 2d, "Mileage reimbursement shall be at the rate as set by the Internal Revenue Code and shall be reimbursed for the distance between home and destination or work and destination, whichever is less." Please call the Accounting Services Division or refer to the current IRS Publication 535 for the mileage rate.

Tuition Reimbursement – Amount reimbursed by the City of Milpitas to any employee qualifying for tuition reimbursement, based upon the City's policy. Please refer to the Memorandum of Understanding of each bargaining unit.

Commissions and Boards

Conference Expenses – For COMMISSIONS and BOARDS USE ONLY. This is for conference related expenses.

Non-Conference Expenses – For COMMISSIONS and BOARDS USE ONLY. This is for non-conference related expenses.

Insurance and Settlements

Liability – Payments of insurance premiums for general liability coverage, public official bond, administrative and property coverage.

Uncollectible Accounts

Uncollectible Accounts – Portion of a receivable not expected to be collected. For ACCOUNTING USE ONLY.

Collection Fees – Fees paid to a collection agent (bureau) for collecting monies owed the City from unpaid receivables. The fees are usually based on a percentage of the collected total amount.

Depreciation and Amortization

Depreciation & Amortization – Depreciation is the portion of the cost of a fixed asset charged as an expense during a particular period. Amortization is the portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. For ACCOUNTING USE ONLY.

Contingent Reserve

Contingent Reserve – Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, unsettled disputed claims. Includes reserve 1% of the General Fund Budget per the budget resolution, adjusted annually. For ACCOUNTING USE ONLY.

Loss on Sale

Loss on Sale – Records the loss incurred on sale of property or equipment. ACCOUNTING USE ONLY.

Adjustment – Service and Supplies

Reduced Funding – Budget amount to account for reduced funding.

Debt Service

Principal

Expenditures for periodic principal maturities of general obligation bonds or payments of principal on general long-term debt other than bonds.

Retirement of Principal – Payments of Bond Principal.

Principal – COP – Payments of Bond Principal – Certificate of Participation.

Principal – Advance – Payments of other debt principal – Advanced fund.

Interest

Periodic interest on general obligation bonds or interest payments on general long-term debt other than bonds.

Interest Expense – Bond interest payments.

Interest – COP – Bond interest payments – Certificate of Participation

Interest – Advance – Other debt interest payments-Advanced fund.

Contractual Obligation

Fiscal Agent's fees are payments made to financial institutions for services rendered in paying interest and redeeming debt at maturity.

Cost of Issuance – Payments to bond underwriters, legal fees and other costs associated with bond issuance.

Premium-Bond Prepayment

Premium-Bond Prepayment – Fees (redemption premium) paid for early bond call (bond or any portion of its principal redeemed and paid in advance of maturity).

Capital Outlay > $5,000

Items to be recorded to the object and detail codes under this category should have acquisition cost of *$5,000 or more per unit* and have a useful life of two or more years. Acquisition cost means the net invoice unit price of an item including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges such as taxes, duty, protective in-transit insurance, freight, and installation; and, extended warranties when purchased at the time of the equipment can be included in the acquisition cost. Please see FIXED ASSETS INVENTORY CONTROL and CAPITALIZATION POLICY, also.

Capital Outlay

Capital Outlay – Expenditures for the acquisition or construction of major capital facilities that do not fall under any of the Capital Outlay > $5,000 categories. This is usually the accumulation of the Capital Improvement Project's (CIP) expenditures by phase. Though CIPs expenditures are coded in detail, the result rolls up to this account by phase.

Land

Land – Purchase price plus legal and title fees, professional fees, surveying fees, site preparation cost, and/or any cost incurred to place land in condition for its intended use.

Land Improvements

Land Improvements – Permanent improvements, other than buildings, that add value or useful life to land. Examples are parking lot, fence and gates, retaining walls, fountains, swimming pools, tennis courts, trails and paths.

Buildings and Improvements

Buildings and Improvements – Permanent structures purchased or otherwise acquired by the City. Includes the principal amount of capital lease payments resulting in the acquisition of the building. Payments to building authorities or similar agencies are not to be included in the acquisition cost. The category includes improvements to buildings owned by the City of Milpitas. Examples are additional installation of heating and ventilating systems, and installation of fire protection system.

Infrastructure

Infrastructure – Public domain capital assets includes roads, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, landscape systems, storm systems and traffic systems.

Vehicles

Vehicles – Equipment used to transport persons or objects. Cost includes transportation charges, sales tax, installation costs and extended maintenance or warranty contracts, if purchased at the same time of the equipment. Examples are police cars, fire trucks, and maintenance trucks. Accessories and installation costs can be included if done during the purchase or within 30 days after the purchase of the vehicle.

Capitalized Leases

Capitalized Leases – Principal lease payments for land, building, and/or equipment that will be acquired or subject for ownership within the term of the lease or at the end of the lease. Once acquired, it will be reclassified as land, building, or equipment. Lease contract usually has a clause indicating the option to buy.

Machinery and Equipment

Machinery and Equipment – Any single machinery or equipment except vehicles and computer hardware and software, with an acquisition cost of $5,000 or more per unit and have a useful life of two or more years. Examples of machinery and equipment are printing press, lathe machines, drill presses and movable generators.

Computer Hardware – Example is a server.

Computer Software – Examples are the Accounting Software being utilized by the City of Milpitas Finance Department and the Best Fixed Assets system.

Furniture and Fixtures

Furniture and Fixtures – Office furniture and building fixtures.

Adjustments – C I P

Adjustments – CIP – Account being used to record year-end CIP adjustments in accordance to the Generally Accepted Accounting Principles (GAAP) to reclassify CIP capital expenditures to the Fixed Assets.

Capital Outlay < $5,000

In addition to the fixed asset categories above, the City of Milpitas performs a risk assessment on City assets to identify those at risk or vulnerable to loss. Items that have a unit acquisition cost of less than $5,000 but are vulnerable to loss is to be recorded to the following detail codes. Items that are not falling under the categories below should be charged to supplies categories.

Office Furniture and Fixtures

Office Furniture and Fixtures – Examples are chair, table, dividers and workstations.

Machinery and Equipment

Machinery and Equipment – Examples are fax machines, firearms, weapons, and defibrillators.

Computer Hardware – Examples are desktop computers, laptops, printers, and scanners.

Computer Software – Examples are application and utility programs such as Microsoft Windows programs.

Electronic Equipment – Examples are cell phones, radios, PDAs, digital cameras, VCRs, and televisions.

Hydrants and Meters

Hydrants and Meters – Cost of fire hydrants and water meters.

List of Funds

100	General Fund
100	General
102	Library
104	Cable Rebate
105	Abandoned Vehicle Abatement
120	Browning Ferris Holding
130	Private Job Developer Deposits
200	Special Revenue Funds
211	Hetchy-Hetchy Ground Lease
212	Public Art-Restricted
213	Public Art-Nonrestricted
221	Gas Tax
235	95-1 Lighting and Landscape Maint. District
236	98-1 Lighting and Landscape Maint. District
237	2005 Community Facility District
250	Housing and Community Development
251	Housing and Community Dev Loan
261	Supplemental Law Enforcement Services
262	State Asset Seizure
263	Federal Asset Seizure
267	Justice Assistance Grant
280	Solid Waste Services
281	Solid Waste Reduction
290	Housing Reserve
300	Capital Projects Funds
310	Street Improvement
311	Street CIP
312	Traffic Impact Fees
313	Traffic Congestion Relief
320	Park Improvement
321	Park Improvement CIP
322	Midtown Park Fee
330	General Government
331	General Government CIP
332	2000 Technology COP
340	Storm Drain Development
341	Storm Drain CIP
350	Transit Area Impact Fee
390	Redevelopment Project
391	Redevelopment CIP
392	1997 RDA Tax Allocation Bonds CIP
395	2003 RDA Tax Allocation Bonds CIP
400	Enterprise Funds
400	Water Maintenance and Operation
401	Water CIP
402	Water Line Extension
405	Water Infrastructure Replacement
406	Recycled Water
450	Sewer Maintenance and Operation
451	Sewer CIP
452	Treatment Plant Construction
453	Sewer 2006 COPS
455	Sewer Infrastructure Replacement
500	Internal Service Funds
500	Equipment Management
505	Information Technology Rplcmt
506	Permit Automation Fund
600	Agency Funds
602	Deferred Compensation
618	Local Improvement District #18
641	Short Term Disability

643	MSA MOU Contractual Agreement
644	Police MOU Contractual Agreement
645	Police Command Staff Benefits
646	PROTECH MOU Contractual Agreement
647	LIUNA MOU Contractual Agreement
648	IAFF MOU Contractual Agreement
649	Unrep MOU Contractual Agreement
681	LID #18 - Reassessment and Refunding
682	LID #18 - 1998 Bond Series A
683	LID #20 - 1998 Bond Series A
684	LID #21 - Refunding of LIDs #9R & #12R
691	Senior Advisory Commission

List of Departments/Divisions/Functions

- 1 City Manager
  - 10 City Council
    - 100 City Council
  - 11 City Manager
    - 111 City Manager
    - 114 City Clerk
    - 116 RDA & Economic Development
- 11 Information Services
  - 14 Information Services
    - 112 Information Services
- 12 Human Resources
  - 15 Human Resources
    - 115 Human Resources
- 13 Building and Safety
  - 53 Building and Safety
    - 531 Building Inspection Services
    - 532 Plan Checking
    - 533 Building Administration
    - 534 Permit Center
    - 535 Public Work Inspection Services
- 2 City Attorney
  - 12 City Attorney
    - 120 City Attorney
- 3 Finance
  - 30 Finance Administration
    - 300 Finance Administration
  - 31 Accounting Services
    - 310 Accounting Services
  - 32 Fiscal Services
    - 322 Receivables
    - 323 Utilities
  - 33 Purchasing
    - 330 Purchasing
- 4 Public Works
  - 42 Public Works
    - 400 Public Works Administration
    - 421 Street Maintenance
    - 423 Utility Maintenance
    - 425 Trees & Landscape Maintenance
    - 426 Fleet Maintenance
    - 427 Facilities Maintenance
  - 41 Engineering
    - 411 Engineering Administration
    - 412 Design and Construction
    - 413 Land Development
    - 415 Traffic Engineering
    - 416 Utility Engineering
    - 417 Special Projects
    - 430 Solid Waste
- 5 Planning and Neighborhood Services
  - 51 Planning and Neighborhood Services
    - 512 Planning
    - 551 Neighborhood Services
- 6 Parks and Recreation
  - 44 Parks
    - 424 Park Maintenance
  - 45 Recreation
    - 161 Recreation Administration
    - 162 Senior Citizen Services
    - 163 Preschool
    - 164 Youth Program
    - 166 Teens
    - 167 Special Events
    - 168 Cultural Arts
    - 169 Rainbow Theatre
    - 170 General Classes
    - 171 Aquatics
    - 172 Sports and Fitness Classes
    - 173 Adult Sports
    - 174 Volunteer Services

7 Police

- 70 Police Administration
  - 700 Police Administration
- 71 Support Services Bureau/Technical Services
  - 711 Records
  - 712 Training and Personnel
  - 713 Communications
- 72 Operations Bureau/Field Services
  - 721 Patrol Services
  - 722 Traffic
  - 723 Crossing Guards
- 73 Support Services Bureau/Special Operations
  - 714 Community Relations/Youth Services
  - 724 Investigations

8 Fire

- 80 Fire Administration
  - 801 Fire Administration
- 81 Emerg Resp & Prep Division
  - 811 Emerg Resp & Prep Div Admin
  - 812 A/B/C Battalions Operations
  - 840 Disaster Prep & Public Education
- 82 Prevention Division
  - 821 Prevention Division Admin
  - 822 Inspection & Investigation
  - 823 Hazardous Materials Regulation
  - 824 Fire Plan Check & Permits

9 Non-Departmental

- 91 Non-Departmental
  - 910 Non-Departmental
- 92 Debt Service
  - 920 Debt Service
- 93 Equipment to be Depreciated
  - 930 Equipment to be Depreciated
- 95 Other Functions
  - 951 Capital Improvement Projects
- 98 Senior Advisory Commission
  - 981 Senior Advisory Commission

List of Revenues

300 Property Taxes

- 3010 Property Taxes-Current
  - 3010 Property Taxes-Current
  - 3011 Current-Secured Property Taxes
  - 3012 Current-Unsecured Property Taxes
  - 3531 Property Tax, Supplemental
- 3020 Property Taxes-Prior
  - 3020 Property Taxes-Prior
  - 3021 Prior-Secured Property Taxes
  - 3022 Prior-Unsecured Property Taxes

310 Other Taxes

- 3110 Sales and Use Tax
  - 3110 Sales and Use Tax
  - 3111 .5% Sales and Use Tax
- 3120 Real Estate Transfer Tax
  - 3120 Real Estate Transfer Tax
- 3130 Franchise Tax
  - 3131 Electric Franchise
  - 3132 Gas Franchise
  - 3133 Garbage Franchise-Commercial
  - 3134 Garbage Franchise-Non-Commercial
  - 3135 Solid Waste-Community Relations
  - 3136 Solid Waste-Household Haz Waste
  - 3137 Nitrogen Gas Franchise
  - 3138 CATV Franchise
  - 3139 County-wide AB 939 Fees
- 3140 Business License Tax
  - 3140 Business License Tax
- 3150 Hotel/Motel Tax
  - 3151 Beverly Heritage
  - 3152 Embassy Suites
  - 3153 Crowne Plaza
  - 3154 Sheraton
  - 3155 Best Western-Brookside
  - 3156 Larkspur Landing
  - 3157 Park Inn
  - 3158 Audited TOT
  - 3160 Executive Inn
  - 3161 Days Inn
  - 3162 Extended Stay of America
  - 3163 Hampton Inn-Milpitas
  - 3164 Hilton Garden Inn
  - 3165 Homestead Village
  - 3166 Marriott Courtyard
  - 3167 Milpitas Travelodge
  - 3169 Residence Inn by Marriott
  - 3170 Best Value Inn
  - 3171 Towneplace
  - 3172 Stay Bridge Suites

320 Licenses and Permits

- 3210 Building Permits
  - 3210 Building Permits
  - 3211 Plan Check Revisions
  - 3212 After Hour Plan Check
  - 3213 After Hours Inspection
  - 3214 Re-inspection
  - 3215 Dedicated Building Services
  - 3216 Mobile Home Inspections
  - 3217 Plan Check
  - 3218 Building Investigation
- 3220 Fire Permits (Annual)
  - 3220 Haz Mat Const Permits & Insp
  - 3221 Life Safety Const Permits & Insp
  - 3222 Haz Mat Annual Permits & Insp
  - 3223 Fire Penalties
  - 3224 Hazardous Waste Fees
  - 3225 Non-Pt Source Permits & Insp
- 3240 Life Safety Annual Permits and Insp
  - 3240 Life Safety Annual Permits & Insp
  - 3241 Haz Mat Construction Permits
- 3250 Fire Inspections
  - 3250 Fire Inspections
  - 3251 Building Standards and Life Safety

330 Fines and Forfeits

- 3300 Fines and Forfeits
  - 3301 Vehicle Code Fines
  - 3302 Other Court Fines
  - 3304 Hazardous Materials Fines
  - 3305 Booking Fees
  - 3306 NBO Violation Fees
  - 3307 Impound Fees
  - 3308 Animal Violations
  - 3309 False Alarm Fee
  - 3310 Fire Administrative Citation
  - 3311 Building Administrative Citation
  - 3312 Planning Administrative Citation
  - 3313 PW Municipal Code Fines
  - 3321 Urban Runoff Fines

340 Revenues from Use of Money

- 3430 Investments
  - 3430 Interest Income
  - 3431 Pooled Interest (nonallocation)
  - 3432 Cash with Fiscal Agents
  - 3433 Other Interest Income
  - 3434 Pooled Interest (allocation)
  - 3435 Gain on Sale of Investments
  - 3436 Market Value Gain/Loss on Inv
  - 3437 Gain on Bond Refunding

350 Intergovernmental Revenue

- 3510 In Lieu Tax
  - 3511 Motor Vehicle In Lieu Tax
  - 3512 State Trailer Coach In Lieu Tax
- 3520 Tax Relief
  - 3521 Homeowners Property Tax Relief
  - 3522 Business Inventory Tax Relief
- 3530 Tax
  - 3532 Off-Highway Tax
- 3540 Gas Tax
  - 3545 Section 2105-Gas Tax
  - 3546 Section 2106-Gas Tax
  - 3547 Section 2107-Gas Tax
  - 3548 Section 2107.5-Gas Tax
- 3550 Federal Contributions
  - 3551 Federal Contrib-General Gov't
  - 3553 Federal Contrib-Building
  - 3555 Federal Contrib-Public Works
  - 3556 Federal Contrib-Recreation
  - 3557 Federal Contributions-Police
  - 3558 Federal Contributions-Fire
  - 3559 Federal Contributions-Planning
- 3560 State Contributions
  - 3561 State Contrib-General Gov't
  - 3562 POST Grant
  - 3563 State Contributions-Building
  - 3565 State Contrib-Public Works
  - 3566 State Contributions-Recreation
  - 3567 State Contributions-Police
  - 3568 State Contributions-Fire
  - 3569 State Contributions-Planning
- 3570 County Contributions
  - 3571 County Contrib-General Gov't
  - 3572 S Bay Water Recycling Prog
  - 3573 County Contributions-Building
  - 3575 County Contrib-Public Works
  - 3576 County Contrib-Recreation
  - 3577 County Contributions-Police
  - 3578 County Contributions-Fire
  - 3579 County Contributions-Planning
- 3580 Other Restricted Grants
  - 3581 Other Restricted Grants-General
  - 3582 SB90 Grant
  - 3583 Other Restricted Grants-Building
  - 3585 Other Restricted Grants-Pub Wks
  - 3586 Other Restricted Grants-Rec
  - 3587 Other Restricted Grants-Police
  - 3588 Other Restricted Grants-Fire
  - 3589 Other Restricted Grants-Planning
- 3590 Misc Unrestricted Intergovernmental
  - 3591 Misc Unrestricted Intergov'l
  - 3592 ERAF Refund

360 Charges for Services

- 3600 General Government
  - 3601 Gen Government Service Charges
  - 3602 Sales of Maps and Documents-GG
  - 3603 Rents, Lease and Concession-GG
  - 3604 B L Processing Fee
  - 3609 PJ Legal Reimbursement
- 3610 Public Works and Engineering Services
  - 3611 PJ Overhead Charges - PW/E
  - 3612 PJ Labor Reimbursement - PW/E
  - 3613 PJ Vendor Reimbursement- PW/E
  - 3614 Assessment for Capital Purpose
  - 3615 Public Works & Eng Service Charges
  - 3616 PW & Eng Plan Check Fee
  - 3618 Sales of Maps & Documents - PW/E
  - 3619 Rents, Lease & Concession - PW/E
  - 3671 Public Works Service Charges
  - 3672 Public Works Cost Recovery
- 3620 Water and Sewer Charges
  - 3621 Water Charges
  - 3622 Water Service Agreements
  - 3623 Metered Water Sales
  - 3624 Other Water Sales
  - 3625 Excess Water Use Charges
  - 3626 Construction Water
  - 3627 Water and Sewer Reimbursements
  - 3628 Sewer Service Charges
- 3630 Fire Services
  - 3631 PJ Overhead Charges - Fire
  - 3632 PJ Labor Reimbursement - Fire
  - 3633 Fire Cost Recovery
  - 3634 Unwanted Alarms-Fire
  - 3635 Fire Enforcement-Penalties
  - 3636 Fire Enforcement-Training
  - 3637 Fire Service Charges
  - 3638 Sales of Maps & Docs-Fire
  - 3639 Fire Electronic Archieve Fee
  - 3691 Fire GIS Mapping Fee
- 3640 Police Services
  - 3641 Police Service Charges
  - 3643 Fingerprints
  - 3644 Sales of Maps & Docs-Police
  - 3645 Police Cost Recovery
  - 3646 Rents, Lease & Concess-Police
  - 3647 DUI-Police Cost Recovery
- 3650 Recreation Services
  - 3651 Rents, Lease & Concess-Rec
  - 3652 Recreation Fees
  - 3653 Senior Nutrition Fees
  - 3654 Sales of Maps & Docs-Rec
  - 3655 Sales of Merchandise-Rec
- 3660 Building Services
  - 3661 Sales of Documents-Building
  - 3662 Records Retention Fee
  - 3663 Building Service Charges
  - 3664 Overhead Chgs Reimbursemt
  - 3665 PJ Overhead Chgs - Building
  - 3666 PJ Labor Reimbursemt - Building
  - 3667 Building State Mandated Stds Fee
- 3680 Planning Services
  - 3617 Planning Fees
  - 3681 PJ Overhead Charges - Plan
  - 3682 PJ Labor Reimbursement - Plan
  - 3683 PJ Vendor Reimbursement - Plan
  - 3684 Sales of Maps & Documents - Plan
  - 3685 Housing & Neighborhood Svcs

Miscellaneous Revenue

- 3710 Development
  - 3710 Development
  - 3711 Storm Drain Connection Fee
  - 3712 Park Development Fees
  - 3713 Sewer Permit Fees
  - 3714 Treatment Plant Fees
  - 3715 Connection Fees
  - 3716 Fire Hydrant Fees
  - 3717 Encroachment Permit Fees
  - 3718 Impact Fees
- 3720 Special Assessments
  - 3720 Special Assessments
  - 3721 Special Assessments-Prepayments
- 3730 Recycling
  - 3730 Recycling

3740 Reimbursements
- 3741 Repayment
- 3742 Principal
- 3743 Interest Income
- 3744 Advance-Principal Repayment
- 3745 Advance-Interest Earnings
- 3746 HazMat Incidents

3750 Donations
- 3750 Donations

3760 Developer Contribution
- 3760 Developer Contribution

3770 Sale of Property, Plant and Equipment
- 3770 Sale of Property, Plant & Equipment
- 3771 Fire Safe Program
- 3772 Police Abandon Properties

3790 Miscellaneous Revenue
- 3791 Cash Over/(Short)
- 3792 Clearing, Various
- 3799 Miscellaneous Other Revenue

List of Expenditures

410 Personnel Services

- 4110 Wages
  - 4111 Permanent
  - 4112 Temporary
  - 4113 Overtime
- 4120 Allowances/Leaves
  - 4121 Allowances
  - 4124 Leave Cashout
  - 4125 Accrued Leave
- 4130 Benefits
  - 4131 PERS
  - 4132 Group Insurance
  - 4133 Medicare
  - 4135 Workers' Compensation
  - 4136 Unemployment
  - 4137 MOU Contractual Agreements
  - 4138 Deferred Compensation
  - 4139 PARS
- 4140 Adjustments-Payroll
  - 4141 Payroll Adjustment
  - 4142 Vacancy Factor
  - 4143 Charged to CIPs
  - 4144 Reduced Funding
- 4160 Retiree Benefits
  - 4161 Retiree Medical Reserve
  - 4162 Retiree Medical Payment
  - 4163 Retiree Medical Reimbursement

420 Services and Supplies

- 4200 Community Promotions, Grants and Loans
  - 4201 Community Promotions
  - 4202 Community Promotions-CC Allocated
  - 4203 Community Promotions-CC Unallocated
  - 4204 Cultural Arts Grants
  - 4205 Miscellaneous Grants
  - 4206 Sports Grants
  - 4207 Housing Rehab Loans
  - 4208 CDBG Grants
  - 4209 Miscellaneous Loans
- 4210 Department Allocations
  - 4211 Equipment Replacement Amortization
- 4220 Supplies
  - 4221 Office
  - 4223 Departmental
  - 4224 Maintenance
  - 4225 Health and Safety
- 4230 Services
  - 4231 Advertising
  - 4232 Blueprinting
  - 4237 Contractual Services
  - 4238 Contractual Services/PJs'
  - 4239 Audit Fees
  - 4240 Street Sweeping
  - 4241 Repair and Maintenance
  - 4242 Rents and Leases
  - 4243 Contributions to Non-City
- 4250 Legal Services
  - 4252 Retainers and Fees
  - 4253 ABAG Attorney's Fees
  - 4254 ABAG Settlements
  - 4255 Litigation
  - 4256 IBNR Adjustment
- 4280 Elections
  - 4280 Elections

440 Communications and Utilities

- 4410 Communications
  - 4411 Phone-Local
  - 4412 Computer Data Lines
  - 4413 Phone-Long Distance
  - 4414 FAX
  - 4415 Pagers
  - 4416 Cellular Phones
  - 4417 Fire Alarms
  - 4418 Police Alarms
- 4420 Utilities
  - 4421 Gas
  - 4422 Electric
  - 4423 Water
  - 4424 SFWD, Wholesale Water
  - 4425 SCVWD, Wholesale Water
  - 4427 Recycled Water Purchase
  - 4428 Treatment Plant, Capital
  - 4429 Treatment Plant, M & O

450 Memberships, Training and Travel

- 4500 Memberships, Training and Travel
  - 4501 Memberships and Dues
  - 4502 Professional Licensing
  - 4503 Training and Registration
  - 4505 Lodging and Travel
  - 4506 Meals for Meetings
  - 4507 Per Diem
  - 4508 Mileage Reimbursement and Parking
  - 4509 Tuition Reimbursement
- 4520 Commissions and Boards
  - 4521 Conference Expenses
  - 4522 Non-Conference Expenses

460 Insurance Settlements and Contingencies

- 4600 Insurance and Settlements
  - 4602 Liability
- 4610 Uncollectible Accounts
  - 4610 Uncollectible Accounts
  - 4611 Collection Fees
- 4630 Depreciation and Amortization
  - 4630 Depreciation and Amortization
- 4640 Contingent Reserve
  - 4640 Contingent Reserve
- 4650 Loss on Sale
  - 4650 Loss on Sale
- 4660 Other Miscellaneous and Corrections
  - 4660 Other Miscellaneous and Corrections

470 Debt

- 4700 Principal
  - 4701 Retirement of Principal
  - 4702 Principal-COP
  - 4703 Principal-Advance
- 4710 Interest
  - 4711 Interest Expense
  - 4712 Interest-COP
  - 4713 Interest-Advance
- 4720 Contractual Obligation
  - 4720 Contractual Obligation
  - 4721 Cost of Issuance
- 4730 Premium- Bond Prepayment
  - 4730 Premium- Bond Prepayment

480 Capital Outlay > $5,000

- 4800 Capital Outlay
  - 4800 Capital Outlay
- 4810 Land
  - 4811 Land
- 4820 Land Improvements
  - 4821 Land Improvements
- 4830 Buildings and Improvements
  - 4831 Buildings and Improvements
- 4840 Infrastructure
  - 4841 Infrastructure
- 4850 Vehicles
  - 4851 Vehicles
- 4860 Capitalized Leases
  - 4864 Capitalized Leases
- 4870 Machinery and Equipment
  - 4873 Machinery and Equipment
  - 4874 Computer Hardware
  - 4875 Computer Software
- 4880 Furniture and Fixtures
  - 4881 Furniture and Fixtures

490 Capital Outlay < $5,000

- 4910 Office Furniture and Fixtures
  - 4911 Office Furniture and Fixtures
- 4920 Machinery, Tools and Equipment
  - 4921 Machinery, Tools & Equipment
  - 4922 Computer Hardware
  - 4923 Computer Software
  - 4924 Electronic Equipment
- 4930 Hydrants and Meters
  - 4931 Hydrants
  - 4932 Meters

Abbreviations and Acronyms

AANET	Allied Agency Narcotics Enforcement Team
AB	Assembly Bill
ABAG	Association of Bay Area Governments
ADA	Americans with Disabilities Act
ALS	Advanced Life Support
AMR	American Medical Response
AP	Accounts Payable
AR	Accounts Receivable
Auth FTE	Authorized Full-Time Equivalent positions
AVASA	Abandoned Vehicle Abatement Service Authority
AWS	Allied Waste Services
BAAQMD	Bay Area Air Quality Management District
BART	Bay Area Rapid Transit
CAD	Computer Aided Dispatch
CAFR	Comprehensive Annual Financial Report
Caltrans	California Department of Transportation
CAPER	Consolidated Annual Plan & Performance Eval Rpt
CATV	Cable Television
CDBG	Community Development Block Grant
CEQA	California Environmental Quality Act
CIP	Capital Improvement Program
CIT	Counselor in Training Program
CMAS	California Multiple Awards Schedule
CMO	City Manager's Office
CO	Certificate of Occupancy
COBRA	Consolidated Omnibus Budget Reconciliation Act
COMPST	Computerized Statistics
COPs	Certificates of Participation
COPS	Community Oriented Policing Services
CPI	Consumer Price Index
CPR	Cardio-Pulmonary Resuscitation
CRS	Community Rating System
CSMFO	California Society of Muni Finance Officers
DARE	Drug Abuse Resistance Education
DDA	Disposition and Development Agreement
DMV	Department of Motor Vehicles
DOHS	Department of Health Services
DPC	Document Processing Center
DPW	Department of Public Works
DUI	Driving Under the Influence
EAP	Employee Assistance Program
EIR	Environmental Impact Report
EMD	Emergency Medical Dispatch
EMT	Emergency Medical Technician
EOC	Emergency Operations Center
EPA	Environmental Protection Agency
EPC	Emergency Preparedness Commission
ERAF	Educational Revenue Augmentation Fund
FBI	Federal Bureau of Investigation
FEMA	Federal Emergency Management Admin
FPPC	Fair Political Practices Commission
FICA	Federal Insurance Contributions Act
FMLA	Family Medical Leave Act
FTA	Federal Transit Authority
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GPS	Global Positioning System
Haz Mat	Hazardous Materials
HCD	Housing and Community Development
HMO	Health Maintenance Organization
HR	Human Resources
HUD	Housing and Urban Development
I	Interstate
ICMA	Intern'l City/County Mgmt Association
IS	Information Services
IVR	Integrated Voice Recognition
JPA	Joint Power Authority
KB	Kaufman & Broad
LAFCO	Local Agency Formation Commission
LIUNA	Laborers' International Union of N. America
LID	Local Improvement District
LLEBG	Local Law Enforcement Block Grant
LMD	Light & Landscape Maintenance District
M & O	Maintenance and Operation
MEA	Milpitas Employees Association
MLS	Major League Soccer
MOU	Memorandum of Understanding
MSA	Milpitas Supervisors Association
MUSD	Milpitas Unified School District
MVP	Milpitas Volunteer Program
NAIOP	Nat Assoc of Industrial & Office Properties
NBO	Neighborhood Beautification Ordinance

EMS	Emergency Medical Service
O&M	Operating and Maintenance
OES	Office of Environmental Services
OPA	Owner Participation Agreement
OSHA	Occupational Safety and Health Admin
PAL	Police Athletic League
PC	Planning Commission
PCR	Police Community Relations
PERS	Public Employees Retirement System
PLAN	Pooled Liability Assurance Network
POST	Peace Officers Standards and Training
PPO	Preferred Provider Organization
PRCRC	Parks, Recreation and Cultural Resour Com
PRV	Pressure Reducing Valves
PUC	Public Utility Commission
RAP	Recreation Assistance Program
R & D	Research and Development
RDA	Redevelopment Agency
RFP	Request for Proposal
RMS	Records Management System
RWQCB	Regional Water Quality Control Board
SAFE	Strategic Actions For Emergencies
SBDC	Small Business Development Center
SBWRP	South Bay Water Recycling Program
NOVA	North Valley Private Industry Council
SCRMA	Southern California Risk Mgmt Association.
SCVWD	Santa Clara Valley Water District
SEMS	Standardized Emergency Managemt System
SLETS	Sheriff's Law Enforcement Telecom System
SOP	Standard Operating Procedure
SV-ITS	Silicon Valley Intelligent Transportation
SWAT	Special Weapons and Tactics
TABs	Tax Allocation Bonds
TAG	Technology Application Group
TIA	Traffic Impact Analysis
TDM	Transportation Demand Management
TOT	Transient Occupancy Tax
UBC	Uniform Building Code
UCR	Uniform Crime Reports
UFC	Uniform Fire Code
VLF	Vehicle License Fee
VTA	Valley Transportation Authority
WMD	Weapons of Mass Destruction
WPCP	Water Pollution Control Plant
YBA	Youth Basketball Association
YSB	Youth Service Bureau
YTD	Year to Date

Glossary of Terms

Accrual Basis — A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received and spent.

Accomplishment — Programs and activities successfully completed in the prior fiscal year.

Agency Funds — One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

Appropriation — An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Appropriations Limit — Proposition 4 approved by the voters in 1980 limits the amount of money that cities may spend each year. This limit is set each year based on the amount that was appropriated in 1978-79 and adjusted each year for population growth and a cost-of-living factor.

Assessed Valuation — The value of real property and improvements, as determined by the County Assessor, against which the property tax levy is assessed.

Asset — Resources owned or held by a government that have a monetary value.

Balanced Budget — A balanced budget is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from prior year are equal to or exceed operating expenditures.

Bond — A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Budget — A plan of financial operation embodying an estimate of proposed expenditures for a given period of time and the proposed means of financing them.

Budgetary Basis — This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Calendar — The schedule of key dates which government follows in preparation and adoption of the budget.

Budgetary Integration — The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of the available appropriations and resources. A system of controls to ensure and demonstrate budgetary compliance with uncommitted balance of appropriations (avoid overspending or over committing budget) and unrealized revenues (monitor on an ongoing basis to determine whether spending reductions are needed to keep the budget in balance).

Building Permit Fee — Fee required for new construction or for any alteration or addition to a residence or commercial building. The fee is based on valuation. Electrical or plumbing/mechanical work also requires a similar permit with an itemized fee schedule.

Business License Tax — A tax imposed upon businesses in the community. The fee is a flat rate plus a minimal charge per employee.

Capital Assets — Assets of significant value and having a useful life of several years (the term fixed assets is also used).

Capital Budget — A plan of proposed capital expenditures and the appropriations to finance them. The capital budget is usually enacted as part of the complete annual budget that includes both an operating component and a capital component. The capital budget should be based on a capital improvement program (CIP) and is typically the first year of a multi-year CIP.

Capital Expenditures — Expenditures that result in the acquisition of, or addition to, capital assets or infrastructure. Examples of capital expenditures are expenditures for the acquisition of land and land Improvements; construction of, or additions to, buildings, infrastructure, and other public facilities; and purchases of furniture, machinery and equipment with a useful life of two or more years and an acquisition cost of $5,000 or more per unit.

Capital Improvement — Projects which purchase or construct capital assets. Typically capital improvements include new street improvements, park development, the acquisition of land, major construction of public facilities, and major maintenance/repair projects such as street resurfacing or modifications to public facilities.

Capital Improvement Program — A comprehensive five-year plan of implementing proposed capital projects which identifies priorities as to need, cost, and method of financing during the next five years. The first year of the CIP is typically adopted as the current capital budget.

Capital Projects Fund — Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Capital Outlay — Expenditure for the acquisition of equipment for direct services, (i.e. computers, communication radios, etc.). Capital Outlay is a line item in the operating budget and usually contains items that should be depreciated for future replacement.

Comprehensive Annual Financial Report (CAFR) — The official annual financial report for the City. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principals (GAAP).

Contingency Reserve — A specific line item appropriation from which to distribute additional funds to decision units for salary increases resulting from employee contract negotiations and to pay for emergencies or unanticipated expenditures that from time to time arise during the course of a fiscal year.

Contractual Services — Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements and professional consulting services.

Debt Service — Payment of interest and repayment of principal to holders of the City's debt instruments.

Defeasance — The legal release of a debtor from being the primary obligor under the debt, either by the courts or by the creditor.

Department — An organizational unit of government which is functionally unique in its delivery of services.

Discount — The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Effectiveness — The degree to which an entity, program or procedure is successful at achieving its goals and objectives.

Efficiency — The degree to which an entity, program or procedure is successful at achieving its goals and objectives with the least use of scarce resources. Efficiency necessarily presupposes effectiveness.

Encumbrances — Commitments against an approved budget for unperformed (executed) contracts for goods and services. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Enterprise Fund — Used to account for specific services, i.e. water and sewer, which are funded directly by fees and charges to external users.

Equipment Charges — Charges or "rental fees" charged to user departments to defray the cost of maintaining the equipment used and to replace the equipment when it exceeds its useful life.

Expenditure — The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense — Charges incurred for operations, maintenance, interest or other charges.

Final Budget — The budget document adopted by resolution following the budget hearings in June of each year. The document formally incorporates any Council changes to the preliminary budget, resulting from the budget hearings.

Fiscal Year — The financial year for the City of Milpitas is July 1 through June 30 of the subsequent year.

Fixed Assets — Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture or other equipment.

Franchise Fee — A regulatory fee charged to utility companies for the privilege of doing business in the City of Milpitas, i.e. garbage franchise fee, gas and electric franchise fee, and nitrogen gas franchise fee.

Function — A discrete entity such as an organizational unit or groupings of interrelated programs within a department or division whose appropriations for salaries, services and supplies, and capital outlay can easily be subjected to analysis in the budget process.

Fund — An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created.

Fund Balance — Also know as financial position, fund balance is the excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other uses.

Gas Tax — Share of revenue derived from the State taxes on gasoline.

General Fund — The main operating fund of the City.

Government Accounting Standards Board (GASB) — A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Governmental Funds — Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

Hotel/Motel Tax — A transient occupancy (less than 30 days at a hotel or motel) tax imposed for general purposes. The tax is currently 10% of receipts.

Infrastructure — The physical assets of a government (i.e. streets, water and sewer systems, public buildings and parks).

Interest — Income resulting from the prudent investment of idle cash. The types of investments are controlled by the City's Investment Policy in accordance with the California Government Code.

Internal Service Funds — Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary government and its component units or to other governments on a cost-reimbursement basis.

Legal Level of Budgetary Control — The lowest level at which a government's management may not reallocate resources without special approval from the legislative body.

Level of Service — A description of the services provided, or activities performed, and the cost and personnel requirements.

Line Item — The description of an object of expenditure, i.e. salaries, supplies, contract services, etc.

Materiality — The magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstance, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement. The objective of accountability in governmental financial reporting requires materiality to be judged in both a quantitative and qualitative manner (involves such issues as legal and contractual compliance).

Modified Accrual Basis — A basis of accounting in which revenues are recognized when measurable and available and expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and accumulated unpaid vacation, sick pay and other employee benefit amounts, which are recognized as expenditures to the extent they have matured.

Motor Vehicle In Lieu — A share of the revenue derived from registration fees charged by the State.

Objective — Program or activity intended to be implemented in the ensuing fiscal year.

Operating Budget — A financial plan for the provision of direct services and support functions.

Overhead Charges — A charge made to a developer account or the Redevelopment Agency to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account.

Park Development Fee — The fee paid by a developer or sub-developer for park or recreation purposes in lieu of the dedication of land.

Personal Services — Expenditures for salaries, wages and fringe benefits of a government's employees.

Personnel Allotment — List of full-time and part-time employees required to support a division or function, listed by their classification or title.

Personnel Analysis — Changes to personnel allotment from the previous fiscal year. Reorganizations, reclassifications and reallocation of resources are highlighted in this section.

Performance Indicators — Quantitative measures of accomplishments and objectives, sometimes known as workload/performance measures.

Prior-Year Encumbrances — Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be an encumbrance when the obligations are paid or otherwise terminated.

Property Tax — A tax imposed on real property (land and permanently attached improvements) based upon the assessed value of the property. The tax rate may not exceed 1% of assessed value.

Proposed Budget — The budget document recommended by the City Manager that is approved as may be amended by the City Council during budget hearings. The hearings are held in June, and the approval of the Preliminary Budget gives spending authority effective each July 1st for the subsequent fiscal year.

Proprietary Funds — Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Recreation Fees — Charges for services provided to participants of Community and Recreation Services' classes, activities, and recreational sports.

Redevelopment — The planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation of real property, and the provision of such residential, commercial, industrial, public, or other structures appropriate to the general welfare of the City.

Rents and Concessions — Charges for group rentals of City facilities.

Reserves — A savings account maintained for restricted use, i.e. self-insurance programs, capital improvement projects, or for unrestricted use to protect the City from emergencies or unanticipated expenditures.

Revenue Analysis — Departmental revenue sources are described. Revenue increases, decreases and strategies are highlighted in this section.

Sales Tax — Of the $.0825 sales tax paid on every $1.00 spent when shopping in Milpitas, $.01 is returned to the City.

Supplies and Contractual Services — The category of line items that describe non-salary and non-capital outlay expenditures.

Special Revenue Fund — Used to account for revenue that is set aside for restricted use, e.g. gas tax receipts are set aside in such a fund to be used solely for street improvements.

Supplemental Appropriation — An additional appropriation made by the governing body after the budget year has started.

Taxes — Compulsory charges levied by a government for the purposes of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Tax Increment Revenue — Property tax generated within the redevelopment project area that accrues solely to the Milpitas Redevelopment Agency.

Transfers In/Out — Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Undesignated Unreserved Fund Balance — Available expendable financial resources in a governmental fund that are not the object of tentative management plans (designations).

Workload/Performance Measures — Quantitative measures of services provided, or activities performed, by an organizational unit.

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