



2010-2011 Budget & Financial Plan

PROPOSED BUDGET

Celebrating Milpitas



Halloween, The Enchanted Forest



Summer Concert



Veterans Day Ceremony



Red, White, & Boom Concert & Fireworks Show

City of Milpitas
CALIFORNIA



2010-2011 Proposed Budget

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CITY OF MILPITAS

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April 30, 2010

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 Budget for Fiscal Year 2010-2011. 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 2010-11 ("FY 10-11") budget was developed to incorporate the following City Council's priorities and policy direction:

- Continue to improve and maintain 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 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

In 2009, the Mayor and the City Council directed the formation of a Budget Task Force to study and recommend ideas to resolve the City's on-going General Fund budget structural deficit by FY 2012-13. The members of the Budget Task Force comprised of nine members: one Councilmember, the City Manager, the Finance Director and six employee union representatives,

one from each union. The Budget Task Force had met regularly since September 2009 and will continue its work in the next few months on feasible long-term budget solutions.

Meanwhile, the City continues to evaluate all functions for service efficiency and cost effectiveness. Some of the considerations included combining or eliminating functions to avoid duplications and where feasible, outsourcing certain services to achieve cost savings.

To ensure that the City retain and develop the next generation leaders, the City's management team worked with the Santa Clara County Leadership Academy to develop training program to promote leadership excellence. Two mid-management employees were selected to participate in the training program next year. As budget resources improve, more employees will be trained in the future.

In April 2010, the Redevelopment Agency Board approved an amendment to the Project Area No. 1 Redevelopment Plan. The amendment extended the time limit of the Plan and the time limit to collect tax increment, increased the tax increment limit and bonded indebtedness limit, and added approximately 600 acres to the Project Area. Given the severe downturn in the economy, the added time and resources are needed to complete the redevelopment program for blight elimination and production of affordable housing.

The adoption of the Transit Area Specific Plan and the Community Facilities District laid the groundwork for future development. However, due to current economic environment and housing downturn, many development projects are on hold. The FY 10-11 budget does not anticipate any major development activities. It is also anticipated that full development of the Transit area will take at least 10 to 20 years.

During the budget study session on April 12, 2010, the City Council conceptually approved staff's recommended short-term strategies to balance the General Fund budget in FY 10-11. These strategies will be discussed in the Budget Highlight section. On April 20, 2010 staff presented an overview of the Draft 2010-15 Capital Improvement Program ("CIP") to the City Council and received comments. A summary of the CIP was also reviewed by Parks, Recreation and Cultural Resources Commission and Neighborhood Services and Education Subcommittee in March. Both groups recommended the projects for the Council's approval. All these meetings were scheduled with advanced public notices to ensure public participation. Specifically, the City Council's meetings are recorded, broadcast on the government cable channel and live-streamed on the City's website to enable public viewing.

BUDGET HIGHLIGHT

FY 09-10 was one of the most financially challenged year faced by the City. Recent economic indices may indicate that the recession has come to an end. Unfortunately, economists forecast that recovery will be slow and unemployment rate will remain high next year. In FY 10-11, staff projected that the General Fund revenues will decrease \$4.05 million or 7.7%, compared to the FY 09-10 original revenue projection but will be at approximately the same level as the FY 09-10 revised revenue projection.

The proposed General Fund expenditures decrease about \$1.6 million or 2.4% from the FY 09-10 budget primarily due to a 7% compensation concession from the employee groups, including the unrepresented management employees. Five out of six of the employee groups agreed to reduce their gross pay by 7% for one year through work furlough. For the Fire union employees, their compensation concessions will come in the form of deferring a 3% salary increase effective January 2011 for one year and delaying the filling of 4 vacant positions that are required to be filled by the union contract. Although the concessions are for one year duration, this strategy allows the Budget Task Force time to work on other longer-term budget solutions that will

balance the General Fund budget by Fiscal Year 2012-13. To show their support of this strategy, the Mayor and all City Councilmembers voluntarily reduce their compensation by 7% next year.

In FY 10-11, 112.5 positions, approximately 23% of the 497.5 authorized permanent positions will not be funded. Limited by resources, the FY 10-11 Operating and Capital Budgets were prioritized to provide services that are most cost effective and beneficial to the community and implement 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 layoffs.
- Increase work efficiencies by utilizing online technology to save time and costs. For example, basic building permits and building inspection appointments can be scheduled online. Similarly, utility customers can view and pay utility bills online and citizens can bid on City's surplus properties online.
- Streamline the business license application process and post the application form online. To promote a business friendly environment, the City eliminated many forms that no longer serve current business practice.
- Careful evaluation of infrastructure and programming needs in the Five-year Capital Improvement Program to fund and deliver the Council's highest priority projects. Although the budget for FY 10-11 capital improvement projects is reduced, several important projects are still proposed to be funded next year. The Adobe Renovation project is of historical significance to the City and will provide additional open space for the community. The Street Pavement project will improve the attractiveness of the residential areas in addition to maintaining traffic and road conditions of major roadways. The proposed funding for these two projects amount to \$3.5 million next year.
- Continue to monitor fee adjustments and fee structure to ensure that customer service revenues keep up with costs.
- Retain and recruit businesses in the City. The Seafood Market shopping mall, which will occupy the site of the vacated Home Depot Pro store, will open in the summer of 2010. The shopping mall will include a 33,000 square foot grocery store and several restaurants. 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, 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 2010-11 is \$130,167,985. This is a 10.3% decrease from the FY 2009-10 Adopted Budget. Excluding the City's FY 10-11 Capital Improvement Budget, the total operating budget is \$124,492,440, a 0.7% decrease from last year. The total budget includes the City's Water and Sewer Utility enterprise budgets of \$13,029,884 and \$11,460,354 respectively. It also includes the City's Redevelopment Agency ("RDA") budget of \$31,298,292. The total proposed budget for capital improvements for FY 10-11 is \$5,675,545. A separate 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 169 through 181 of this document.

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The General Fund budget is \$65,715,388, a decrease of 2.4% compared to FY 2009-10. Salaries and Benefits show a decrease of 2.4% from last year due to a 7% compensation concession by the employees. The Salaries and Benefits budget includes negotiated salary increases in accordance with Memoranda of Understanding, merit increases, anticipated increase of medical insurance premium of 10% in January 2011, and required annual contribution for retiree medical benefits of approximately 8% of payroll. Despite technique applied by the California Public Employees Retirement System ("CalPERS") to smooth the impact of rate increase due to investment loss, employer's pension contribution as a percentage of payroll is expected to increase in FY 10-11 and beyond. The employer's contribution percentages for FY 10-11 are 14.973% and 24.158% for the Miscellaneous Employees group and Public Safety Employees group respectively.

The non personnel budget for the General Fund for FY 10-11 decreased 2.4% compared to last year primarily due to prioritizing spending on contractual services and supplies for various departments and reduced equipment amortization as the lives of the equipment are extended.

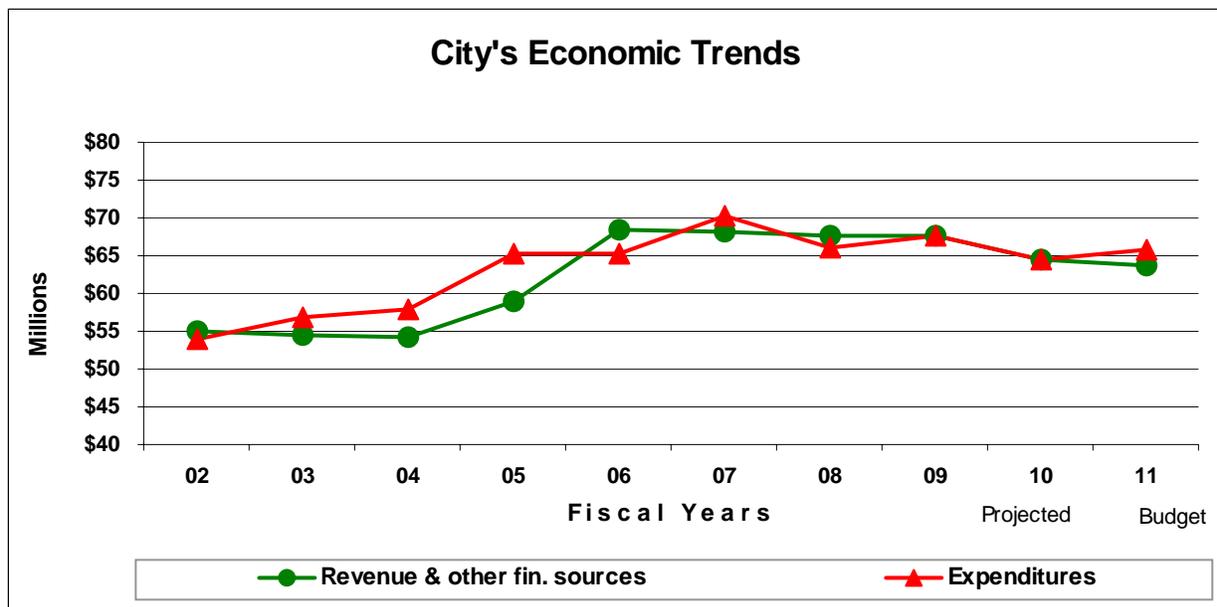
The Proposed FY 10-11 General Fund budget anticipates an overall decrease of 2.4% in revenue and other financing sources compared to the FY 09-10 original estimate. The economic outlook is not encouraging in the short term especially when the City has been challenged with structural budget deficits since 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 creating 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 in recent years such as prioritizing services, holding vacant positions unfunded, cross-training of employees, layoffs, 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 \$10.6 million but the gap can be closed using the following cost saving measures and strategies:

- Demand a loan payment of \$5.4 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. Since FY 04-05, the General Fund included certain amount of RDA loan payment every year to balance the budget. However, the actual usage was always less than budgeted. It is projected that at the end of FY 09-10, approximately \$21.4 million of the loan amount will remain outstanding. By demanding the \$5.4 million RDA loan payment in FY 10-11, the balance will be reduced to \$18 million.
- Negotiate with various employee groups to reduce compensation by 7%. This is accomplished through furlough of 18 work days. For the Fire union employees, their concession will come in the form of deferment of 3% salary increase for one year and delay hiring of 4 positions. This strategy will save the General Fund about \$3.2 million in personnel costs.

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- Use \$2 million of the General Fund undesignated reserve. The General Fund last utilized its reserve to close a budget gap of \$6 million in FY 04-05. Since then, the undesignated reserve was maintained at \$14.7 million in the last few years. The \$14.7 million undesignated reserve represents approximately 22.3% of the General Fund expenditures. By using \$2 million in FY 10-11, the remaining \$12.7 million undesignated fund balance will be at approximately 19.3% of the FY 10-11 General Fund budget appropriations and 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 01-02 through FY 09-10, along with the budget projections for FY 10-11.



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 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 following section entitled “Major Development Activities in the City” will discuss some of the development activities that are occurring in Milpitas.

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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 office equipment, apparel stores, restaurants and department stores. The five largest manufacturing employers are Cisco Systems, Inc., Lifescan Inc., LSI Logic Corporation, Flexonics, and SanDisk Technology. Other major employers include KLA-Tencor and Linear 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. The Project area produces over \$36 million in annual tax increment revenue. 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.

In April 2010, the Redevelopment Agency Board approved an amendment to the Project Area No. 1 Redevelopment Plan to extend the time limit of the Plan and the time limit to collect tax increment, increase the tax increment limit and bonded indebtedness limit, and add approximately 600 acres to the Project Area.

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.

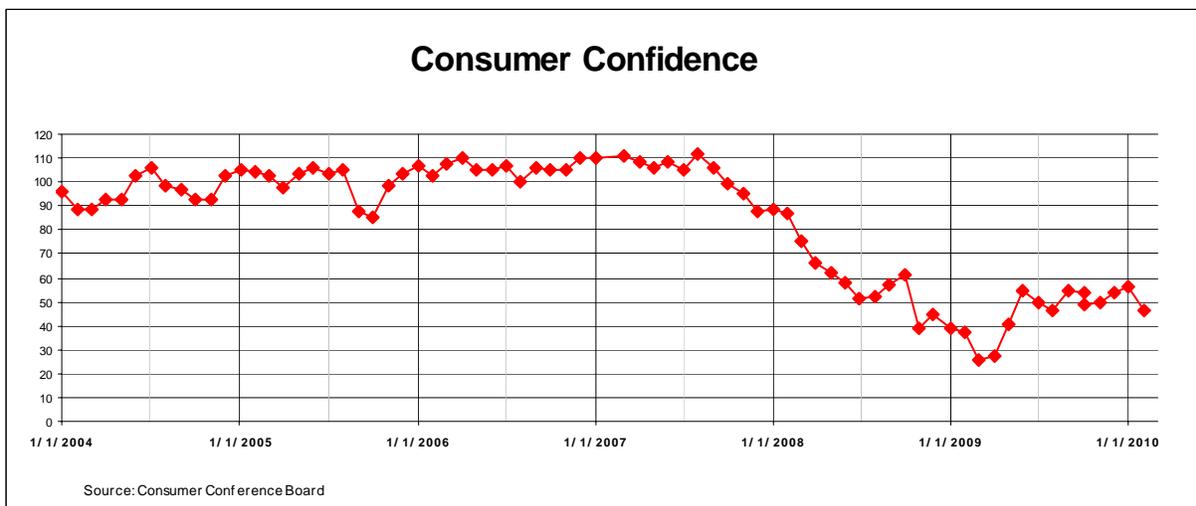
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Residential Development – Residential development activities in this region were impacted by the soft housing market. Several residential developments that received their application approvals were on hold. Nevertheless, Milpitas represents one of the more affordable alternatives in Santa Clara County, with median home prices at \$490,000. Current residential developments that are under construction include Shapell Town Center (65 townhouse units) and Paragon (141 townhouse units).

Non-residential Development – One of the larger commercial developments includes the conversion of the vacant Home Depot Pro site into a Seafood Market shopping mall. The mall will include a 33,000 square foot grocery store and several restaurants. Other non-residential development primarily consists of tenant improvements in existing commercial buildings. A Honda car dealership opened its operation last October, adjacent to the Toyota car dealership.

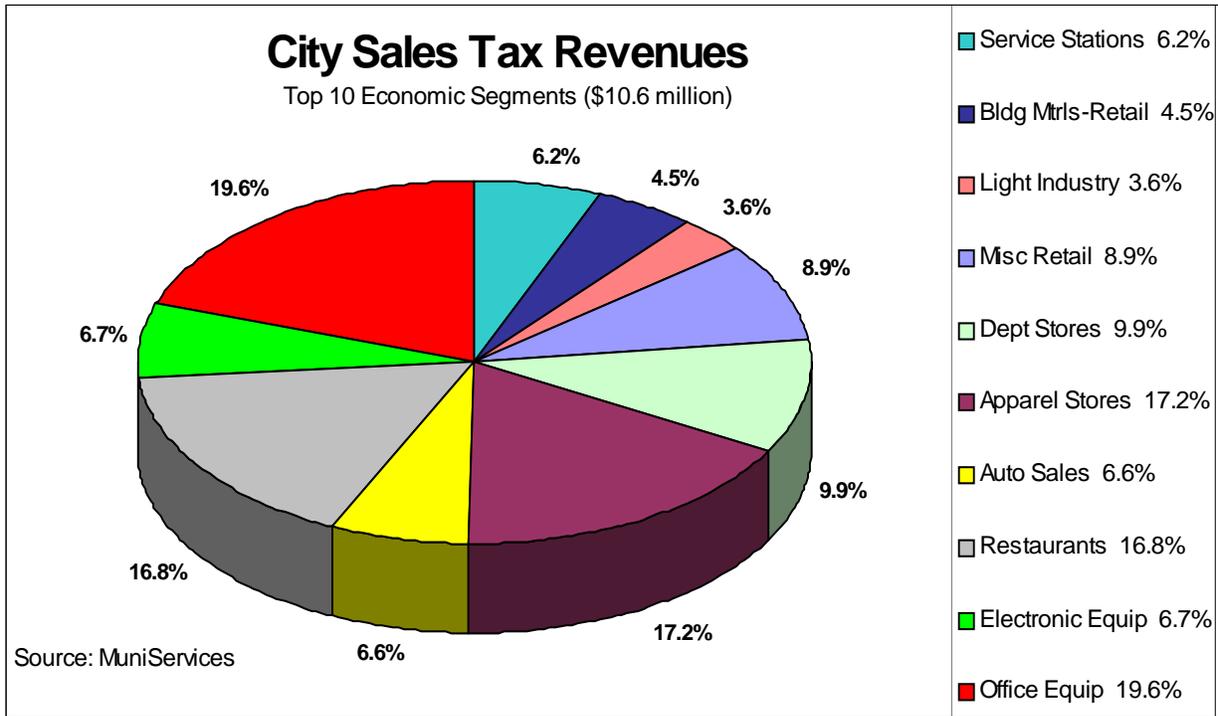
Consumer Confidence Level

The consumer confidence index in February 2009 was at its all time low since the index was tracked beginning in 1967. Despite increase of the index in recent months, consumers continue to express concerns about current business and labor market conditions. Their outlook for the next six months is still pessimistic.



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 \$12.6 million, with the top ten economic segments generated about \$10.6 million. Sectors such as office equipment and miscellaneous retail increased over a year ago while restaurants, department stores, and electronic equipment were at their lowest.



Revised General Fund Revenue Estimates for Current Fiscal Year 2009-2010

In order to reasonably project FY 10-11 revenues, it is important to look at the trends and recent economic events in FY 09-10. The high unemployment rate and lack of economic recovery continued to impact all categories of the General Fund revenues. **The revised revenue estimates for FY 2009-10 assume that General Fund revenues will be approximately \$4.1 million (7.8%) less than budget.**

Sales tax revenues are expected to be \$2.3 million or 13.3% below budget. Sales generated from all the major economic segments were down compared to one year ago. The decrease was particularly significant in the electronic equipment and new car sales segments. Sales tax revenues for these two segments were down by 45% and 31% respectively.

Property tax revenues are expected to exceed budget by approximately \$226,000 due to decline of this revenue was less than anticipated. The original projection for the FY 09-10 budget was a 4% decrease from the FY 08-09 revenue, in anticipation of assessed valuation appeals from property owners. However, based on the revenue received to date, the projection has been revised to a 2.75% decrease. Also the pass-through tax revenue received from the Redevelopment Agency was slightly higher than anticipated. 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

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entities within the Project area. The City is one of the taxing entities that receives a share of the tax increment pass-through.

Building permit and other development related revenue experienced decrease of approximately \$866,000. 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 \$755,000 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 and decreased franchise fees.

Despite savings on expenditures, staff projected that the General Fund will need an additional \$1.3 million to close the FY 09-10 budget gap. In February 2010, the City Council approved the use of an additional \$1.3 million, for a total of \$6.2 million loan payment from the RDA. As in the past, the amount of the loan payment will be less if the economic situation improves and the General Fund can close the FY 09-10 budget without requiring the full amount.

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 including transfers between funds is shown on the following chart as a comparison between the FY 09-10 Adopted Budget and FY 10-11 Proposed Budget.

<u>Fund</u>	<u>Adopted Budget FY 09-10</u>	<u>Proposed Budget FY 10-11</u>	<u>Over (Under) Prior Year</u>
General	\$ 67,348,540	\$ 65,715,388	\$ (1,633,152)
Library	433,000	452,901	19,901
Special Revenue	4,590,545	4,061,667	(528,878)
Capital Project	14,469,948	4,149,499	(10,320,449)
Redevelopment	26,089,009	31,298,292	5,209,283
Water	18,094,073	13,029,884	(5,064,189)
Sewer	14,048,235	11,460,354	(2,587,881)
Total	<u>\$145,073,350</u>	<u>\$130,167,985</u>	<u>\$ (14,905,365)</u>

Revenue Estimates for Fiscal Year 2010-11

Total estimated revenue and other financing sources that include the use of reserves are estimated to decrease by \$14.9 million compared to the FY 2009-10 budget. This is due to decreased funding for capital improvement projects, decreased General Fund revenue and decreased use of Water fund and Sewer fund reserves for capital improvement projects in FY 10-11.

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In FY 10-11, General Fund revenue and other financing sources are projected to be \$65.7 million, approximately \$1.6 million lower than FY 09-10's budgeted revenue and other financing sources of \$67.3 million. The difference is due to decreased revenue projection for sales tax, TOT, 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 10-11 General Fund revenue (not including other financing sources) is projected to decrease by 7.7% or \$4 million less than the FY 09-10 adopted budget revenue. When compared to the FY 09-10 revised revenue projection, it is an estimated 0.1% or \$60,000 increase. Some of the changes include the following:

Sales tax revenues for FY 09-10 are revised to be less than budget by \$2.3 million. Staff's assumption for FY 10-11 sales tax revenue is a 2.5% increase from the FY 09-10 revised estimate. The forecast reflects the full year operation of the Honda car dealership and renewed focus on the Business Cooperation Program to work with major hi-tech companies to identify and accrue use tax revenue generated from the purchase of equipment to the City. Increased population will also bring in a share of the sales tax revenue increase.

Building permit revenue for FY 09-10 is estimated to be \$579,000 less than budget due to decreased residential development activities. In FY 10-11, building permit revenues are projected to be \$1.9 million, approximately \$252,000 or 12% less than the FY 09-10 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 0.2% in FY 10-11 from the FY 09-10 revised revenue. The decrease can be attributed to the potential resolution of prior years' appeals for reduction of assessed valuation. The County Assessor currently has a backlog of appeals that if resolved, can result in decreased property tax revenue for the General Fund next year. In addition, Proposition 13 limits the annual assessment change of existing residential properties to the lesser of 2% or the California Consumer Price Index ("CCPI"). For FY 10-11, the CCPI decreased by 0.237%. Consequently, most residential properties that did not have ownership change will have a slight decrease on the property tax bills.

Hotel/motel Transient Occupancy Tax revenue showed a decrease of \$734,000 or 15.3% from FY 09-10 budget but will remain at approximately the same level as the FY 09-10 revised projection of \$4.06 million. The TOT revenue is not projected to worsen but is not anticipated to recover next year.

Interest income is anticipated to decrease by \$249,000 compared to the FY 09-10 budget, primarily due to lower investment earnings from the pooled portfolio attributable to lower reinvestment yield. Projected interest income for FY 10-11 is approximately \$371,000 for the General Fund. It is assumed that the reinvestment rate for matured securities will be at 1.5%. Investment earnings are allocated to the various funds based on their projected cash balances.

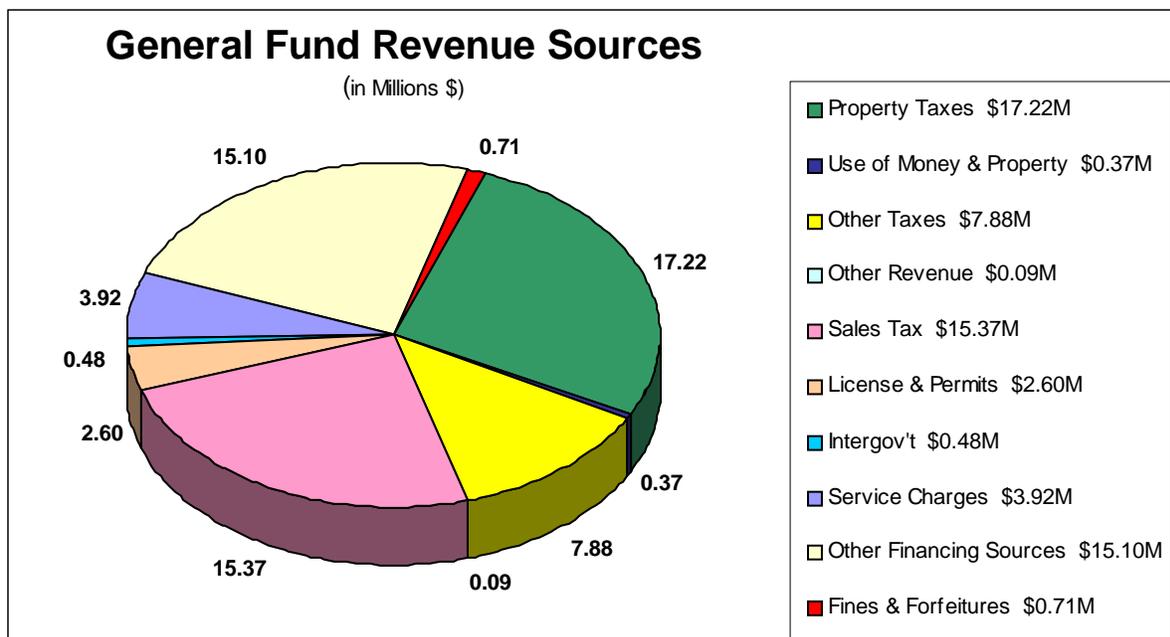
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Other Financing Sources shown as operating transfers in the budget document consisted of two sources. The first financing source is a \$5.4 million loan payment from the Redevelopment Agency to the City. This payment will repay a portion of the outstanding 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 2007, 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 10-11 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 10-11 can be found on pages 100 to 101.

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



RDA Revenue Estimates

FY 09-10 Redevelopment property tax increment was revised upward by \$1 million or 2.8% to \$36.3 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 10-11 tax increment revenue is expected to be at about \$235,000 lower than due to assessed valuation appeals and the negative inflation factor used for existing residential properties.

Utility Rates

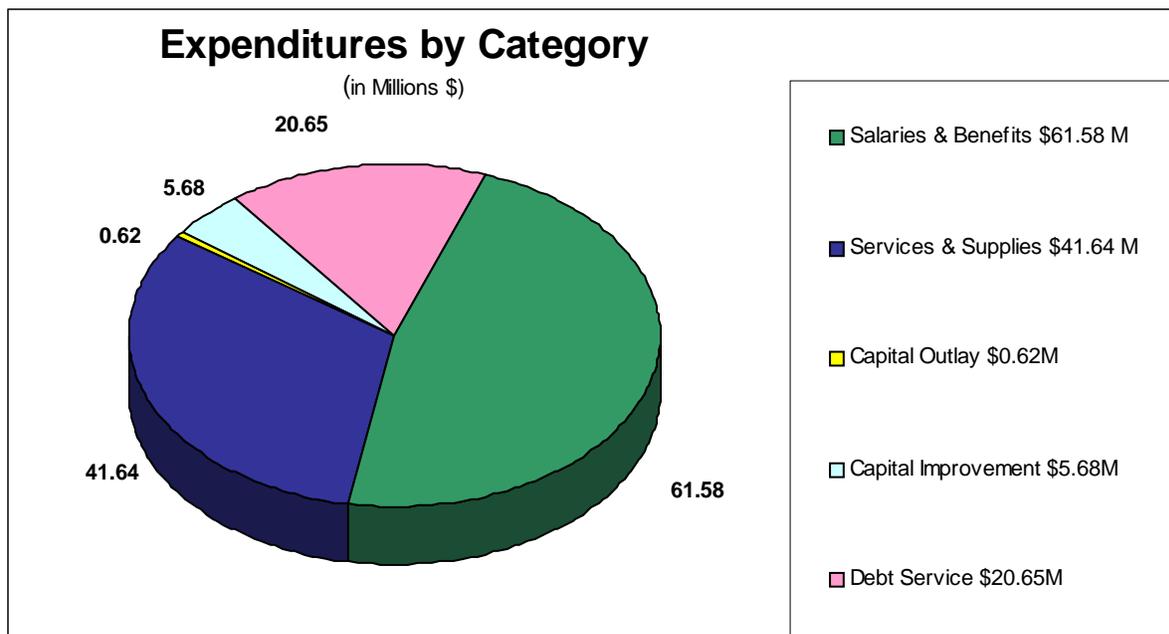
9% utility rate increase for both the Water and Sewer operations were approved in 2009 and are included in the FY 10-11 budget. In FY 10-11, approximately 61% of the water operation costs and 77% of the sewer operation costs are attributed to outside agencies' costs that need to be passed through to the utility ratepayers. These costs include wholesale water cost from the Santa Clara Valley Water District which is not projected to increase and the San Francisco Public Utility Commission which is projected to increase 15.2%. City's operation cost is approximately \$3.9 million. 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 be \$8 million next year. The Sewer operation also includes City's operation cost of \$2.4 million and debt service cost of \$690,000.

EXPENDITURES

A budget comparison of appropriations for all funds between FY 09-10 (Adopted Budget) and FY 10-11 (Proposed Budget) is as follows:

<u>Appropriations</u>	<u>Adopted Budget FY 09-10</u>	<u>Proposed Budget FY 10-11</u>	<u>Over (Under) Prior Year</u>
Salaries & Benefits	\$ 63,081,891	\$ 61,577,593	\$ (1,504,298)
Services & Supplies	42,925,425	41,643,329	(1,282,096)
Capital Outlay	1,129,485	620,332	(509,153)
Subtotal	\$ 107,136,801	\$ 103,841,254	\$ (3,295,547)
Capital Improvement	19,664,549	5,675,545	(13,989,004)
Debt Service	18,272,000	20,651,186	2,379,186
Total Appropriations	\$ 145,073,350	\$ 130,167,985	\$ (14,905,365)

The chart below provides an overview of the City's total expenditures by category:



Total expenditures represent an overall 10.3% decrease from FY 09-10. Operating expenditures, excluding capital improvement and debt service, decreased by 3.1% 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 \$1.5 million. The projected FY 10-11 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 2011 and a 7% compensation concession from the employees. The employer PERS contribution percentages for FY 10-11 for Miscellaneous Employees group and Public Safety Employees group are at 14.973% and 24.158% respectively. In addition, the FY 10-11 budget includes pre-funding of retiree medical benefits in the amount of \$3.16 million citywide and \$2.64 million for the General Fund.

The City's services will be staffed by 385 full time employees and 59.75 temporary/seasonal employees. The historical number of authorized positions and funded positions can be found on pages 48 and 49 of this document. The detail for each department's funded positions can be found in their respective sections on pages 105 through 164.

Services and supplies are expected to decrease by \$1.28 million or 3% citywide. The services and supplies budget include services that are provided by outside parties. The proposed budget reflects very nominal change from the FY 09-10 budget. The only significant change came from the amount that the City has to contribute to the San Jose/Santa Clara Water Pollution Control Plant for capital improvement funding. In FY 10-11, the funding requirement is projected to decrease by \$2.6 million from FY 09-10.

Capital Outlay - This category includes new and scheduled vehicle and equipment replacements. Total capital outlay request for FY 10-11 is \$620,332. Almost all of the equipment and vehicles to be replaced are fully depreciated and will be funded by the Equipment

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Replacement Fund. Major capital outlay requests include replacement of 5 vehicles and 1 motorcycle for the Police Department, 2 thermal imaging cameras for the Fire Department, 1 utility vehicle and 1 riding mower. Other capital outlay requests include replacement of technology equipment Citywide and hydrants and water meters for Public Works.

Debt Service in FY 10-11 totals \$20.7 million. Debt service budget is higher than last fiscal year by \$2.4 million due to an obligation to pay the State of California \$2.4 million for deposit into the Supplemental Education Revenue Augmentation Fund ("SERAF"). The debt service category also included 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 \$451 million. The 2006 COPs has an outstanding balance of \$8,460,000 and the 2003 TABs has an outstanding balance of \$174,180,000. 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 \$37 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 08-09 audited results were at 223% and 115% 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:

Year Ending June 30	<u>Redevelopment Project Fund</u>		<u>Sewer Fund</u>	
	Total Principal	Total Interest	Total Interest	Total Interest
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	9,189,566	9,345,043	420,000	264,527
2016-2020	49,825,701	44,688,984	2,345,000	1,075,651
2021-2025	53,479,573	31,823,493	2,840,000	572,312
2026-2030	47,915,000	9,617,415	1,305,000	55,335
2031-2033	16,905,000	1,085,659		
Total	<u><u>\$211,142,829</u></u>	<u><u>\$134,034,964</u></u>	<u><u>\$8,460,000</u></u>	<u><u>\$3,165,750</u></u>

CAPITAL IMPROVEMENTS

The Capital Improvement Budget funding for FY 10-11 by Project Category is as follows:

<u>Project Category</u>	<u>Proposed Budget</u>	<u>Percentage of Total</u>
Community Improvements	\$711,646	12.54%
Park Improvements	2,600,000	45.81%
Street Improvements	1,128,899	19.89%
Water improvements	765,000	13.48%
Sewer Improvements	385,000	6.78%
Storm Drain Improvements	85,000	1.50%
Total	<u><u>\$5,675,545</u></u>	<u><u>100.00%</u></u>

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 10-11 Capital Improvement Program funding is \$14 million less than the FY 09-10 CIP, primarily due to FY 09-10 funding of \$9.6 million for the Light Rail Median landscaping and Hwy 237/I-880 Interchange Landscaping. The funding for these two projects was one-time only. Funding for Water capital projects is also greatly reduced in FY 10-11.

Of the \$5.7 million CIP funding in FY 10-11, the only significant non-routine project is \$2.6 million funding for the Alviso Adobe renovation. The Adobe Renovation project is of historical significance to the City and will provide additional open space for the community. This project is

funded 86% from park-in-lieu fees from developers and 14% from grants. In addition, the FY 10-11 CIP proposes funding of \$1 million for Street Resurfacing. Remaining projects included in FY 10-11 are smaller in scale. Staff worked with the City Council Neighborhood Services and Education Subcommittee to prioritize all CIP projects based on available resources and needs.

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 10-11 were also reviewed by the Parks, Recreation and Cultural Resources 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 2010-2015. Total estimated maintenance costs is approximately \$233,000 annually. Major maintenance costs included \$100,000 for the second Santa Clara Valley Water District Reservoir and Pump Station and \$75,000 for the Alviso Adobe.

The Capital Budget Section of this document provides a brief description of the projects to be funded in FY 10-11. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2010-2015 prepared by the Engineering Division may be obtained at 455 E. Calaveras Blvd, Milpitas, CA 95035 or at the City's website.

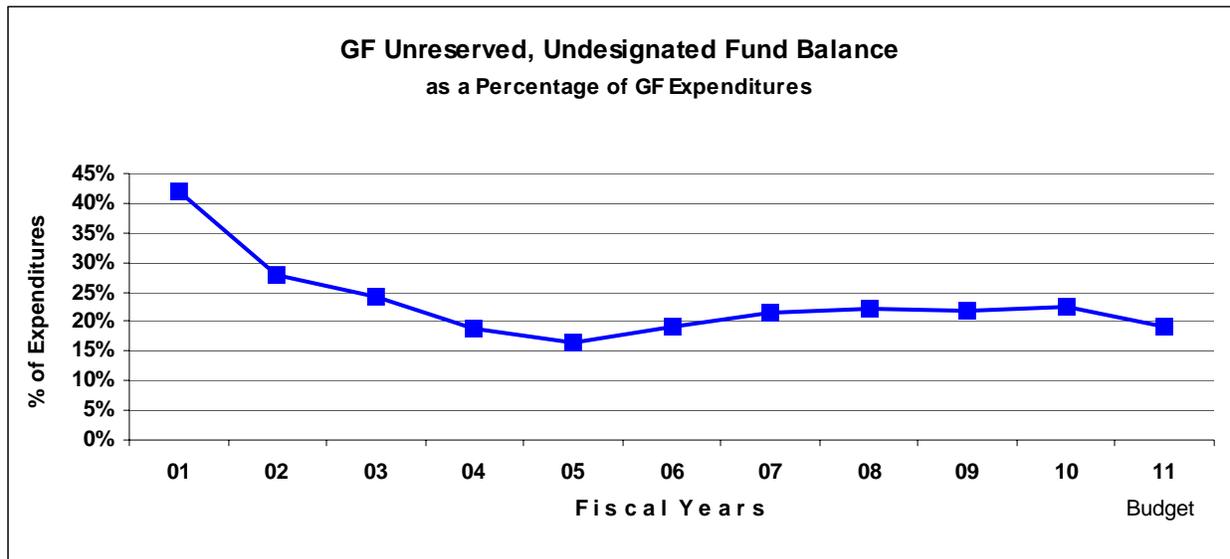
FUND BALANCES

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 the General Fund will use \$1.98 million reserve to balance the budget shortfall, and Redevelopment Agency Project fund will use a portion of its reserve to pay the SERAF payment and the loan payment to the City. Sewer utility fund will need \$3.2 million of its reserve to pay for its share of capital improvement to the San Jose/Santa Clara Water Pollution Control Plant. Water utility fund on the other hand is anticipated to accumulate \$2.4 million reserve in FY 10-11. There are no significant changes to the fund balances of other funds.

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 that amounts are unrestricted as to use.

The projected percentage of the estimated unreserved, undesignated fund balance for the General Fund is 19.3% 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 10-11.

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.

Five Year General Fund Forecast (in thousands)

	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16
Estimated Revenue					
Property Tax	17,569	18,184	18,821	19,386	19,968
Sales & Use Tax	15,904	16,540	17,202	17,804	18,338
Other Taxes	3,894	3,991	4,109	4,228	4,355
Hotel/Motel Tax	4,141	4,264	4,392	4,523	4,659
License & Permits	2,726	2,918	3,123	3,279	3,377
Charges for Services	4,027	4,193	4,366	4,522	4,658
Other Revenues	1,684	1,730	1,777	1,812	1,859
Operating Transfers	10,301	10,727	11,014	11,348	11,688
Total Estimated Revenues and Other Financing Sources	60,246	62,547	64,804	66,902	68,902
Estimated Expenditures					
Salaries	39,052	39,442	40,034	40,634	41,244
Benefits	20,195	21,789	23,741	24,496	25,113
Supplies & Contractual Services	11,221	11,448	11,527	11,758	11,844
Total Estimated Expenditures	70,468	72,679	75,302	76,888	78,201
Net Operating Deficit	(10,222)	(10,132)	(10,498)	(9,986)	(9,299)

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Property tax revenues are expected to increase 2% in FY 11-12, 3.5% in FY 12-13 and FY 13-14, 3% in FY 14-15 through FY 15-16. 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%.

Sales tax revenues are projected to increase 3.5% in FY 11-12, 4% in FY 12-13 and FY 13-14, 3.5% in FY 14-15 and 3% in FY 15-16. The increase of 3.5% in FY 11-12 reflects economic recovery but at a moderate pace. Given sales tax revenue declined significantly in the last two years, there are some pent-up demands on the consumers side as well as the need to replace inventories on the commercial/industrial sectors. 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.

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% in FY 11-12, 2.5% in FY 12-13, 3% in FY 13-14 through FY 15-16.

Hotel tax revenues are projected to increase 2% in FY 11-12 and 3% annually starting from FY 12-13. Hotel occupancy declined significantly for two years 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 an average of 28% decline for two years in FY 08-09 and FY 09-10, will begin to pick up in FY 11-12, increasing at 5%. In anticipation of rebound of residential developments in the Midtown and the Transit area, staff projected a higher growth level at 7% in FY 12-13 through FY 13-14. The projections for FY 14-15 and FY 15-16 are 5% and 3% increase respectively.

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 2.8% increase in FY 11-12, 4.1% increase in FY 12-13 through FY 13-14, and tapering off to 3.6% increase in FY 14-15 and 3% in FY 15-16.

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 3% to 6.2% in the next five years.

Salaries and benefits other than medical insurance and employer's contribution to CalPERS are anticipated to increase by 0.5% in FY 11-12, 1% in FY 12-13, 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. Given that health insurance premium is projected to increase 7% 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

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employer contribution rates to CalPERS will increase significantly in the next four years. The projections are 9.2% in FY 11-12, 9.9% in FY 12-13, 11.5% in FY 13-14, and 13.5% in FY 14-15. The increase reflects the market value loss suffered by the CalPERS investment portfolio in FY 07-08 and FY 08-09. The employer's contribution rates will remain high for an extended period of time until the market value loss has been amortized. The Five-Year General Fund forecasts also include pre-funding of retiree medical benefits which is projected to increase 3.25% 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 10-11 Budget continues its commitment to excellence in citizen services and prudent financial management.

Respectfully submitted,



Thomas C. Williams

City Manager



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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 is 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

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 project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis. For all proprietary funds, revenues and expenditures are budgeted on an accrual basis.

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 Finance Subcommittee and the City Council at an annual Planning Session.
- 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 Planning Session;
 - 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

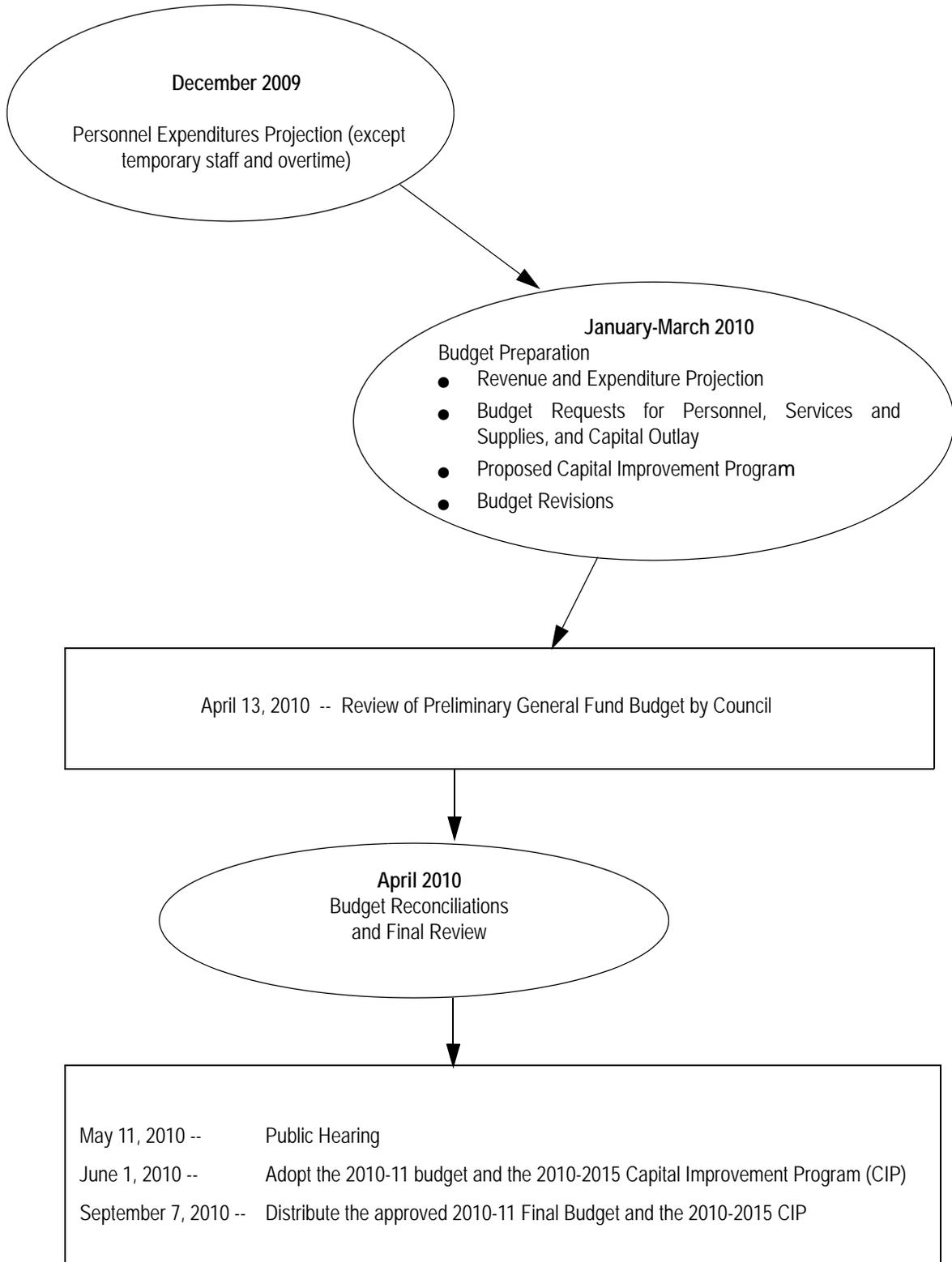
- a. General Monthly Reports - The Director of Financial Services will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads, to facilitate monitoring of the budget.
- b. Periodic Budget Reports - The Director of Financial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

Budget Preparation Process and Timeline

City of Milpitas 2010-2011 Budget Process



CITY OF MILPITAS

**BUDGET PREPARATION TIMELINE
2010-2011 FINANCIAL PLAN**

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
1	12/08/09	Meetings with Senior Staff to discuss programs, service levels, and general financial status overview.	City Manager, Director of Financial Services, Senior Staff
2	01/04/10	<ul style="list-style-type: none"> • Equipment Inventory changes due to Finance. • Capital Outlay Requests due to Finance. 	Budget Unit Heads, Budget Liaisons
3	01/04/10	New Capital Improvement Program (CIP) projects requests are due.	Budget Unit Heads
4	01/06/10	2010-11 Budget Preparation "Kick-Off" meeting with Budget Liaisons.	Director of Financial Services, Finance Budget Team, Budget Liaisons
5	01/07/10- 01/13/10	Budget Liaison Training	Finance Budget Team
6	01/13/10	Position Summary Corrections due to Finance.	Budget Unit Heads, Budget Liaisons
7	01/19/10- 01/22/10	Conduct Revenue discussions with budget units (Department/ Divisions) and Special Fund expenditure projections and fund balance.	Director of Financial Services, Finance Budget Team
8	01/20/10	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 Liaisons
9	01/21/10- 02/11/10	Review new classification or reclassification requests.	HR Director
10	01/15/10 - 01/21/10	Budget projection for Non-Departmental.	Director of Financial Services, Finance Budget Team

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
11	01/27/10	<ul style="list-style-type: none">• Data entry in the BRASS budget system is complete.• Temporary Position Request Forms (one form per function) are due to Finance.• Out of State Travel Form is 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	02/02/10	Print and distribute Budget Proformas to Budget Units for review.	Finance Budget Team
13	02/08/10- 02/11/10	Meeting to discuss Capital Outlay Requests.	City Manager, Director of Financial Services, Public Works Director
14	02/10/10	<ul style="list-style-type: none">• 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	02/22/10- 02/26/10	Prepare budget reports and distribute to City Manager and Budget Units.	Finance Budget Team
16	03/01/10- 03/05/10	Review the new CIP requests and consider the financial impact.	City Manager, Director of Financial Services, Public Works Director, Accounting Manager
17	03/01/10- 03/05/10	Budget Unit Work Sessions - Review Operating Budget requests with the respective budget unit staff.	Budget Unit Heads, City Manager, Director of Financial Services
18	03/01/10	Review Draft Parks projects in the CIP Budget.	PRCRC
19	03/08/10- 03/12/10	Review of Proposed CIP document by Finance.	Director of Financial Services, Accounting Manager, CIP Accountant
20	03/12/10	Distribute budget reports to Budget Units for final review.	Finance Budget Team

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
21	03/15/10- 03/19/10	Final review of budget unit operating budget.	Budget Unit Heads, Budget Liaisons
22	03/24/10	Neighborhood Services & Education Subcommittee (consists of 2 Council members): review requests for new and proposed projects.	Neighborhood Services & Education Subcommittee City Manager Public Works Director Director of Financial Services
23	03/19/10	Publish Draft 2010-2015 Capital Improvement Program and distribute.	CIP Staff
24	03/22/10- 03/26/10	Budget Reconciliation: • Finance: Operating budget and CIP.	Finance Budget Team, CIP Staff
25	03/29/10- 04/02/10	Draft the Transmittal Letter	Director of Financial Services
26	04/05/10- 04/09/10	Final review of proposed budget.	Director of Financial Services, Finance Budget Team
27	04/07/10	Review Draft CIP for information and General Plan conformance findings.	Planning Commission, Public Work Director
28	04/13/10	• Review the Preliminary FY 2010-11 General Fund Operating budget.	City Council
29	04/20/10	• Review the Draft 2010-2015 Capital Improvement Program.	City Council
30	04/22/10	Publish notice of public hearings regarding the Operating Budget and Capital Improvement Program.	City Clerk
31	04/23/10 - 04/30/10	Distribute the Proposed 2010-11 Operating Budget and Financial Plan.	Finance Budget Team
32	05/04/10 and 05/06/10	Presentation practice (rehearsal) on the 2010-2011 Proposed Budget and Financial Plan and the 2010-2015 Capital Improvement Program.	Budget Unit Heads

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
33	05/11/10 and 05/13/10	Public hearing on the recommended 2010-2011 Proposed Budget and Financial Plan and the 2010-2015 Capital Improvement Program.	City Council, Budget Unit Heads
34	06/01/10 or 06/15/10	Adopt the 2010-11 Budget and the 2010-2015 Capital Improvement Program.	City Council
35	09/07/10	Distribute the approved 2010-11 Final Budget and the 2010-2015 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's contribution rates by more than 3% of payroll. 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 endeavor to set-aside \$500,000 annually from the General Fund reserve for this purpose.
36. The City will maintain a retiree medical benefits account established by an irrevocable trust and fund the required contribution annually.
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, 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. The City will maintain a capital reserve for technological equipment replacement and will endeavor to set-aside an annual amount of \$250,000 in this fund.
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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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.

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 Higuerras, 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



Alviso 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.

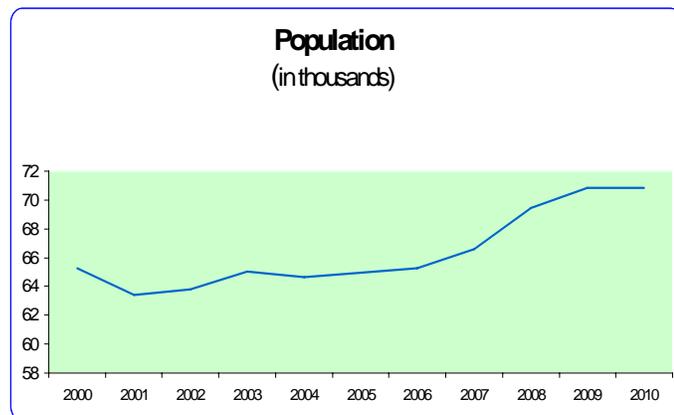
Following the computer firm boom of the 1980s and the opening of one of the nation's largest malls in 1994, the city is now home to more than 70,000 residents.

*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 70,817 are family-centered communities that embrace cultural diversity, quality schooling, conveniently located neighborhood parks and shopping centers.



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 1.76 million residents. To the north is the city of Fremont. To the south lies San Jose, the third largest city in California.

There are approximately 1,790 acres, or 2.9 square miles, designated for various industrial uses. About 271 acres are vacant and available in parcels ranging from 1/2 acres to 75 acres. There are eight existing industrial parks and 550 manufacturing plants in Milpitas. An additional 350 acres 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.





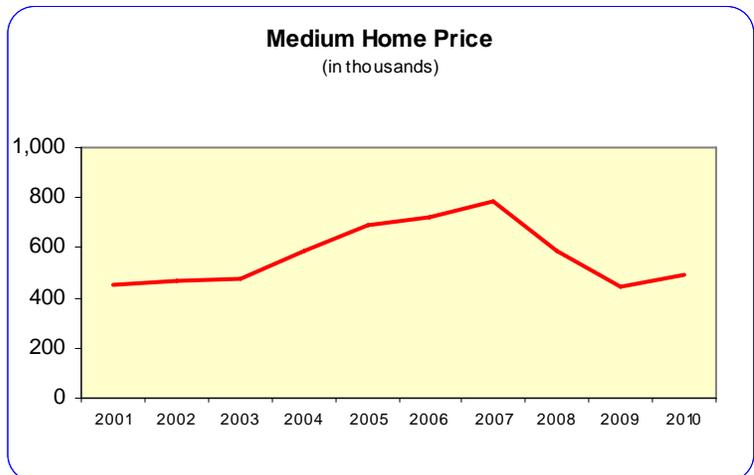
The two largest employers in Milpitas are Cisco Systems and Lifescan, Inc. with over 2,500 employees each. Other major employers are Flextronics Corporation; LSI Logic Corporation; Linear Technology; KLA-Tencor Corporation, and the newly relocated SanDisk. Several of these top employers have made the City of Milpitas their corporate headquarters as well. Given the City's desirable location for high-tech industry, the day time population of Milpitas doubles to 130,000.

Milpitas' neighborhoods are dotted with close to 19,073 households and well-placed parks. Thirty-one community parks are maintained by Milpitas, in addition to one dog park and 24 tennis courts. The City provides a multitude of outstanding recreational opportunities, including aquatics, cultural arts and theater, sports leagues and activities, youth programming, and senior activities and services.

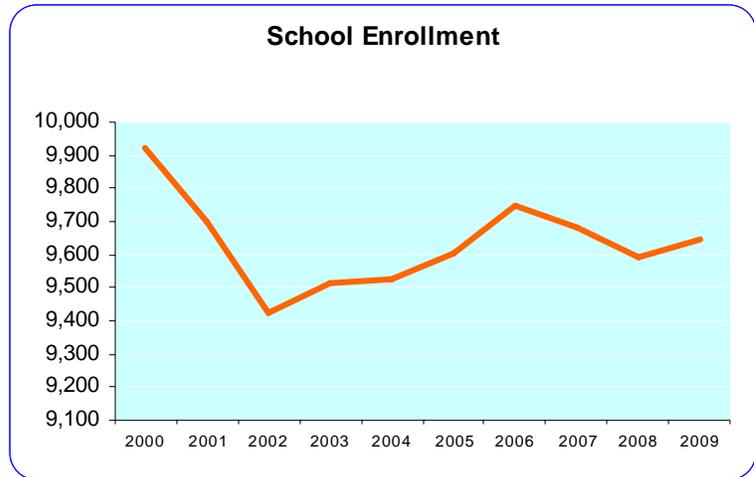


Milpitas' average household income is \$94,050. The percentage of households with incomes more than \$75,000 is close to 76 percent. About 43% of the households earn more than \$100,000 annually.

Close to 62 percent of Milpitan's own their own home. Rental prices vary from \$965 to \$1,410 per month for renters with one and two bedroom apartments and duplexes. Rent for two and three bedroom houses typically run \$1,315 to \$2,205. The median price of a home as of January 2010 in Milpitas is \$490,000. There are 20 suburban residential areas. About 8 percent of the city's population are 5 years old or younger, the lowest in the county. About 19 percent are between 5 and 18 years old. About 66 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.



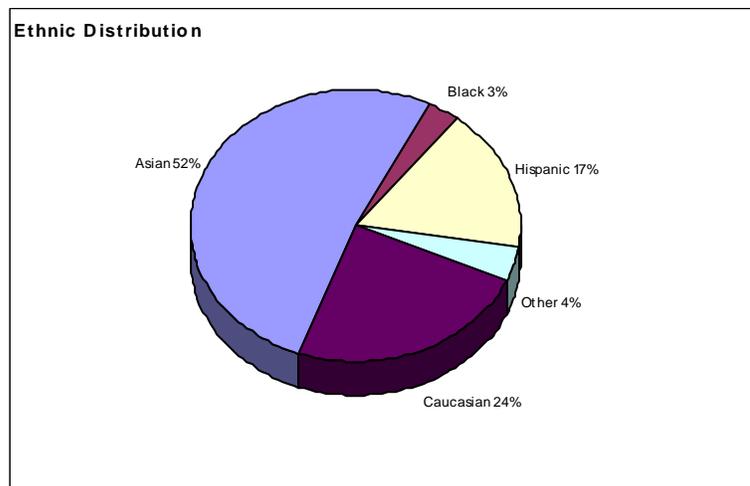
Milpitas public school system has 9 elementary schools, 2 middle schools, 2 high schools, 2 children centers, and an adult education program serving the community. Private school system has 4 elementary schools and 16 nursing/daycare facilities. School enrollment is 9,649.



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 \$130 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 16 advisory commissions on which residents can participate - the Planning Commission, Arts Commission, Youth Advisory Commission, Library 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	Water Utility	
Form of Government	Council-Manager	Number of Customers:	
		Residential	14,231
		Commercial	2,051
		Recycled Water	187
Population (estimated*)	70,817	Average Daily Consumption	
Land Area (Square Miles)	13.6	(in gallons)	8,870,000
Miles of Streets	137.7	Miles of Water Mains	204
Number of Street Lights	4,460	Sewer Utility	
Fire Protection		Miles of Sanitary Sewers	173
Number of Stations	4	Miles of Storm Drains	106
Number of Firefighters	74	Public Schools Serving the Community	
Fire Apparatus	14	Elementary Schools	9
Number of Fire Hydrants	1,809	Middle Schools	2
Police Protection		High Schools	2
Number of Stations	2	Parks and Recreation	
Number of Sworn Officers	95	Acres of Parkland	179
Crossing Guard Posts	38	Number of Parks	32
Number of Vehicles	76	Number of Swimming Pools	3
Employees		Number of Tennis Courts	24
Permanent	497.50		
Temporary (FTE)	59.75		

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

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Vicinity Map



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. A light rail line opened for service in 2004 and an extension of BART, including a major multi-modal station is in the planning stage.

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

George Baker
Jan Beran
Donine Ettinger
Bill Foulk
Robin Hays
Harriet McGuire
Tess Santos
Becky Strauss

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
Aaron Faupell
Jose Leon
Nawal Stanojevic

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

Nika Ma Chen
Reena Choudhury
Danny Fang
Jennifer Lind
Rajeev Madnawat
William Dan Manassau
Viramrinder "Vee" Meharu
Syed Mohsin
Phong Nguyen
Michael Queenan
Nelson Villegas

Economic Development Commission

Ricardo Ablaza
Chandru Bhambhra
Dhaval J. Brahmhatt
Michelle Yu Bau
Tom McEvoy
Michael Mendizabal
Paul Mulder
Minh Nguyen
Cat-Tuong Nguyen
Donald Peoples
Jeanne Serpa
Charlene Tsao

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
Derek Wolfgram

Board, Commissions, and Committee

Mobile Home Park Rental

Review Board

Beth Garcia
Florence Romito

**Parks, Recreation and Cultural
Resources Commission**

Freddie Cacao
Stephanie Fong
Frances Krommenhock
Henry Ku
Naomi Matau
Vishnu Mathur
Steve Munzel
Rebecca Villalobos

Planning Commission

Lawrence "Larry" Ciardella
Erik Larsen
Sudhir Mandal
Gurdev "Dave" Sandhu
Noella Tabladillo
Steve Tao
Mark Tiernan
Cliff Williams

Recycling and Source Reduction

Advisory Commission

Ricardo Ablaza
Echo Arthur
Ed Blake, Jr.
John Cimino
Garrett Dye
Joe Kwong
Steve Ybarra
Patrick Yung

Senior Advisory Commission

Karen Adams
Mary Banick
Bal Daquigan
Barbara Ebright
Estrella Gilana
Florentino Menor
Amanda Santos
Denny Weisgerber
Bernice Wrinkle

Sister Cities Commission

Gunawan Ali-Santosa
Dana Arbaugh
Massoud Arefi
Nolan Chen
Dennis Grilli
Miriam Hardin
Roselda Mateo
Maria Magdalena Ortega
Karen Serpa
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

Veterans Commission

Dana Arbaugh
Bruce Choy
Arthur Ebright
David Grundstrom
Mel Hinshaw
Robert McGuire
Liliana Ramos
Juan Samano
Denny Weisgerber

Youth Advisory Commission

Christina Bruce
Celine Cacho
Lovin Cortez
Patricia Do
Dilpreet Khalsa
Samuel Lai
Brian Leon
Darren Lim
Lugman Munir
Isaiah Rigmaiden-Deniels
Sareen Sandhu
Jennifer Shen
Diana Tran

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Directory of Officials

Fiscal Year 2010 – 2011

City Manager

Thomas C. Williams

Police Chief

Dennis Graham

Director of Financial Services

Emma Karlen, CPA

Fire Chief, Interim

Jeffrey L. Clet

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 Official

Keyvan Irannejad

Parks and Recreation Director

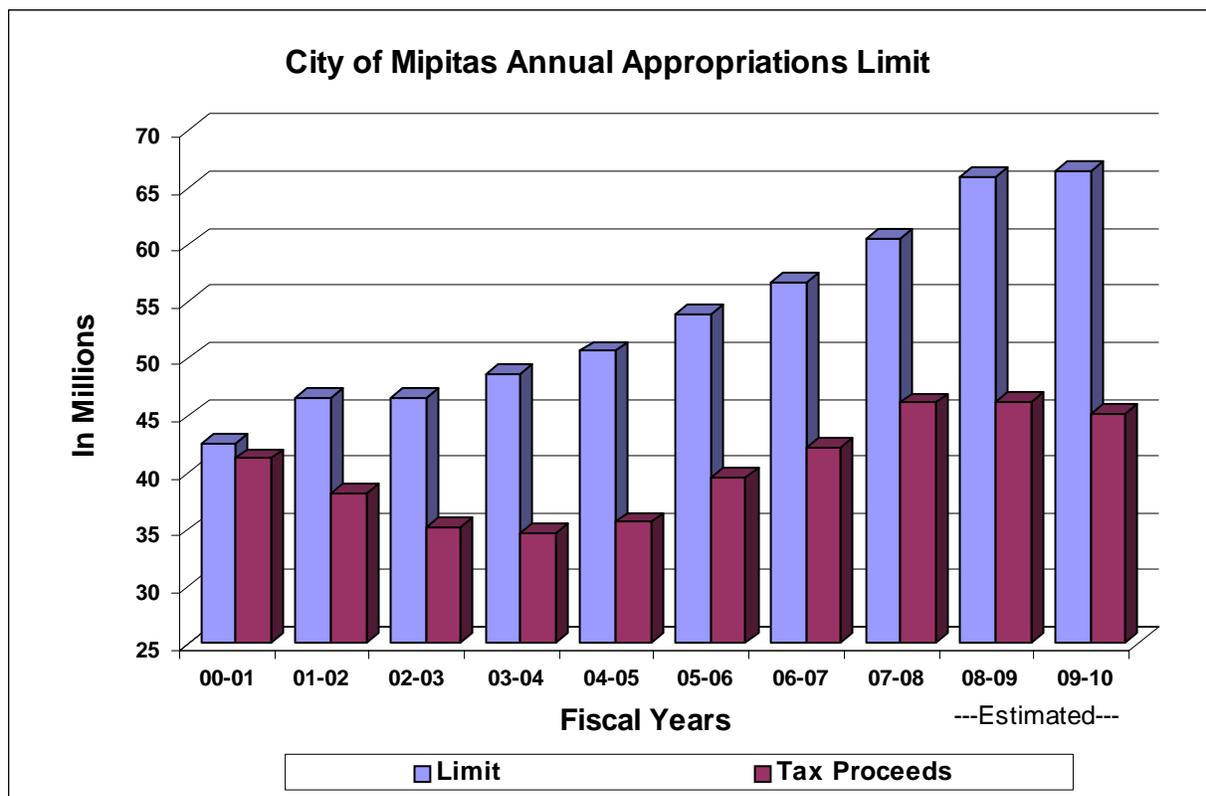
Bonnie Greiner

Gann Limit Analysis

Article XIII B 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 FY2009-10 has been computed to be \$67,456,978. Appropriations subject to the limitation in FY2009-10 budget total \$45,150,220 that is \$22,306,758 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since Fiscal Year 2000-2001. 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, 2009

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$12,026,705,666</u>
-----------------------------------------------------------------	-------------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (A)	<u>\$451,001,462</u>
--------------------------------------------------	----------------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$188,030,000
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Less: Tax Allocation Bonds and Certificates of Participation, not subject to limit	\$188,030,000
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Amount of debt subject to limit	<u>-0-</u>
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LEGAL BONDED DEBT MARGIN	<u>\$451,001,462</u>
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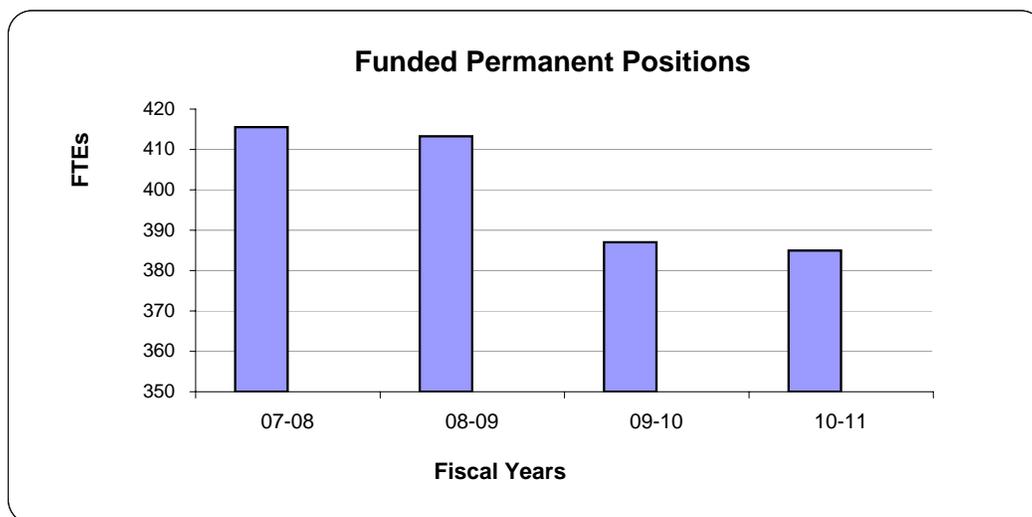
- (a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Authorized Positions by Division

	07 - 08		08 - 09		09 - 10		Change		10 - 11	
	Approved		Approved		Approved				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	<u>20.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>
530 Building and Safety	23.00	3.00	23.00	3.00	28.00	0.00	0.00	0.00	28.00	0.00
Building and Safety	<u>23.00</u>	<u>3.00</u>	<u>23.00</u>	<u>3.00</u>	<u>28.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>28.00</u>	<u>0.00</u>
112 Information Services	20.00	0.00	20.00	0.00	20.00	0.00	0.00	0.00	20.00	0.00
Information Systems	<u>20.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>
115 Human Resources	7.00	0.00	7.00	0.00	7.00	0.00	(1.00)	0.50	6.00	0.50
Human Resources	<u>7.00</u>	<u>0.00</u>	<u>7.00</u>	<u>0.00</u>	<u>7.00</u>	<u>0.00</u>	<u>(1.00)</u>	<u>0.50</u>	<u>6.00</u>	<u>0.50</u>
120 City Attorney	1.00	0.00	4.00	0.00	4.00	0.00	0.00	0.00	4.00	0.00
City Attorney	<u>1.00</u>	<u>0.00</u>	<u>4.00</u>	<u>0.00</u>	<u>4.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4.00</u>	<u>0.00</u>
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	11.00	1.00	0.00	(0.25)	11.00	0.75
320 Fiscal Services	10.00	0.25	10.00	0.25	10.50	0.00	0.00	0.00	10.50	0.00
330 Purchasing	5.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00
Finance	<u>34.00</u>	<u>0.75</u>	<u>34.00</u>	<u>0.75</u>	<u>33.50</u>	<u>1.00</u>	<u>0.00</u>	<u>(0.25)</u>	<u>33.50</u>	<u>0.75</u>
420 Public Works	75.00	1.50	75.00	2.50	75.00	4.25	0.00	0.25	75.00	4.50
410 Engineering	46.00	0.50	46.00	1.00	41.00	1.00	(1.00)	(0.50)	40.00	0.50
Public Works	<u>121.00</u>	<u>2.00</u>	<u>121.00</u>	<u>3.50</u>	<u>116.00</u>	<u>5.25</u>	<u>(1.00)</u>	<u>(0.25)</u>	<u>115.00</u>	<u>5.00</u>
510 Planning & Nghbrhd	16.50	2.00	17.00	0.00	17.00	0.00	1.00	0.00	18.00	0.00
Planning & Nghbrhd Srves	<u>16.50</u>	<u>2.00</u>	<u>17.00</u>	<u>0.00</u>	<u>17.00</u>	<u>0.00</u>	<u>1.00</u>	<u>0.00</u>	<u>18.00</u>	<u>0.00</u>
424 Parks	21.00	1.00	21.00	1.00	21.00	0.00	0.00	0.50	21.00	0.50
450 Recreation	28.00	44.50	27.50	44.00	28.50	44.00	0.00	(5.00)	28.50	39.00
Parks and Recreation	<u>49.00</u>	<u>45.50</u>	<u>48.50</u>	<u>45.00</u>	<u>49.50</u>	<u>44.00</u>	<u>0.00</u>	<u>(4.50)</u>	<u>49.50</u>	<u>39.50</u>
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	2.50	30.50	2.50	30.50	1.75	0.00	(0.75)	30.50	1.00
720 Police Field Services	73.00	13.00	73.00	13.00	73.00	13.00	1.00	0.00	74.00	13.00
730 Special Operations	17.00	0.00	17.00	0.00	17.00	0.00	(1.00)	0.00	16.00	0.00
Police	<u>124.50</u>	<u>15.50</u>	<u>123.50</u>	<u>15.50</u>	<u>123.50</u>	<u>14.75</u>	<u>0.00</u>	<u>(0.75)</u>	<u>123.50</u>	<u>14.00</u>
800 Fire Administration	3.00	0.00	3.00	0.00	3.00	0.00	0.00	0.00	3.00	0.00
810 Emerg Resp & Prep Div	67.00	0.00	67.00	0.00	67.00	0.00	0.00	0.00	67.00	0.00
820 Prevention Division	10.00	0.00	10.00	0.00	10.00	0.00	0.00	0.00	10.00	0.00
Fire	<u>80.00</u>	<u>0.00</u>	<u>80.00</u>	<u>0.00</u>	<u>80.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>80.00</u>	<u>0.00</u>
TOTAL	<u>496.00</u>	<u>68.75</u>	<u>498.00</u>	<u>67.75</u>	<u>498.50</u>	<u>65.00</u>	<u>(1.00)</u>	<u>(5.25)</u>	<u>497.50</u>	<u>59.75</u>

Funded Permanent Positions by Department

	07-08		08-09		09-10		10-11
	Funded	Change	Funded	Change	Funded	Change	Funded
100 City Council	5.00	0.00	5.00	0.00	5.00	0.00	5.00
111 City Manager	2.00	0.00	2.00	0.00	2.00	0.00	2.00
114 City Clerk	8.00	0.00	8.00	(2.00)	6.00	0.00	6.00
116 RDA & Economic Dvp	1.00	0.00	1.00	0.00	1.00	0.00	1.00
City Manager	16.00	0.00	16.00	(2.00)	14.00	0.00	14.00
530 Building and Safety	18.00	0.00	18.00	(1.00)	17.00	(0.50)	16.50
112 Information Services	16.00	0.00	16.00	(2.00)	14.00	0.00	14.00
115 Human Resources	6.00	(1.00)	5.00	(2.00)	3.00	0.00	3.00
120 City Attorney	0.00	4.00	4.00	0.00	4.00	0.00	4.00
300 Finance	28.00	0.00	28.00	(2.50)	25.50	0.00	25.50
420 Public Works	63.00	0.00	63.00	(4.00)	59.00	(0.50)	58.50
410 Engineering	34.00	(3.00)	31.00	(5.00)	26.00	(1.00)	25.00
510 Planning & Nghbrhd Srves	12.00	0.50	12.50	(1.00)	11.50	1.00	12.50
450 Parks and Recreation	40.50	(1.50)	39.00	(2.00)	37.00	(1.00)	36.00
700 Police	114.00	(1.25)	112.75	(2.75)	110.00	1.00	111.00
800 Fire	68.00	0.00	68.00	(2.00)	66.00	(1.00)	65.00
TOTAL	415.50	(2.25)	413.25	(26.25)	387.00	(2.00)	385.00



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Financial Information Overview

One way of looking at the budget is by fund. A fund is a separate accounting entity created to track specific revenue and expense activity. The City of Milpitas has several fund groupings, which are discussed below. Additional descriptions of each of the fund are provided in the Appendix, Fund Descriptions Section on pages 192 to 194.

All the funds that are presented in this document are subject to appropriation. A summary (pages 54 to 55) is provided for each of the fund groupings that comprise the financial structure of the City.

Governmental Funds

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

General Fund -- is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources of a governmental unit, which are not accounted for in another fund.

Library Fund -- is used to account for revenues received from a voter approved 2% TOT to be used for the library construction, enhance library services and support performing and visual art programs.

Capital Project 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). Capital Projects funds of the City include:

- Street Improvement Fund
- Park Improvement Fund
- General Government Capital Improvement Fund
- Storm Drain Capital Improvement Fund
- Transit Area Impact Fee Fund

Redevelopment Funds -- are established by the Redevelopment Agency of the City of Milpitas to account for the financing and construction activities in the redevelopment project areas and tax allocation set aside for the purpose of increasing or improving the City's supply of low or moderate-income housing. Redevelopment funds of the City include:

- Housing Reserve Fund
- Redevelopment Project Fund
- Tax Allocation Bond Fund

Proprietary Funds

Proprietary Funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

Water Funds -- account for the provision of water services to residents and business of the City. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operation, capital improvements, maintenance, billing and collection. Water funds of the City include:

- Water Fund
- Water Fund CIP
- Water Line Extension Fund
- Water Infrastructure Replacement Fund
- Recycled Water Fund

Sewer Funds -- accounts for the provision of sewer services to residents and business of the City. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operation, capital improvements, maintenance, financing, billing and collection. Sewer funds of the City include:

- Sewer Fund
- Sewer Fund CIP
- Treatment Plant Construction Fund
- Sewer 2006 COPs Fund
- Sewer Infrastructure Replacement Fund

Other Funds -- include all non-major funds of the City. There are two fund types in this fund group - Special Revenue funds and Internal Service funds.

Special Revenue funds are Governmental Funds and are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purpose. Special Revenue funds of the City includes:

- 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

Internal Service funds are Proprietary Funds and 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. Internal Service funds of the City include:

- Equipment Replacement Funds
- Permit Automation Fund.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City's audited financial statements and the Budget & Financial Plan document.

Financial Information Budget Summary

	Grand Total	General Fund (1)	Library Fund
ESTIMATED REVENUES			
PROPERTY TAXES	53,290,000	17,225,000	0
TAXES OTHER THAN PROPERTY	24,756,750	23,243,000	1,014,750
LICENSES AND PERMITS	2,597,000	2,597,000	0
FINES AND FORFEITS	709,000	709,000	0
USE OF MONEY AND PROPERTY	2,736,000	371,000	78,000
INTERGOVERNMENTAL	2,960,467	479,000	0
CHARGES FOR CURRENT SERVICES	33,341,480	3,918,100	0
OTHER REVENUE	5,957,000	91,000	0
sub-total	<u>126,347,697</u>	<u>48,633,100</u>	<u>1,092,750</u>
OTHER FINANCING SOURCES			
(INCREASE) DECREASE IN FUND BALANCE	5,702,792	1,982,730	(289,849)
(INCREASE) DECREASE IN CIP RSRV	(2,502,102)	0	0
(INCREASE) DECREASE IN HOUSING RSRV	619,598	0	0
RDA LOAN PAYMENT	(5,400,000)	0	0
OPERATING TRANSFERS IN	16,371,505	15,099,558	0
OPERATING TRANSFERS OUT	(10,971,505)	0	(350,000)
sub-total	<u>3,820,288</u>	<u>17,082,288</u>	<u>(639,849)</u>
TOTAL	<u><u>130,167,985</u></u>	<u><u>65,715,388</u></u>	<u><u>452,901</u></u>
BUDGETED APPROPRIATIONS			
PERSONNEL SERVICES	65,165,635	57,719,187	0
COMPENSATION REDUCTION	(3,588,042)	(3,196,448)	0
SUPPLIES & CONTRACTUAL SERVICES	41,643,329	11,147,619	452,901
CAPITAL OUTLAY	620,332	45,030	0
sub-total	<u>103,841,254</u>	<u>65,715,388</u>	<u>452,901</u>
CAPITAL IMPROVEMENTS	5,675,545	0	0
DEBT SERVICE	20,651,186	0	0
sub-total	<u>26,326,731</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>130,167,985</u></u>	<u><u>65,715,388</u></u>	<u><u>452,901</u></u>
FUND BALANCE			
FUND BALANCE 7/1/10	140,001,181	24,519,009	6,320,000
NET CHANGES IN FUND BALANCE	(3,820,288)	(1,982,730)	289,849
FUND BALANCE 6/30/11	<u>136,180,893</u>	<u>22,536,279</u>	<u>6,609,849</u>
RESERVED	18,615,569	1,300,000	0
UNRESERVED - DESIGNATED	9,709,849	3,100,000	6,609,849
UNRESERVED, DESIGNATED FOR CIP	47,843,881	0	0
UNRESERVED, DESIGNATED FOR PERS	5,432,703	5,432,703	0
UNRESERVED, DESIGNATED FOR HOUSING	9,980,402	0	0
UNRESERVED, UNDESIGNATED	44,598,489	12,703,576	0
TOTAL	<u><u>136,180,893</u></u>	<u><u>22,536,279</u></u>	<u><u>6,609,849</u></u>

(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.

Financial Information Budget Summary

Other Funds (2)	Capital Projects (3)	Redevelopment (4)	Water Fund (5)	Sewer Fund (6)
0	0	36,065,000	0	0
499,000	0	0	0	0
0	0	0	0	0
0	0	0	0	0
207,000	338,000	1,112,000	346,000	284,000
1,768,922	594,899	37,646	80,000	0
2,680,380	0	0	16,483,000	10,260,000
612,400	748,600	0	1,305,000	3,200,000
5,767,702	1,681,499	37,214,646	18,214,000	13,744,000
(406,176)	0	4,658,567	(2,450,826)	2,208,346
0	1,333,000	0	(814,102)	(3,021,000)
0	0	619,598	0	0
0	0	(5,400,000)	0	0
100,000	1,135,000	36,947	0	0
(1,399,859)	0	(5,831,466)	(1,919,188)	(1,470,992)
(1,706,035)	2,468,000	(5,916,354)	(5,184,116)	(2,283,646)
4,061,667	4,149,499	31,298,292	13,029,884	11,460,354
1,036,179	0	2,326,159	2,540,327	1,543,783
(46,171)	0	(136,731)	(129,989)	(78,703)
2,636,357	135,600	8,436,032	9,914,546	8,920,274
435,302	0	0	140,000	0
4,061,667	135,600	10,625,460	12,464,884	10,385,354
0	4,013,899	711,646	565,000	385,000
0	0	19,961,186	0	690,000
0	4,013,899	20,672,832	565,000	1,075,000
4,061,667	4,149,499	31,298,292	13,029,884	11,460,354
14,892,393	15,939,095	47,898,000	13,691,684	16,741,000
406,176	(1,333,000)	(5,278,165)	3,264,928	812,654
15,298,569	14,606,095	42,619,835	16,956,612	17,553,654
15,298,569	0	2,017,000	0	0
0	0	0	0	0
0	14,606,095	3,400,000	12,296,786	17,541,000
0	0	0	0	0
0	0	9,980,402	0	0
0	0	27,222,433	4,659,826	12,654
15,298,569	14,606,095	42,619,835	16,956,612	17,553,654

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

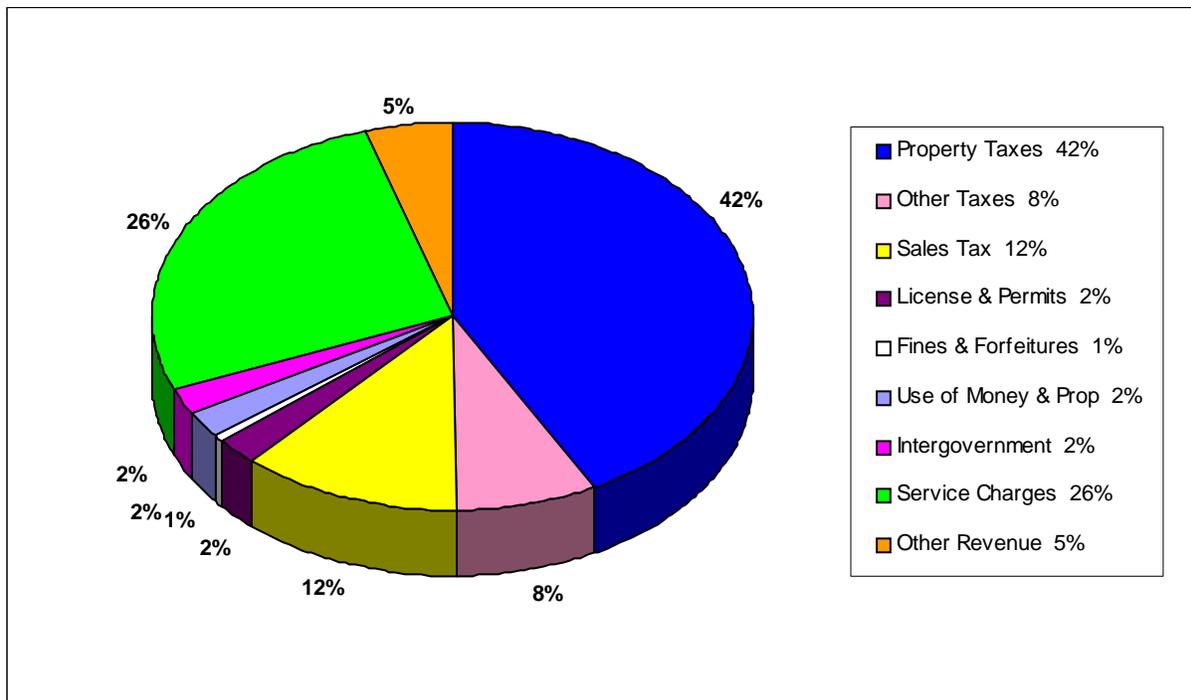
(5) Water Fund includes Water Fund, Water Fund CIP, Water Line Extension Fund, Water Infrastructure Replacement Fund and Recycled Water Fund.

(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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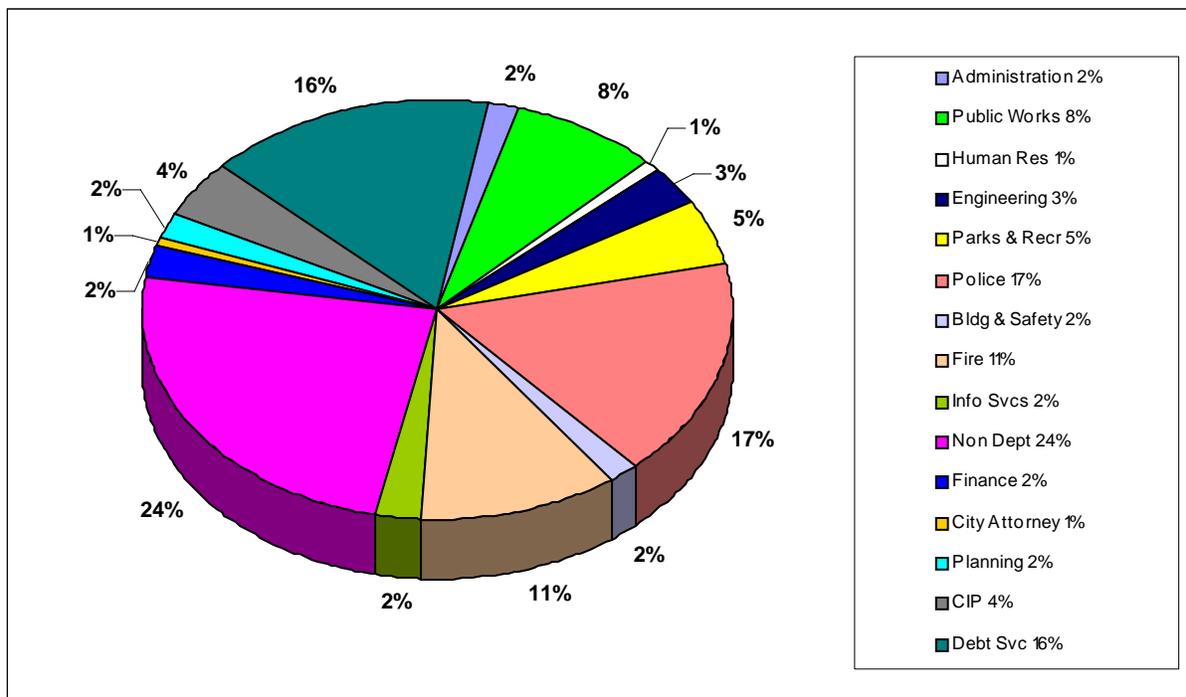
Distribution of Revenues

2010-2011
(All Funds)



Distribution of Expenditures

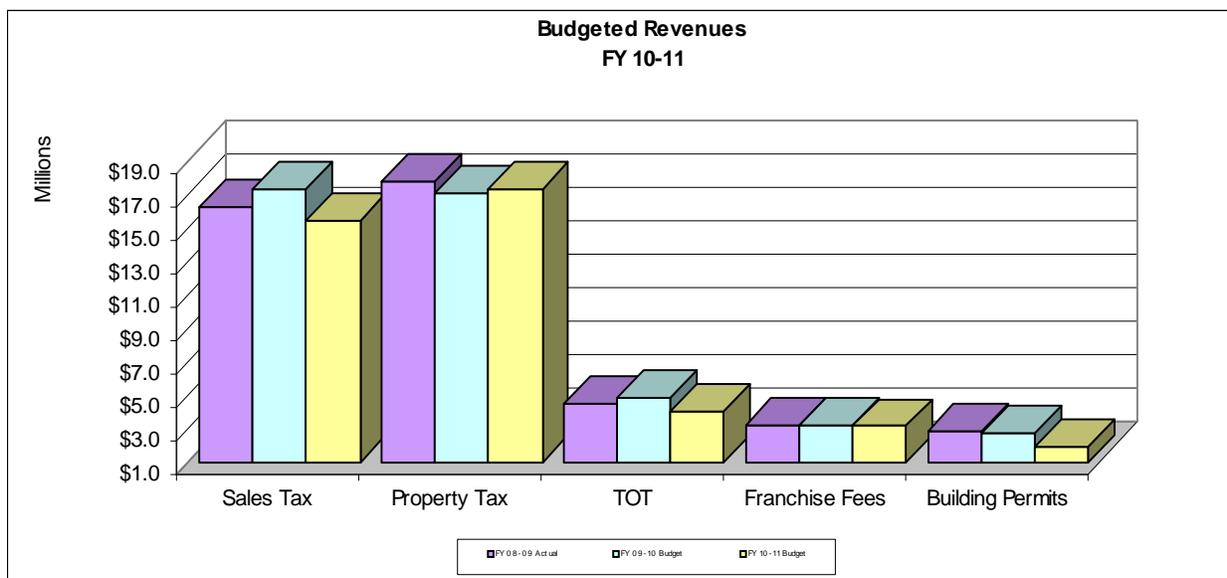
2010-2011
(All Funds)



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General Fund Revenue Assumptions

- CPI** Projected to be 3% increase based on the average urban consumer Consumer Price Index in the last 10 years for the San Francisco-Oakland-San Jose Metropolitan Areas.
- Sales Tax** Our assumption for FY 10-11 sales tax revenue is a 0.2.5% increase from FY 09-10 revised estimate. The forecast reflects the full year operation of the Honda car dealership and renewed focus on the Business Cooperation Program to work with major hi-tech companies to identify and accrue use tax revenue generated from the purchase of equipment to the City. Increased population will also bring in a share of the sales tax revenue increase.
- Property Tax** The property tax revenues are estimated to decrease by 0.2% in FY 10-11 from the FY 09-10 revised revenue. The decrease can be attributed to the potential resolution of prior years' appeals for reduction of assessed valuation. The County Assessor currently has a backlog of appeals that if resolved, can result in decreased property tax revenue for the General Fund next year. In addition, Proposition 13 limits the annual assessment change of existing residential properties to the lesser of 2% or the California Consumer Price Index ("CCPI"). For FY10-11, the CCPI decreased by 0.237%. Consequently, most residential properties that did not have ownership change will have a slight decrease on the property tax bills.
- Transient Occupancy Tax (TOT)** The TOT revenue showed a decrease of \$755,000 or 15.3% from FY 09-10 budget but will remain at approximately the same level as the FY 09-10 revised projection of \$4.06 million. The TOT revenue is not projected to worsen but is not anticipated to recover next year.
- Building Permits** The building permit revenues are projected to be \$1.9 million, approximately \$252,000 or 12% less than the FY 09-10 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 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
100 General Fund	67,602,169	66,575,888	67,306,019	63,687,658
102 Library Fund	1,278,365	1,009,594	1,009,250	742,750
105 Abandon Veh Abatement	85,970	94,176	45,000	45,000
211 H-Hetch Ground Lease	73,125	69,094	27,200	21,285
212 Public Art Fund-Restricted	(133,543)	407,410	208,000	114,000
213 Public Art Fund-Nonrestricted	161,043	7,999	5,000	3,000
221 Gas Tax Fund	286,534	(70,432)	16,000	5,000
235 95-1 Lighting/Lscape Dist	284,615	280,817	286,000	280,600
236 98-1 Lighting/Lscape Dist	34,876	36,340	37,000	35,800
237 05 Community Fclty Dist	0	112,195	176,000	263,053
250 HCD Fund	528,349	418,684	599,000	651,922
251 HCD Loan	258,386	376,476	0	0
261 Supplemental Law Enforcement	161,096	47,380	2,000	2,000
262 State Asset Seizure	4,610	2,607	3,000	1,000
263 Federal Asset Seizure	7,313	5,253	5,000	2,000
267 Justice Assistance Grant	4,484	15,597	0	0
268 Justice Assistance Grant 2009	0	0	0	1,000
280 Solid Waste Services	264,851	14,003	449,458	413,820
281 Solid Waste Reduction	266,295	278,494	339,524	241,983
290 Housing Reserve Fund	7,635,609	9,615,358	8,061,325	6,856,512
310 Street Fund	(2,337,204)	2,406,205	(1,458,377)	54,000
311 Street CIP	5,274,766	817,329	6,289,000	1,128,899
312 Traffic Impact Fee	(16,848)	122,824	38,000	469,600
313 Traffic Congestion Relief	1,506	425,302	1,000	698,000
320 Park Improvement Fund	(403,232)	109,618	(1,445,000)	(2,489,000)
321 Park Improvement CIP	835,694	200,000	1,802,949	2,600,000
322 Midtown Park Fund	1,527,232	136,738	74,000	37,000
330 General Government	32,429	(24,052)	22,000	16,000
331 General Government CIP	240,000	360,000	50,000	50,000
332 Technology COP	(37,263)	(8,861)	0	0
340 Storm Drain Development	200,762	(814,920)	143,632	167,000
341 Storm Drain CIP	0	750,000	175,000	85,000
350 Transit Area Impact Fee Fund	0	0	(2,550,000)	(200,000)
351 Transit Area Impact Fee CIP Fund	0	0	6,000,000	200,000
390 RDA Project Fund	27,105,362	29,081,488	24,220,368	22,432,969
391 Redevelopment CIP	23,102,691	22,930,961	(1,102,400)	711,646
392 97 RDA TABs	(399,646)	(2,929,783)	(4,000)	4,000
395 2003 RDA TABs	(22,382,737)	(20,959,773)	(3,835,000)	(3,985,000)
400 Water M & O Fund	11,884,349	4,594,255	12,396,915	14,360,822
401 Water CIP	2,540,000	9,090,000	5,300,000	565,000
402 Water Line Extension Fund	227,029	178,672	(1,588,000)	1,123,000
405 Water Infrastructure Replmnt	58,711	35,953	(1,069,000)	13,000
406 Recycled Water Fund	964,653	36,784	184,299	232,990
450 Sewer M & O Fund	(2,395,227)	6,583,283	9,512,660	8,867,008
451 Sewer CIP	9,446,363	3,153,702	1,150,000	385,000
452 Treatment Plant Construction	2,983,417	518,742	968,000	3,239,000
453 Sewer 2006 COPS	467,535	(462,083)	39,000	0

Financial Information Revenues by Fund (Summary)

	<u>Actual 2007-08</u>	<u>Actual 2008-09</u>	<u>Budget 2009-10</u>	<u>Proposed 2010-11</u>
455 Sewer Infrastrture Replmnt	249,627	(521,821)	(843,000)	(218,000)
500 Equipment Mgnt Fund	3,525,956	2,487,440	2,670,730	2,352,380
505 Information Tec Replmt	206,445	(14,937)	187,000	79,000
506 Permit Automation Fund	<u>(140,000)</u>	<u>(35,000)</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>141,566,514</u></u>	<u><u>137,545,000</u></u>	<u><u>135,904,552</u></u>	<u><u>126,347,697</u></u>

Financial Information Revenues by Fund (Detail)

Description	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
GENERAL FUND (100)				
PROPERTY TAXES				
3010 Property Taxes, Current	16,030,625	17,193,435	16,439,000	16,922,000
3030 Property Taxes, Supplement	770,167	555,718	598,000	303,000
sub-total	<u>16,800,792</u>	<u>17,749,152</u>	<u>17,037,000</u>	<u>17,225,000</u>
TAXES OTHER THAN PROPERTY				
3110 Sales and Use Tax	16,173,366	16,250,920	17,302,000	15,366,000
3120 Real Estate Transfer Tax	476,338	287,675	339,000	265,000
3131 Electric Franchise	1,267,020	1,068,843	1,113,000	1,112,000
3132 Gas Franchise	0	216,244	205,000	225,000
3133 Garbage Franchise-Commercial	921,815	1,036,931	942,000	950,000
3134 Garbage Franchise-NonCommercial	377,694	412,948	462,000	434,000
3137 Nitrogen Gas Franchise	36,198	43,473	41,000	43,000
3138 CATV Franchise	365,090	372,981	382,000	374,000
3140 Business License Tax	424,735	417,031	429,000	415,000
3150 Hotel/Motel Tax	5,755,842	4,437,872	4,793,000	4,059,000
sub-total	<u>25,798,099</u>	<u>24,544,917</u>	<u>26,008,000</u>	<u>23,243,000</u>
LICENSES AND PERMITS				
3210 Building Permits	4,096,505	2,803,026	2,686,000	1,863,000
3220 Fire Permits	729,213	597,460	510,000	495,000
3240 Life Safety Annual Permits	164,651	222,377	216,000	225,000
3250 Fire Inspections	32,037	64,510	22,000	14,000
sub-total	<u>5,022,407</u>	<u>3,687,373</u>	<u>3,434,000</u>	<u>2,597,000</u>
FINES AND FORFEITS				
3301 Vehicle Code Fines	308,613	374,686	373,000	337,000
3302 Other Court Fines	487,988	418,768	501,000	250,000
3305 Booking Fees	30,409	18,940	19,000	19,000
3306 NBO Violation Fees	5,619	2,700	4,000	4,000
3307 Impound Fees	56,914	57,671	52,000	56,000
3308 Animal Violations	9,323	13,865	11,000	13,000
3309 False Alarm Fee	67,700	44,900	49,000	30,000
3313 PW Municipal Code Fines	2,511	0	0	0
sub-total	<u>969,076</u>	<u>931,530</u>	<u>1,009,000</u>	<u>709,000</u>
USE OF MONEY AND PROPERTY				
3431 Pooled Investment-Interest	497,499	(68,771)	0	0
3433 Other Interest Income	499,498	329,002	74,000	44,000
3434 Pooled Interest Allocation	334,463	751,552	546,000	327,000
sub-total	<u>1,331,459</u>	<u>1,011,784</u>	<u>620,000</u>	<u>371,000</u>
INTERGOVERNMENTAL				
3511 Motor Vehicle In Lieu Tax	296,241	237,440	219,000	172,000
3521 Homeowners Property Tax Relief	125,830	128,788	128,000	128,000
3532 Off-Highway Tax	9	0	0	0
3556 Federal Contributions-Recreation	27,416	21,712	20,000	20,000
3557 Federal Contributions-Police	20,409	29,082	0	0
3558 Federal Contributions-Fire	23,865	193,801	0	0
3562 POST Grant	26,045	22,146	18,000	18,000
3567 State Contributions-Police	2,090	43	0	0
3568 State Contributions-Fire	43,058	492,451	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
3576 County Contributions-Recreation	72,517	82,049	82,000	80,000
3582 SB90 Grant	35,292	3,803	4,000	15,000
3591 Misc Unrestricted Intergovernmental	7,600	6,843	0	1,000
sub-total	680,372	1,218,158	471,000	434,000
CHARGES FOR CURRENT SERVICES				
3601 General Government Service Charges	288,265	217,465	235,000	161,000
3602 Sales of Maps and Documents-Gen Gov't	339	266	0	0
3603 Rents, Leases and Concessions-Gen Gov't	158,883	239,125	185,000	255,000
3604 B L Processing Fee	0	0	0	7,000
3608 PJ Legal Overhead Charge	0	0	0	3,000
3609 PJ Legal Reimbursement	0	0	0	8,000
3611 PJ Overhead Charges-PW/E	773,376	591,217	600,000	525,800
3612 PJ Labor Reimbursement-PW/E	347,701	265,124	240,000	225,300
3613 PJ Vendor Reimbursement-PW/E	44,862	3,852	1,000	1,000
3615 Public Works and Engr Fees	1,050	0	0	0
3616 Engineering Plan Check Fee	143,620	62,396	50,000	20,000
3617 Planning Fees	55,130	10,399	12,000	6,000
3618 Sales of Maps and Doc-PW/Engr	9,563	6,091	5,000	1,000
3619 Rent,Lease & Concession-PW/Eng	13,500	19,925	20,000	25,000
3631 Paramedic Service	2,317	2,326	2,000	2,000
3632 Firewatch Services	1,448	1,259	1,000	1,000
3633 Fire Cost Recovery	0	1,321	0	0
3634 Unwanted Alarms-Fire	35,400	33,000	5,000	10,000
3637 Fire Service Charges	208,127	200,747	210,000	200,000
3638 Sale of Maps & Documents-Fire	2	30	0	0
3639 Fire Electroinc Archieve Charge	1,450	7,223	4,000	7,000
3641 Police Service Charges	297,889	475,281	485,000	422,000
3643 Fingerprints	1,942	2,581	1,000	1,000
3644 Sales of Maps & Documents-Police	12,452	11,662	11,000	12,000
3645 Police Cost Recovery	68,421	4,742	2,000	0
3646 Rents, Leases & Concessions-Police	12,600	8,400	4,000	4,000
3647 DUI-Police Cost Recovery	0	4,975	3,000	4,000
3651 Rents, Leases & Concessions-Recreation	135,884	127,277	133,000	133,000
3652 Recreation Fees	1,509,563	1,504,288	1,500,000	1,500,000
3653 Senior Nutrition Fees	16,383	22,009	17,000	14,000
3655 Sales of Merchandise Recreation	1,516	1,641	1,000	2,000
3661 Sales of Maps & Documents-Building	280	350	0	0
3662 Records Retention Fee	50,477	36,648	32,000	26,000
3663 Building Service Charges	727	1,778	0	0
3665 PJ Overhead Charges-Building	10,028	19,337	4,000	103,000
3666 PJ Labor Reimbursement-Building	4,429	8,541	2,000	47,000
3672 Public Works Cost Recovery	63,731	25,271	16,000	4,000
3681 PJ Overhead Charge-Planning	212,366	201,048	100,000	100,000
3682 PJ Labor Reimbursement-Planning	105,635	93,392	50,000	50,000
3683 PJ Vendor Reimbursement-Planning	55,197	13,322	15,000	20,000
3685 Housing & Neighborhood Services	21,352	25,523	18,000	18,000
sub-total	4,665,904	4,249,829	3,964,000	3,918,100

Financial Information Revenues by Fund (Detail)

Description	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
OTHER REVENUE				
3710 Development	60,750	22,400	15,000	20,000
3730 Recycling	5,097	2,169	0	2,000
3740 Reimbursements	2,100,000	2,700,000	0	0
3750 Donations	27,430	4,500	0	0
3770 Sale of Property, Plant and Equipment	7,361	16,248	5,000	3,000
3790 Miscellaneous Other Revenue	79,724	69,054	74,000	66,000
sub-total	<u>2,280,363</u>	<u>2,814,372</u>	<u>94,000</u>	<u>91,000</u>
OPERATING TRANSFERS IN				
3806 Op Trfs in from Solid Waste Service	87,727	150,574	171,542	134,180
3807 Op Trfs in from Solid Waste Reduction	101,336	103,888	96,476	126,017
3808 Op Trfs in from Housing Reserves	1,100,655	1,164,782	1,083,675	1,065,811
3810 Op Trfs in from Park Impr	0	30,028	0	0
3811 Op Trfs in from RDA	5,220,847	5,480,504	9,579,032	10,030,655
3812 Op Trfs in from Water M&O	1,734,961	1,780,876	1,848,085	1,788,178
3814 Op Trfs in from Recycled	126,260	167,323	119,701	131,010
3815 Op Trfs in from Sewer M&O	1,547,952	1,768,578	1,509,340	1,470,992
3817 Op Trfs in from Equipment Replacement	0	465,900	0	0
3819 Op Trfs in from Other	3,055	3,158	352,800	352,715
3823 Op Trfs in Storm Drain Fund	0	0	8,368	0
3849 Other Appn Transfers In	11,253	40,028	0	0
3899 Op Trfs in from Subsidiary CIP Fund	260,000	260,000	0	0
sub-total	<u>10,194,046</u>	<u>11,415,638</u>	<u>14,769,019</u>	<u>15,099,558</u>
OPERATING TRANSFERS OUT				
3911 Op Trfs Out To the RDA Project Fund	(100,000)	0	0	0
3917 Op Trfs Out To the Equipment Fund	0	0	(100,000)	0
3939 Appn Transfers out to Street F	0	(1,000,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(40,349)	(49,069)	0	0
sub-total	<u>(140,349)</u>	<u>(1,049,069)</u>	<u>(100,000)</u>	<u>0</u>
TOTAL (100)	<u><u>67,602,169</u></u>	<u><u>66,573,685</u></u>	<u><u>67,306,019</u></u>	<u><u>63,687,658</u></u>
LIBRARY FUND (102)				
3150 Hotel/Motel Tax	1,439,996	1,112,059	1,198,250	1,014,750
3431 Pooled Investment-Interest	138,740	(5,380)	0	0
3434 Pooled Interest Allocation	84,629	202,916	161,000	78,000
3901 Op Trfs Out To the General Fund	0	0	(350,000)	(350,000)
3903 Op Trfs Out To the Public Art Fund	(125,000)	0	0	0
3931 Appn Transfers out to General	0	(40,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(260,000)	(260,000)	0	0
TOTAL (102)	<u><u>1,278,365</u></u>	<u><u>1,009,594</u></u>	<u><u>1,009,250</u></u>	<u><u>742,750</u></u>
ABANDON VEH ABATEMENT (105)				
3431 Pooled Investment-Interest	(95)	95	0	0
3434 Pooled Interest Allocation	(1,086)	167	0	0
3577 County Contributions-Police	46,802	44,844	45,000	45,000
3899 Op Trfs in from Subsidiary CIP Fund	40,349	49,069	0	0
TOTAL (105)	<u><u>85,970</u></u>	<u><u>94,176</u></u>	<u><u>45,000</u></u>	<u><u>45,000</u></u>

Financial Information Revenues by Fund (Detail)

Description	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
H-HETCH GROUND LEASE (211)				
3431 Pooled Investment-Interest	75,565	69,590	0	24,000
3433 Other Interest Income	0	507	0	0
3434 Pooled Interest Allocation	615	2,155	30,000	0
3901 Op Trfs Out To the General Fund	(3,055)	(3,158)	(2,800)	(2,715)
TOTAL (211)	73,125	69,094	27,200	21,285
PUBLIC ART FUND-RESTRICTED (212)				
3431 Pooled Investment-Interest	11,393	(1,153)	0	0
3434 Pooled Interest Allocation	7,739	13,880	8,000	14,000
3602 Sales of Maps and Documents-Gen Gov't	1,663	193	0	0
3811 Op Trfs in from RDA	260,662	394,490	200,000	100,000
3911 Op Trfs Out To the RDA Project Fund	(25,000)	0	0	0
3941 Appn Transfers out to RDA	(390,000)	0	0	0
TOTAL (212)	(133,543)	407,410	208,000	114,000
PUBLIC ART FUND-NONRESTRICTED (213)				
3431 Pooled Investment-Interest	0	1,397	0	0
3434 Pooled Interest Allocation	6,043	6,602	5,000	3,000
3760 Developer Contribution	30,000	0	0	0
3801 Op Trfs in from General Fund	125,000	0	0	0
TOTAL (213)	161,043	7,999	5,000	3,000
GAS TAX FUND (221)				
3431 Pooled Investment-Interest	8,409	(823)	0	0
3434 Pooled Interest Allocation	7,762	9,478	9,000	5,000
3545 Sec 2105-Gas Tax	394,528	373,144	400,000	365,000
3546 Sec 2106-Gas Tax	256,362	243,641	260,000	237,000
3547 Sec 2107-Gas Tax	527,948	496,630	540,000	492,000
3548 Sec 2107.5-Gas Tax	7,500	7,500	7,000	6,000
3909 Op Trfs Out To the Street Improvement Fund	(915,976)	(1,200,000)	(1,200,000)	(1,100,000)
TOTAL (221)	286,534	(70,432)	16,000	5,000
95-1 LIGHTING/LSCAPE DIST (235)				
3431 Pooled Investment-Interest	6,989	(511)	0	0
3434 Pooled Interest Allocation	4,301	8,193	6,000	4,000
3720 Special Assessments	273,325	273,135	280,000	276,600
TOTAL (235)	284,615	280,817	286,000	280,600
98-1 LIGHTING/LSCAPE DIST (236)				
3431 Pooled Investment-Interest	164	102	0	0
3434 Pooled Interest Allocation	290	857	1,000	0
3720 Special Assessments	34,422	35,382	36,000	35,800
TOTAL (236)	34,876	36,340	37,000	35,800
05 COMMUNITY FCLTY DIST (237)				
3431 Pooled Investment-Interest	0	9	0	0
3434 Pooled Interest Allocation	0	43	0	0
3720 Special Assessments	0	112,143	196,000	300,000
3911 Op Trfs Out To the RDA Project Fund	0	0	(20,000)	(36,947)
TOTAL (237)	0	112,195	176,000	263,053

Financial Information Revenues by Fund (Detail)

Description	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
HCD FUND (250)				
3555 Federal Contri-Public Works	505,933	397,551	579,000	631,922
3556 Federal Contributions-Recreation	22,416	21,134	20,000	20,000
TOTAL (250)	528,349	418,684	599,000	651,922
HCD LOAN (251)				
3431 Pooled Investment-Interest	1,992	0	0	0
3433 Other Interest Income	3,422	3,128	0	0
3434 Pooled Interest Allocation	(1,992)	0	0	0
3555 Federal Contri-Public Works	254,964	373,349	0	0
TOTAL (251)	258,386	376,476	0	0
SUPPLEMENTAL LAW ENFORCEMENT (261)				
3431 Pooled Investment-Interest	2,589	(575)	0	0
3434 Pooled Interest Allocation	2,388	2,374	2,000	2,000
3567 State Contributions-Police	156,119	45,581	0	0
TOTAL (261)	161,096	47,380	2,000	2,000
STATE ASSET SEIZURE (262)				
3431 Pooled Investment-Interest	3,262	(443)	0	0
3434 Pooled Interest Allocation	1,347	3,050	3,000	1,000
TOTAL (262)	4,610	2,607	3,000	1,000
FEDERAL ASSET SEIZURE (263)				
3431 Pooled Investment-Interest	4,845	(431)	0	0
3434 Pooled Interest Allocation	2,467	5,684	5,000	2,000
TOTAL (263)	7,313	5,253	5,000	2,000
JUSTICE ASSISTANCE GRANT (267)				
3431 Pooled Investment-Interest	106	(50)	0	0
3434 Pooled Interest Allocation	385	185	0	0
3557 Federal Contributions-Police	3,993	15,462	0	0
TOTAL (267)	4,484	15,597	0	0
JUSTICE ASSISTANCE GRANT 2009 (268)				
3434 Pooled Interest Allocation	0	0	0	1,000
TOTAL (268)	0	0	0	1,000
SOLID WASTE SERVICES (280)				
3136 Solid Waste-HHW-Contract & Public	139,365	116,493	152,000	113,000
3139 County-wide AB 939 Fee	137,465	151,740	142,000	100,000
3431 Pooled Investment-Interest	21,331	(2,490)	0	0
3434 Pooled Interest Allocation	12,184	24,048	21,000	10,000
3615 Public Works and Engr Fees	42,235	55,567	46,000	55,000
3671 Public Works Service Charges	0	19,220	260,000	270,000
3901 Op Trfs Out To the General Fund	(87,727)	(150,574)	(171,542)	(134,180)
3922 Op Trfs Out To the General Government Fund	0	(200,000)	0	0
TOTAL (280)	264,851	14,003	449,458	413,820
SOLID WASTE REDUCTION (281)				
3135 Solid Waste-Community Relations	147,717	151,024	154,000	151,000
3136 Solid Waste-HHW-Contract & Public	158,804	134,521	173,000	135,000
3431 Pooled Investment-Interest	14,537	(860)	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
3434 Pooled Interest Allocation	8,168	19,620	16,000	10,000
3565 State Contri-Public Works	17,348	17,463	17,000	17,000
3615 Public Works and Engr Fees	13,406	55,581	76,000	55,000
3790 Miscellaneous Other Revenue	7,651	5,035	0	0
3901 Op Trfs Out To the General Fund	(101,336)	(103,888)	(96,476)	(126,017)
TOTAL (281)	266,295	278,494	339,524	241,983
HOUSING RESERVE FUND (290)				
3431 Pooled Investment-Interest	358,665	(14,315)	0	0
3433 Other Interest Income	458,950	327,212	51,000	51,000
3434 Pooled Interest Allocation	221,894	639,118	494,000	232,000
3740 Reimbursements	43,901	186,706	106,000	0
3760 Developer Contribution	1,275,000	2,126,000	850,000	0
3790 Miscellaneous Other Revenue	0	1,000	0	0
3811 Op Trfs in from RDA	6,740,250	7,876,041	7,644,000	8,027,000
3901 Op Trfs Out To the General Fund	(1,100,655)	(1,164,782)	(1,083,675)	(1,065,811)
3911 Op Trfs Out To the RDA Project Fund	0	0	0	(387,677)
3941 Appn Transfers out to RDA	(362,396)	(361,621)	0	0
TOTAL (290)	7,635,609	9,615,358	8,061,325	6,856,512
STREET FUND (310)				
3431 Pooled Investment-Interest	263,448	(28,101)	0	0
3433 Other Interest Income	153,994	90,281	0	0
3434 Pooled Interest Allocation	151,094	284,371	226,000	129,000
3565 State Contri-Public Works	(215,458)	215,458	0	0
3760 Developer Contribution	0	30,885	0	0
3790 Miscellaneous Other Revenue	106	0	0	0
3802 Op Trfs in from Gas Tax Fund	915,976	1,200,000	1,200,000	1,100,000
3810 Op Trfs in from Park Impr	0	23,731	0	0
3831 Appn Transfers in from General	0	1,000,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	105,000	0	0
3911 Op Trfs Out To the RDA Project Fund	(283,791)	(420)	(125,000)	0
3941 Appn Transfers out to RDA	0	(50,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(3,322,573)	(465,000)	(2,759,377)	(1,175,000)
TOTAL (310)	(2,337,204)	2,406,205	(1,458,377)	54,000
STREET CIP (311)				
3555 Federal Contri-Public Works	0	11,636	150,000	0
3565 State Contri-Public Works	1,070,701	64,158	989,623	225,000
3575 County Cont-Public Works	0	0	2,390,000	(390,000)
3585 Other Res Grant-Public Works	0	30,000	0	68,899
3710 Development	0	0	0	50,000
3811 Op Trfs in from RDA	680,000	0	0	0
3818 Op Trfs in from Tax Alloc	30,649	21,535	0	0
3841 Appn Transfers in from Redevel	175,000	0	0	0
3844 Appn Transfers in from Recycle	0	330,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	3,318,416	465,000	2,759,377	1,175,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(105,000)	0	0
TOTAL (311)	5,274,766	817,329	6,289,000	1,128,899

Financial Information Revenues by Fund (Detail)

Description	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
TRAFFIC IMPACT FEE (312)				
3431 Pooled Investment-Interest	12,857	(2,798)	0	0
3434 Pooled Interest Allocation	22,244	47,543	38,000	24,000
3710 Development	93,894	3,080	0	445,600
3899 Op Trfs in from Subsidiary CIP Fund	4,157	0	0	0
3941 Appn Transfers out to RDA	(150,000)	75,000	0	0
TOTAL (312)	(16,848)	122,824	38,000	469,600
TRAFFIC CONGESTION RELIEF (313)				
3431 Pooled Investment-Interest	0	895	0	0
3434 Pooled Interest Allocation	0	4,220	1,000	7,000
3565 State Contri-Public Works	0	590,187	0	691,000
3811 Op Trfs in from RDA	1,506	0	0	0
3939 Appn Transfers out to Street F	0	(170,000)	0	0
TOTAL (313)	1,506	425,302	1,000	698,000
PARK IMPROVEMENT FUND (320)				
3431 Pooled Investment-Interest	202,756	(18,160)	0	0
3433 Other Interest Income	132,384	89,018	0	0
3434 Pooled Interest Allocation	114,598	246,668	200,000	111,000
3710 Development	(243,510)	192,091	0	0
3911 Op Trfs Out To the RDA Project Fund	(10,809)	(200,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(598,652)	(200,000)	(1,645,000)	(2,600,000)
TOTAL (320)	(403,232)	109,618	(1,445,000)	(2,489,000)
PARK IMPROVEMENT CIP (321)				
3554 Federal Contributions-Public Works	(375,000)	0	0	0
3555 Federal Contri-Public Works	434,297	0	(12,051)	0
3574 County Contributions-Public Works	(90,000)	0	0	0
3575 County Cont-Public Works	31,000	0	170,000	0
3576 County Contributions-Recreation	186,745	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	648,652	200,000	1,645,000	2,600,000
TOTAL (321)	835,694	200,000	1,802,949	2,600,000
MIDTOWN PARK FUND (322)				
3431 Pooled Investment-Interest	38,211	759	0	0
3434 Pooled Interest Allocation	49,654	86,280	74,000	37,000
3710 Development	1,498,291	49,699	0	0
3931 Appn Transfers out to General	(8,924)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(50,000)	0	0	0
TOTAL (322)	1,527,232	136,738	74,000	37,000
GENERAL GOVERNMENT (330)				
3431 Pooled Investment-Interest	20,662	(730)	0	0
3434 Pooled Interest Allocation	11,692	30,436	22,000	16,000
3790 Miscellaneous Other Revenue	75	0	0	0
3901 Op Trfs Out To the General Fund	0	(30,028)	0	0
3909 Op Trfs Out To the Street Improvement Fund	0	(23,731)	0	0
TOTAL (330)	32,429	(24,052)	22,000	16,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
GENERAL GOVERNMENT CIP (331)				
3561 State Contributions-General Gov't	(245,903)	0	0	0
3567 State Contributions-Police	245,903	0	0	0
3760 Developer Contribution	100,000	0	50,000	50,000
3806 Op Trfs in from Solid Waste Service	0	200,000	0	0
3817 Op Trfs in from Equipment Replacement	0	125,000	0	0
3819 Op Trfs in from Other	0	35,000	0	0
3849 Other Appn Transfers In	140,000	0	0	0
TOTAL (331)	240,000	360,000	50,000	50,000
TECHNOLOGY COP (332)				
3431 Pooled Investment-Interest	10,133	(8,951)	0	0
3432 Cash with Fiscal Agents	2,245	118	0	0
3434 Pooled Interest Allocation	(10)	0	0	0
3931 Appn Transfers out to General	(2,329)	(28)	0	0
3941 Appn Transfers out to RDA	(47,302)	0	0	0
TOTAL (332)	(37,263)	(8,861)	0	0
STORM DRAIN DEVELOPMENT (340)				
3431 Pooled Investment-Interest	24,518	(2,232)	0	0
3434 Pooled Interest Allocation	16,376	30,905	27,000	14,000
3710 Development	159,868	156,407	400,000	203,000
3901 Op Trfs Out To the General Fund	0	0	(8,368)	0
3911 Op Trfs Out To the RDA Project Fund	0	(250,000)	(100,000)	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(750,000)	(175,000)	(50,000)
TOTAL (340)	200,762	(814,920)	143,632	167,000
STORM DRAIN CIP (341)				
3811 Op Trfs in from RDA	0	0	0	35,000
3899 Op Trfs in from Subsidiary CIP Fund	0	750,000	175,000	50,000
TOTAL (341)	0	750,000	175,000	85,000
TRANSIT AREA IMPACT FEE FUND (350)				
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(2,550,000)	(200,000)
TOTAL (350)	0	0	(2,550,000)	(200,000)
TRANSIT AREA IMPACT FEE CIP FUND (351)				
3575 County Cont-Public Works	0	0	1,809,000	0
3811 Op Trfs in from RDA	0	0	341,000	0
3814 Op Trfs in from Recycled	0	0	1,300,000	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	2,550,000	200,000
TOTAL (351)	0	0	6,000,000	200,000
RDA PROJECT FUND (390)				
3010 Property Taxes, Current	29,867,412	34,614,306	34,523,000	35,440,000
3030 Property Taxes, Supplement	2,392,244	1,553,121	750,000	625,000
3431 Pooled Investment-Interest	1,250,041	(75,888)	0	0
3432 Cash with Fiscal Agents	22,290	6,161	8,000	8,000
3433 Other Interest Income	857,799	591,729	90,000	53,000
3434 Pooled Interest Allocation	705,315	1,689,991	1,266,000	749,000
3603 Rents, Leases and Concessions-Gen Gov't	75	0	0	0
3770 Sale of Property, Plant and Equipment	1,862,360	0	0	0
3808 Op Trfs in from Housing Reserves	0	0	0	387,677

Financial Information Revenues by Fund (Detail)

Description	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
3809 Op Trfs in from Street Fund	278,791	420	0	0
3810 Op Trfs in from Park Impr	10,809	0	0	0
3819 Op Trfs in from Other	0	0	20,000	36,947
3838 Appn Transfers in from Housing	362,396	361,621	0	0
3899 Op Trfs in from Subsidiary CIP Fund	3,672,095	8,544,162	5,627,400	4,000,000
3901 Op Trfs Out To the General Fund	(5,220,847)	(5,480,504)	(9,579,032)	(10,030,655)
3903 Op Trfs Out To the Public Art Fund	(260,662)	(394,490)	(200,000)	(100,000)
3908 Op Trfs Out To the Housing Reserve Fund	(6,740,250)	(7,876,041)	(7,644,000)	(8,027,000)
3909 Op Trfs Out To the Street Improvement Fund	(680,000)	0	0	0
3919 Op Trfs Out To Other Miscellaneous Funds	(1,506)	0	0	0
3923 Op Trfs Out To the Storm Drain Fund	0	0	0	(35,000)
3924 Op Trfs Out To the Transit Area Impact Fund	0	0	(341,000)	0
3939 Appn Transfers out to Street F	(175,000)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(1,098,000)	(4,453,100)	(300,000)	(674,000)
TOTAL (390)	27,105,362	29,081,488	24,220,368	22,432,969
REDEVELOPMENT CIP (391)				
3555 Federal Contri-Public Works	0	806,317	0	0
3565 State Contri-Public Works	0	989,623	0	0
3575 County Cont-Public Works	13,750	20,000	0	0
3579 County Contribution - Planning	150,000	0	0	0
3585 Other Res Grant-Public Works	0	0	0	37,646
3760 Developer Contribution	80,510	92,400	0	0
3790 Miscellaneous Other Revenue	0	31,646	(100,000)	0
3801 Op Trfs in from General Fund	100,000	0	0	0
3809 Op Trfs in from Street Fund	5,000	0	125,000	0
3810 Op Trfs in from Park Impr	0	200,000	0	0
3812 Op Trfs in from Water M&O	5,000	0	0	0
3815 Op Trfs in from Sewer M&O	5,000	0	0	0
3819 Op Trfs in from Other	25,000	0	0	0
3823 Op Trfs in Storm Drain Fund	0	250,000	100,000	0
3833 Appn Transfers in from Public Art	360,000	0	0	0
3839 Appn Transfers in from Street	0	50,000	0	0
3849 Other Appn Transfers In	180,000	95,000	0	0
3852 Appn Tfr in from General Gov't Fund	47,302	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	22,131,130	20,395,975	400,000	674,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(1,627,400)	0
TOTAL (391)	23,102,691	22,930,961	(1,102,400)	711,646
97 RDA TABS (392)				
3431 Pooled Investment-Interest	138,244	(25,683)	0	0
3434 Pooled Interest Allocation	73,131	99,386	96,000	4,000
3909 Op Trfs Out To the Street Improvement Fund	(30,649)	(21,535)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(580,372)	(2,981,951)	(100,000)	0
TOTAL (392)	(399,646)	(2,929,783)	(4,000)	4,000
2003 RDA TABS (395)				
3431 Pooled Investment-Interest	1,750,548	540,285	0	15,000
3433 Other Interest Income	0	23,009	0	0
3434 Pooled Interest Allocation	(194)	16	165,000	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
3915 Op Trfs Out To the Sewer Fund	(8,239)	(17,997)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(24,124,852)	(21,505,086)	(4,000,000)	(4,000,000)
TOTAL (395)	(22,382,737)	(20,959,773)	(3,835,000)	(3,985,000)
WATER M & O FUND (400)				
3431 Pooled Investment-Interest	338,756	(10,045)	0	0
3433 Other Interest Income	222,293	167,223	0	0
3434 Pooled Interest Allocation	226,277	509,940	407,000	260,000
3622 Water Service Agreements	50,217	22,015	5,000	15,000
3623 Metered Water Sales	14,633,507	13,657,436	15,828,000	15,040,000
3626 Construction Water	96,653	46,469	5,000	20,000
3627 Water & Sewer Reimbursements	150	525	0	0
3672 Public Works Cost Recovery	0	100	0	0
3790 Miscellaneous Other Revenue	156,458	146,468	0	130,000
3814 Op Trfs in from Recycled	440,000	500,000	0	879,000
3901 Op Trfs Out To the General Fund	(1,734,961)	(1,780,876)	(1,848,085)	(1,788,178)
3911 Op Trfs Out To the RDA Project Fund	(5,000)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(2,540,000)	(8,665,000)	(2,000,000)	(195,000)
TOTAL (400)	11,884,349	4,594,255	12,396,915	14,360,822
WATER CIP (401)				
3814 Op Trfs in from Recycled	0	425,000	0	300,000
3899 Op Trfs in from Subsidiary CIP Fund	2,540,000	8,665,000	5,300,000	265,000
TOTAL (401)	2,540,000	9,090,000	5,300,000	565,000
WATER LINE EXTENSION FUND (402)				
3431 Pooled Investment-Interest	54,208	(2,772)	0	0
3434 Pooled Interest Allocation	33,542	77,358	62,000	28,000
3710 Development	139,278	104,086	550,000	1,165,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(2,200,000)	(70,000)
TOTAL (402)	227,029	178,672	(1,588,000)	1,123,000
WATER INFRASTRUCTURE REPLMNT (405)				
3431 Pooled Investment-Interest	34,792	(2,191)	0	0
3434 Pooled Interest Allocation	23,919	38,144	31,000	13,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(1,100,000)	0
TOTAL (405)	58,711	35,953	(1,069,000)	13,000
RECYCLED WATER FUND (406)				
3431 Pooled Investment-Interest	85,591	(7,303)	0	0
3433 Other Interest Income	43,993	27,619	0	0
3434 Pooled Interest Allocation	49,608	103,303	92,000	45,000
3585 Other Res Grant-Public Works	28,233	47,913	0	80,000
3622 Water Service Agreements	31	212	0	0
3623 Metered Water Sales	1,294,051	1,275,981	1,512,000	1,408,000
3790 Miscellaneous Other Revenue	29,405	11,383	0	10,000
3901 Op Trfs Out To the General Fund	(126,260)	(167,323)	(119,701)	(131,010)
3912 Op Trfs Out To the Water Fund	(440,000)	(925,000)	0	(1,179,000)
3924 Op Trfs Out To the Transit Area Impact Fund	0	0	(1,300,000)	0
3939 Appn Transfers out to Street F	0	(330,000)	0	0
TOTAL (406)	964,653	36,784	184,299	232,990

Financial Information Revenues by Fund (Detail)

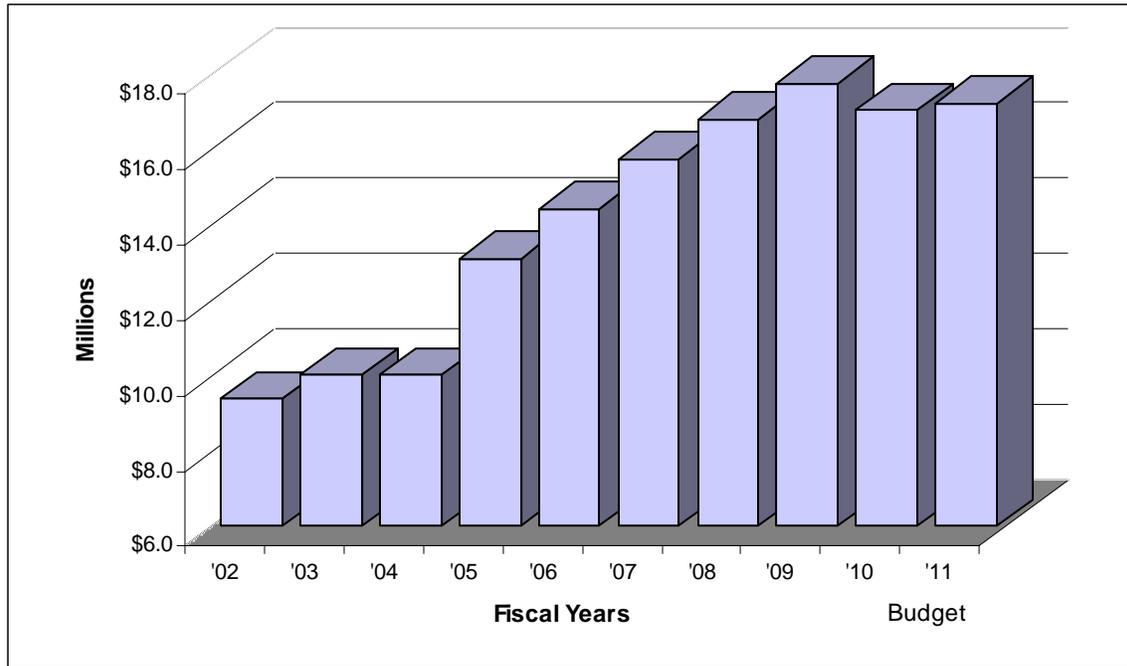
Description	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
SEWER M & O FUND (450)				
3431 Pooled Investment-Interest	326,276	(43,159)	0	0
3433 Other Interest Income	303,322	194,804	0	0
3434 Pooled Interest Allocation	210,976	342,282	296,000	103,000
3628 Sewer Service Charges	9,933,698	9,727,979	10,876,000	10,260,000
3760 Developer Contribution	43,025	53,467	0	0
3790 Miscellaneous Other Revenue	64,524	67,728	0	60,000
3901 Op Trfs Out To the General Fund	(1,547,952)	(1,768,578)	(1,509,340)	(1,470,992)
3911 Op Trfs Out To the RDA Project Fund	(5,000)	0	0	0
3981 Contributions-Proprietary Fund	0	3,760	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(11,724,096)	(1,995,000)	(150,000)	(85,000)
TOTAL (450)	(2,395,227)	6,583,283	9,512,660	8,867,008
SEWER CIP (451)				
3818 Op Trfs in from Tax Alloc	8,239	17,997	0	0
3899 Op Trfs in from Subsidiary CIP Fund	9,438,124	3,135,705	1,150,000	385,000
TOTAL (451)	9,446,363	3,153,702	1,150,000	385,000
TREATMENT PLANT CONSTRUCTION (452)				
3431 Pooled Investment-Interest	78,363	10,544	0	0
3434 Pooled Interest Allocation	77,721	197,564	158,000	99,000
3710 Development	788,237	310,634	810,000	3,140,000
3899 Op Trfs in from Subsidiary CIP Fund	2,039,096	0	0	0
TOTAL (452)	2,983,417	518,742	968,000	3,239,000
SEWER 2006 COPS (453)				
3431 Pooled Investment-Interest	218,919	(21,518)	0	0
3432 Cash with Fiscal Agents	350	83	1,000	0
3434 Pooled Interest Allocation	1,391	58	38,000	0
3899 Op Trfs in from Subsidiary CIP Fund	9,535,000	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(9,288,124)	(440,705)	0	0
TOTAL (453)	467,535	(462,083)	39,000	0
SEWER INFRASTRTURE REPLMNT (455)				
3431 Pooled Investment-Interest	156,418	(14,968)	0	0
3434 Pooled Interest Allocation	93,209	188,722	157,000	82,000
3710 Development	0	4,425	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(700,000)	(1,000,000)	(300,000)
TOTAL (455)	249,627	(521,821)	(843,000)	(218,000)
EQUIPMENT MGNT FUND (500)				
3431 Pooled Investment-Interest	197,226	(13,887)	0	0
3433 Other Interest Income	103,792	74,157	0	0
3434 Pooled Interest Allocation	119,885	264,037	214,000	127,000
3671 Public Works Service Charges	2,740,637	2,354,939	2,456,730	2,225,380
3760 Developer Contribution	0	109,233	0	0
3770 Sale of Property, Plant and Equipment	37,674	21,058	0	0
3790 Miscellaneous Other Revenue	0	976	0	0
3901 Op Trfs Out To the General Fund	0	(465,900)	0	0
3981 Contributions-Proprietary Fund	326,742	142,827	0	0
TOTAL (500)	3,525,956	2,487,440	2,670,730	2,352,380

Financial Information Revenues by Fund (Detail)

Description	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
INFORMATION TEC REPLMT (505)				
3431 Pooled Investment-Interest	9,899	(807)	0	0
3434 Pooled Interest Allocation	7,193	13,323	12,000	4,000
3587 Other Restricted Grants-Police	47,414	0	0	0
3601 General Government Service Charges	120,362	81,997	75,000	75,000
3790 Miscellaneous Other Revenue	21,576	15,551	0	0
3801 Op Trfs in from General Fund	0	0	100,000	0
3922 Op Trfs Out To the General Government Fund	0	(125,000)	0	0
TOTAL (505)	<u>206,445</u>	<u>(14,937)</u>	<u>187,000</u>	<u>79,000</u>
PERMIT AUTOMATION FUND (506)				
3922 Op Trfs Out To the General Government Fund	0	(35,000)	0	0
3952 Appn Tfr out to General Gov't Fund	(140,000)	0	0	0
TOTAL (506)	<u>(140,000)</u>	<u>(35,000)</u>	<u>0</u>	<u>0</u>
TOTAL	<u>141,566,514</u>	<u>137,542,797</u>	<u>135,904,552</u>	<u>126,347,697</u>

History of Property Tax Revenue

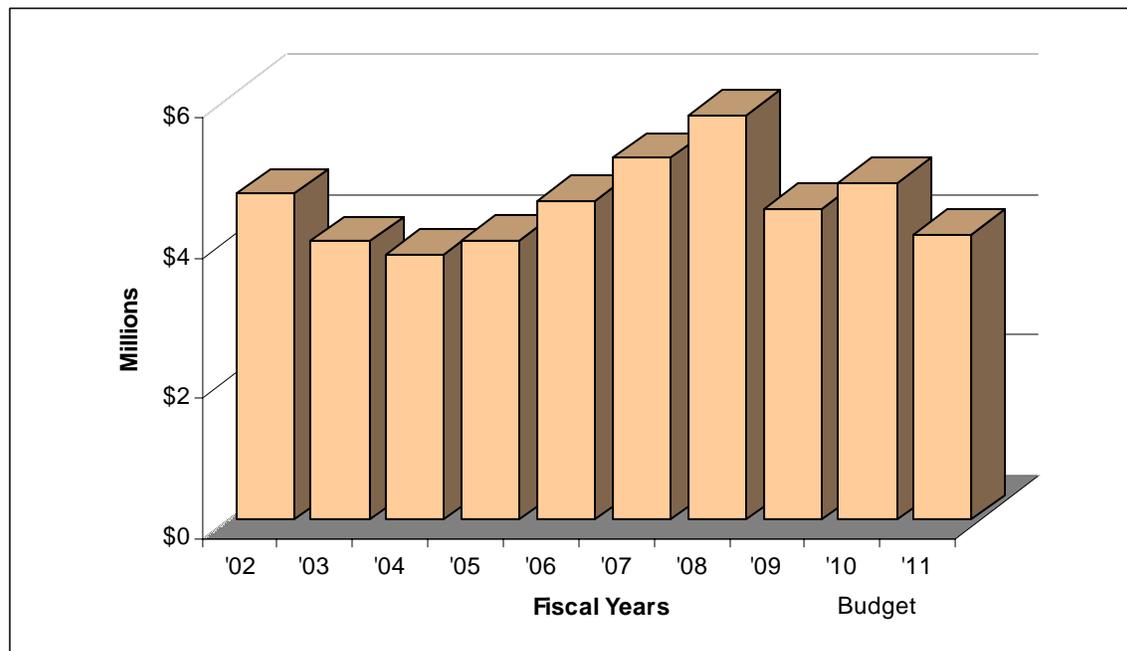
General Fund 2002 through 2011



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

History of Transient Occupancy Tax Revenue

General Fund 2002 through 2011



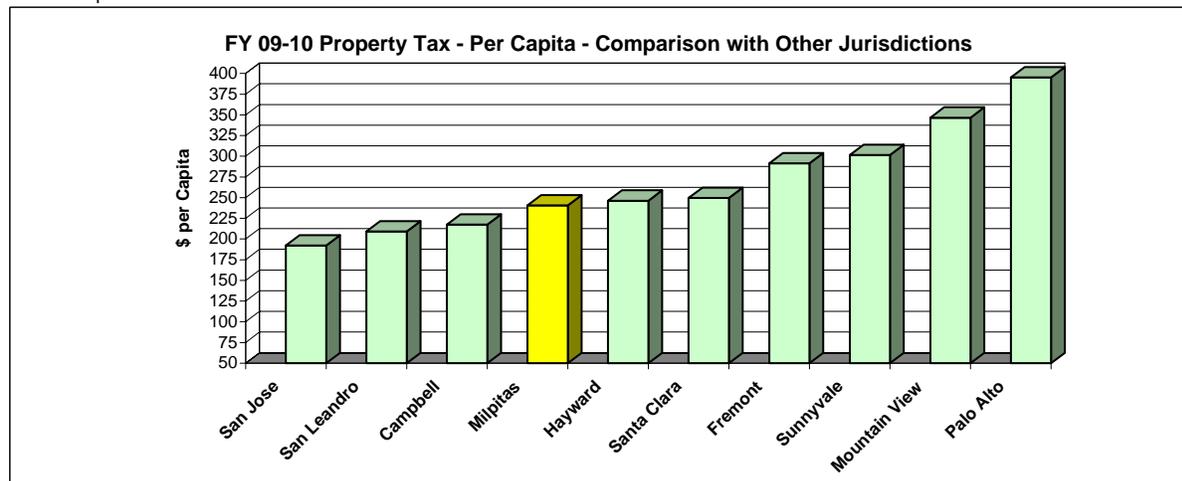
The City of Milpitas Transient Occupancy Rate is currently 10%

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Property Tax, Comparison with Other Jurisdictions

Comparison With Other Jurisdictions FY 05-06 through FY 09-10

City	Actual 2005-06	Actual 2006-07	Actual 2007-08	Budgeted 2008-09	Budgeted 2009-10
Milpitas	\$14,417,392	\$15,750,192	\$16,800,792	\$17,056,000	\$17,037,000
% of General Fund	21%	18%	25%	23%	25%
Per Capita	222.66	240.26	252.75	246.71	240.58
Campbell	\$6,517,562	\$7,568,750	\$8,322,288	\$8,437,000	\$8,787,000
% of General Fund	22%	24%	24%	23%	24%
Per Capita	170.17	197.06	209.38	210.08	217.39
Fremont	\$51,307,083	\$56,432,000	\$59,306,000	\$62,045,000	\$62,221,000
% of General Fund	44%	46%	46%	46%	49%
Per Capita	243.80	268.16	282.20	293.83	291.42
Hayward	\$21,446,000	\$34,640,000	\$38,464,000	\$40,077,000	\$37,167,000
% of General Fund	22%	33%	37%	39%	36%
Per Capita	146.50	236.63	258.26	265.63	246.34
Mountain View	\$21,135,000	\$22,027,000	\$23,681,223	\$24,888,760	\$25,985,220
% of General Fund	27%	26%	27%	28%	30%
Per Capita	293.41	305.95	323.24	336.64	346.60
Palo Alto	\$18,754,000	\$21,466,426	\$23,100,000	\$23,500,000	\$25,800,000
% of General Fund	15%	17%	18%	18%	21%
Per Capita	300.54	342.83	364.54	367.19	395.22
San Jose	\$166,559,696	\$191,825,613	\$208,878,360	\$208,267,000	\$193,468,000
% of General Fund	22%	28%	30%	30%	28%
Per Capita	176.98	196.95	211.99	231.79	192.14
San Leandro	\$13,601,055	\$15,316,082	\$16,363,160	\$16,799,998	\$17,255,000
% of General Fund	19%	20%	22%	24%	23%
Per Capita	167.76	189.26	199.91	203.64	209.15
Santa Clara	\$22,032,336	\$25,468,193	\$27,591,808	\$28,566,000	\$29,254,000
% of General Fund	18%	18%	19%	19%	19%
Per Capita	201.94	228.91	241.53	247.32	249.52
Sunnyvale	\$41,199,278	\$35,815,933	\$38,948,749	\$41,259,440	\$41,834,737
% of General Fund	40%	29%	29%	37%	37%
Per Capita	308.51	263.89	286.98	299.99	301.35

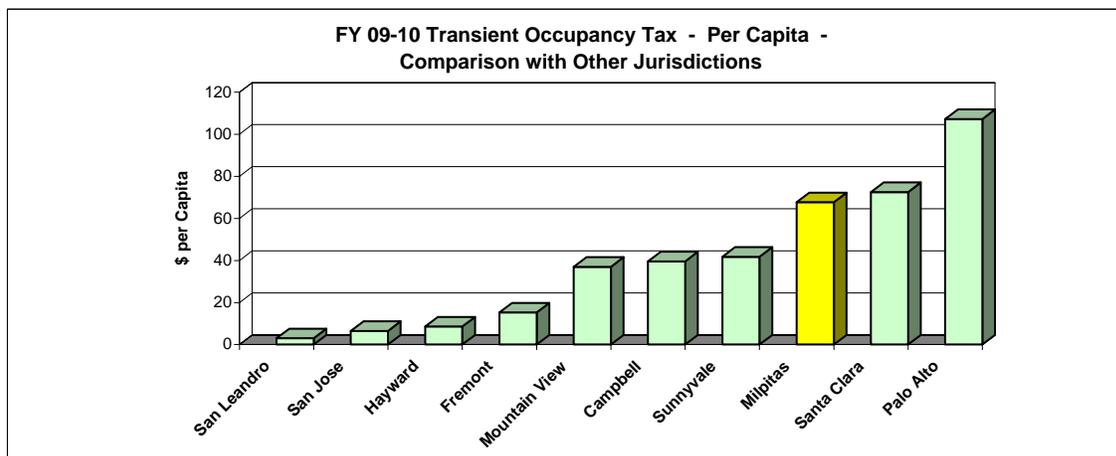


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Transient Occupancy Tax, Comparison with Other Jurisdictions

Comparison With Other Jurisdictions FY 05-06 through FY 09-10

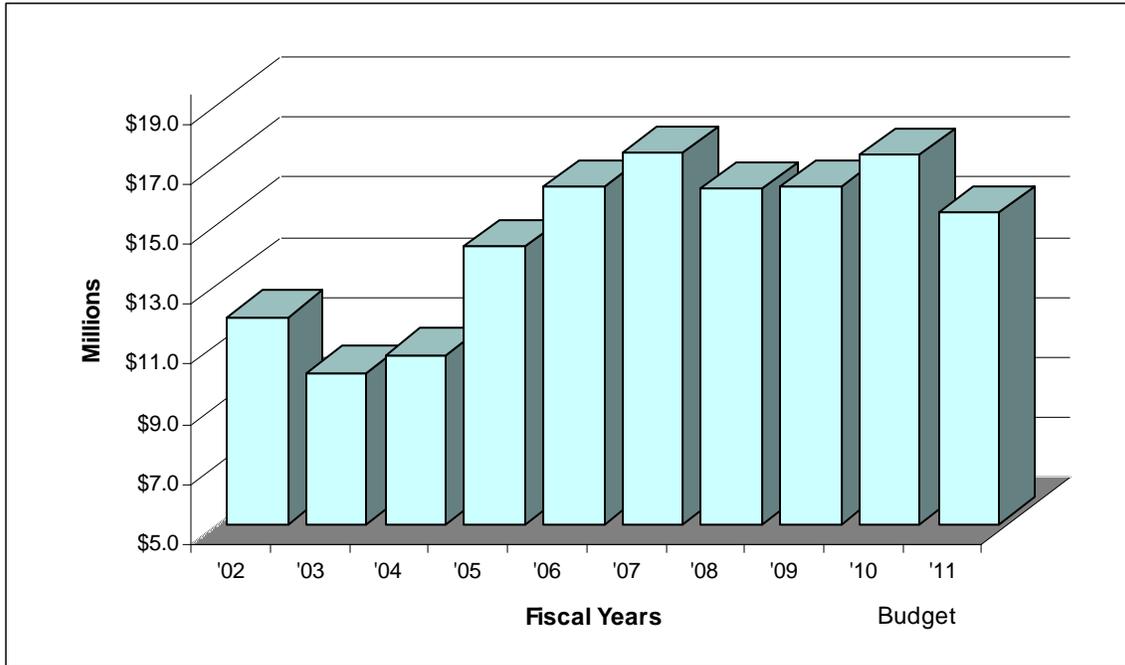
City	Actual 2005-06	Actual 2006-07	Actual 2007-08	Budgeted 2008-09	Budgeted 2009-10
Milpitas	\$4,535,325	\$5,153,656	\$5,755,842	\$5,788,000	\$4,793,000
% of General Fund	7%	6%	9%	8%	7%
Per Capita	70.04	78.62	86.59	83.72	67.68
Campbell	\$1,132,495	\$1,463,140	\$1,617,111	\$1,600,000	\$1,600,000
% of General Fund	4%	5%	5%	4%	4%
Per Capita	29.57	38.09	40.68	39.84	39.58
Fremont	\$2,342,279	\$2,885,000	\$3,181,000	\$3,609,000	\$3,259,000
% of General Fund	2%	2%	2%	3%	3%
Per Capita	11.13	13.71	15.14	17.09	15.26
Hayward	\$1,363,000	\$1,642,000	\$1,554,000	\$1,300,000	\$1,300,000
% of General Fund	1%	2%	2%	1%	1%
Per Capita	9.31	11.22	10.43	8.62	8.62
Mountain View	\$3,177,000	\$3,936,000	\$4,298,983	\$4,200,160	\$2,771,980
% of General Fund	4%	5%	5%	5%	3%
Per Capita	44.10	54.67	58.68	56.81	36.97
Palo Alto	\$6,393,000	\$6,708,199	\$8,000,000	\$8,400,000	\$7,000,000
% of General Fund	5%	5%	6%	7%	6%
Per Capita	102.45	107.13	126.25	131.25	107.23
San Jose	\$7,688,090	\$8,600,000	\$9,560,000	\$9,972,000	\$6,553,000
% of General Fund	1%	1%	1%	1%	1%
Per Capita	8.17	8.83	9.70	11.10	6.51
San Leandro	\$300,524	\$322,160	\$320,508	\$250,000	\$250,000
% of General Fund	0.42%	0.41%	0.43%	0.35%	0.34%
Per Capita	3.71	3.98	3.92	3.03	3.03
Santa Clara	\$9,341,790	\$10,306,555	\$11,278,026	\$11,794,000	\$8,500,000
% of General Fund	8%	7%	8%	8%	6%
Per Capita	85.62	92.64	98.72	102.11	72.50
Sunnyvale	\$5,633,159	\$6,479,842	\$7,350,255	\$5,637,015	\$5,796,280
% of General Fund	5%	5%	5%	5%	5%
Per Capita	42.18	47.74	54.16	40.99	41.75



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History of Sales Tax Revenue

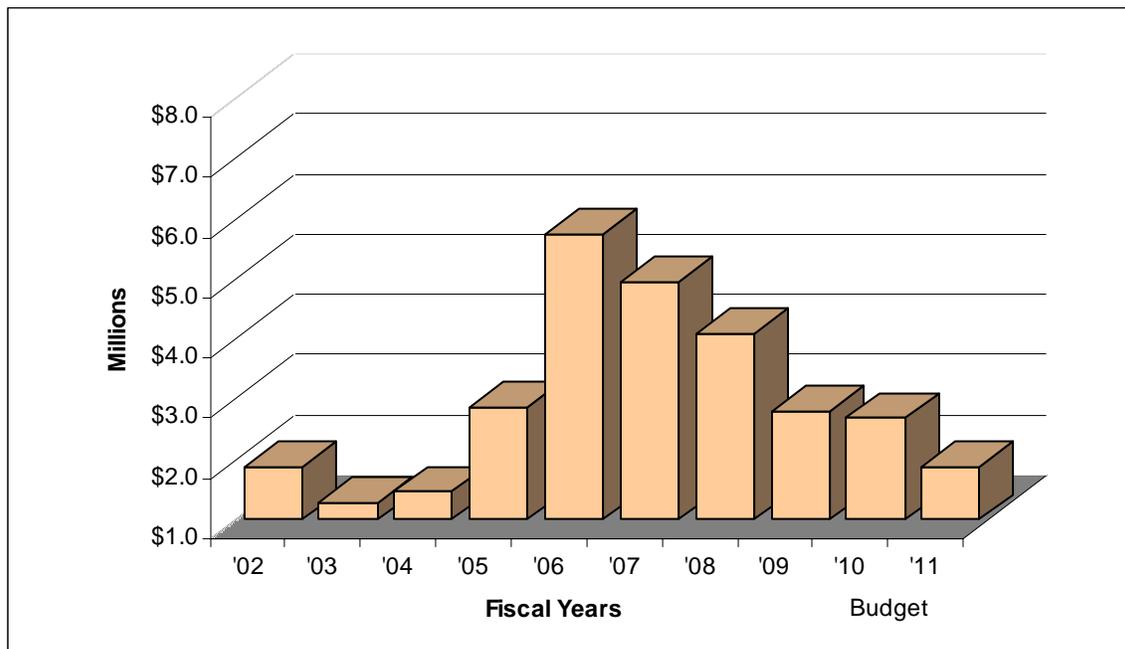
General Fund 2002 through 2011



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

History of Building Permit

General Fund 2002 through 2011

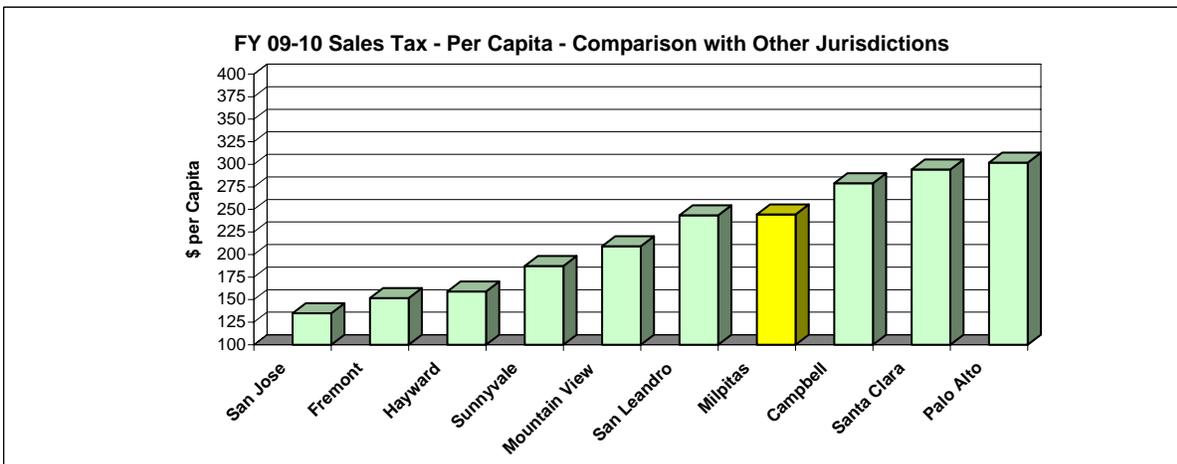


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Sales Tax, Comparison with Other Jurisdictions

Comparison With Other Jurisdictions FY 05-06 through FY 09-10

City	Actual 2005-06	Actual 2006-07	Actual 2007-08	Budgeted 2008-09	Budgeted 2009-10
Milpitas	\$16,227,888	\$17,382,981	\$16,173,366	\$16,573,000	\$17,302,000
% of General Fund	24%	20%	24%	23%	25%
Per Capita	250.62	265.17	243.31	239.72	244.32
Campbell	\$9,346,984	\$10,049,829	\$10,334,830	\$10,200,000	\$11,280,000
% of General Fund	31%	31%	30%	28%	31%
Per Capita	244.05	261.66	260.01	253.98	279.07
Fremont	\$32,276,000	\$34,191,000	\$35,584,000	\$37,460,000	\$32,394,000
% of General Fund	28%	28%	28%	28%	26%
Per Capita	153.37	162.47	169.32	177.40	151.72
Hayward	\$26,686,000	\$28,858,000	\$28,513,000	\$25,400,000	\$23,991,000
% of General Fund	27%	28%	28%	25%	23%
Per Capita	182.29	197.13	191.45	168.35	159.01
Mountain View	\$16,019,000	\$17,223,000	\$17,273,548	\$17,400,730	\$15,673,950
% of General Fund	20%	20%	20%	20%	18%
Per Capita	222.38	239.22	235.78	235.36	209.07
Palo Alto	\$20,316,000	\$22,194,817	\$22,600,000	\$22,400,000	\$19,700,000
% of General Fund	16%	18%	18%	17%	16%
Per Capita	325.58	354.46	356.65	350.00	301.78
San Jose	\$140,327,107	\$149,962,080	\$157,814,015	\$152,536,000	\$135,795,000
% of General Fund	18%	22%	23%	22%	20%
Per Capita	149.11	153.97	160.17	169.77	134.87
San Leandro	\$22,427,246	\$23,691,425	\$22,531,357	\$19,300,000	\$20,100,000
% of General Fund	31%	30%	30%	27%	27%
Per Capita	276.63	292.75	275.27	233.94	243.64
Santa Clara	\$38,142,524	\$43,271,143	\$41,691,543	\$40,307,000	\$34,500,000
% of General Fund	31%	31%	28%	27%	23%
Per Capita	349.59	388.93	364.95	348.97	294.26
Sunnyvale	\$21,316,412	\$30,852,313	\$29,705,343	\$26,000,000	\$26,000,000
% of General Fund	21%	25%	22%	23%	23%
Per Capita	159.62	227.32	218.87	189.04	187.28

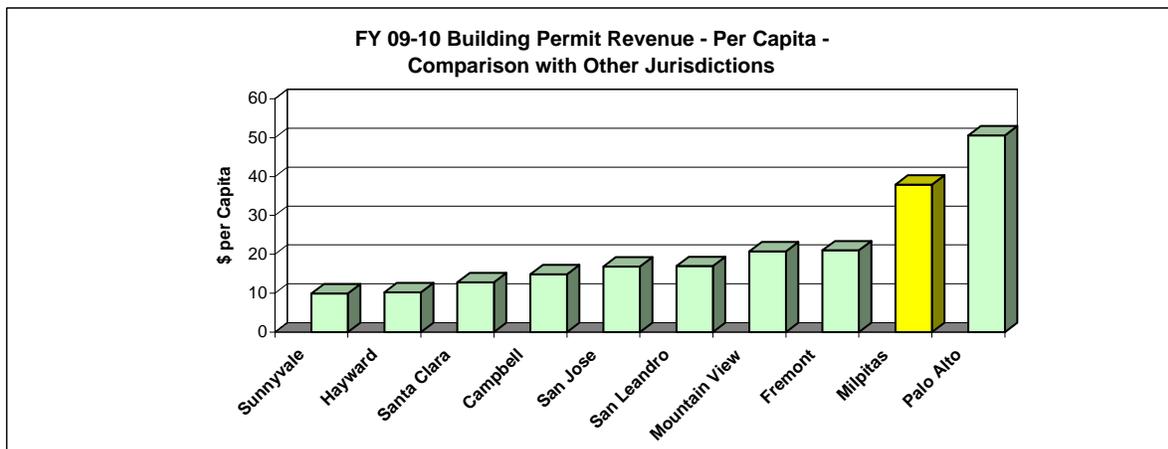


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Building Permits, Comparison with Other Jurisdictions

Comparison With Other Jurisdictions FY 05-06 through FY 09-10

City	Actual 2005-06	Actual 2006-07	Actual 2007-08	Budgeted 2008-09	Budgeted 2009-10
Milpitas	\$5,740,022	\$4,933,979	\$4,096,505	\$3,856,000	\$2,686,000
% of General Fund	8%	6%	6%	5%	4%
Per Capita	88.65	75.27	61.63	55.77	37.93
Campbell	\$1,661,412	\$818,163	\$1,395,014	\$750,000	\$600,000
% of General Fund	6%	3%	4%	2%	2%
Per Capita	43.38	21.30	35.10	18.67	14.84
Fremont *	\$3,040,580	\$5,496,650	\$5,742,607	\$6,209,445	\$4,487,742
% of General Fund	3%	4%	4%	4%	3%
Per Capita	14.45	26.12	27.33	29.41	21.02
Hayward	\$1,444,386	\$2,887,000	\$1,916,000	\$1,400,000	\$1,540,000
% of General Fund	1%	3%	2%	1%	1%
Per Capita	9.87	19.72	12.86	9.28	10.21
Mountain View *	\$2,282,000	\$2,388,000	\$3,177,783	\$2,750,737	\$1,558,500
% of General Fund	3%	3%	3%	3%	2%
Per Capita	31.68	33.17	43.38	37.21	20.79
Palo Alto	\$5,224,000	\$3,672,863	\$3,400,000	\$3,800,000	\$3,300,000
% of General Fund	4%	3%	3%	3%	3%
Per Capita	83.72	58.66	53.66	59.38	50.55
San Jose	\$23,955,292	\$21,853,857	\$19,700,000	\$21,900,000	\$17,000,000
% of General Fund	3%	3%	3%	3%	2%
Per Capita	25.45	22.44	19.99	24.37	16.88
San Leandro	\$1,317,169	\$1,308,176	\$1,179,111	\$1,336,200	\$1,400,000
% of General Fund	2%	2%	2%	2%	2%
Per Capita	16.25	16.16	14.41	16.20	16.97
Santa Clara	\$1,969,172	\$1,912,577	\$1,785,221	\$1,750,000	\$1,500,000
% of General Fund	2%	1%	1%	1%	1%
Per Capita	18.05	17.19	15.63	15.15	12.79
Sunnyvale	\$2,138,495	\$2,696,569	\$3,587,657	\$1,843,457	\$1,382,593
% of General Fund	2%	2%	3%	2%	1%
Per Capita	16.01	19.87	26.43	13.40	9.96

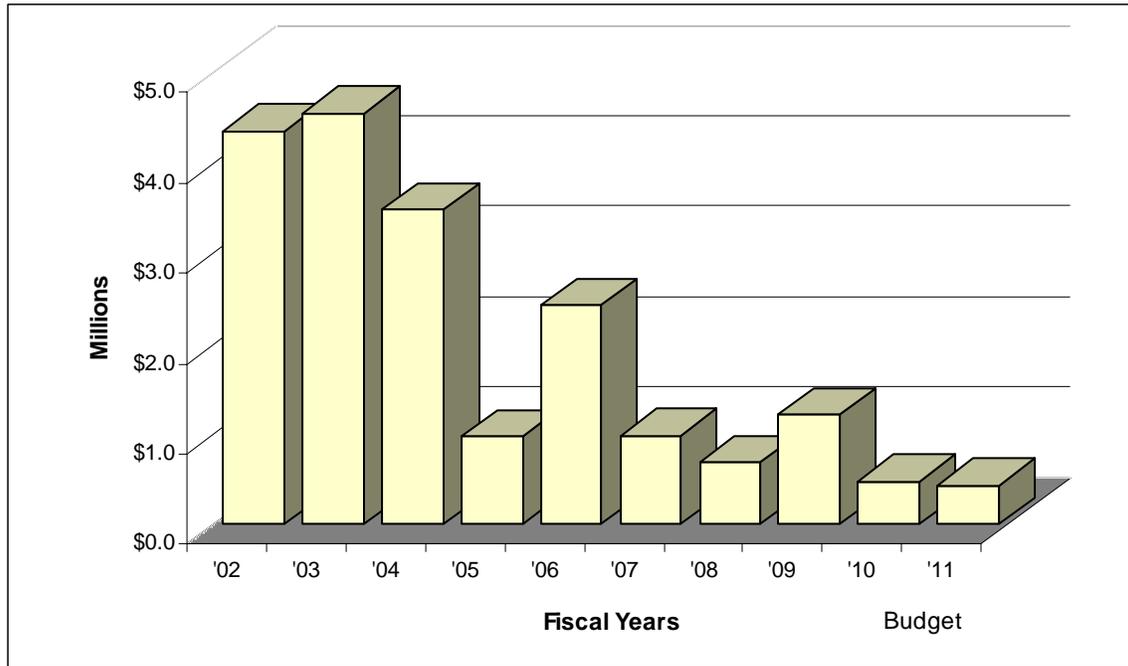


* For the Cities of Fremont and Mountain View building permits are not part of their General Fund revenue but for comparison purposes, we included this revenue as part of their General Fund.

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History of Intergovernmental Revenue

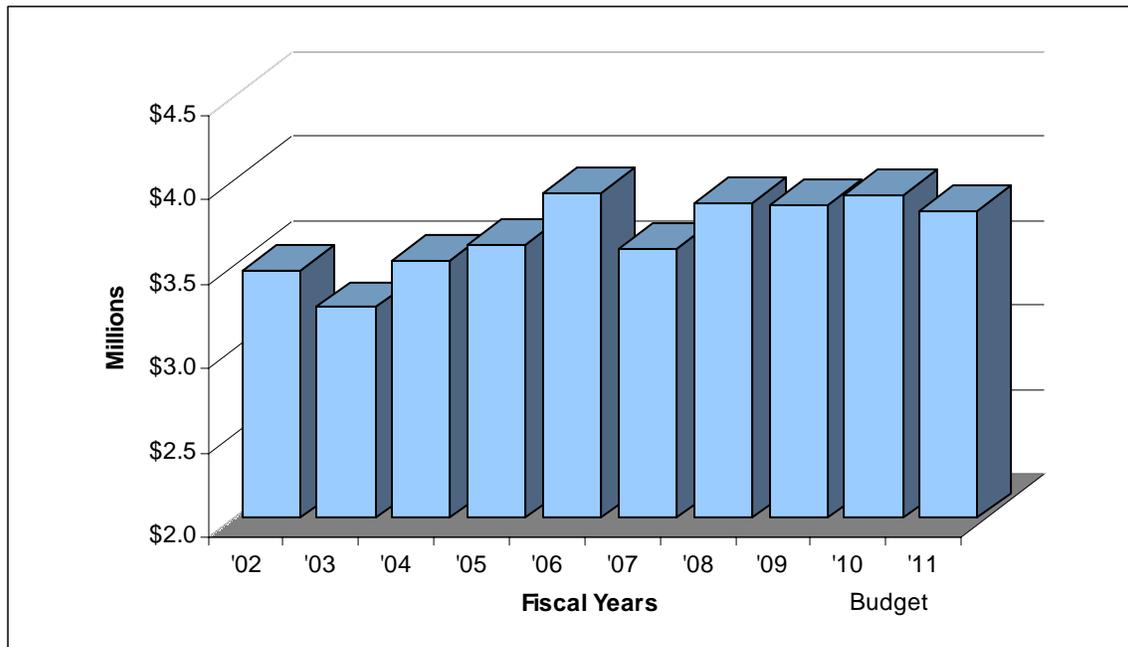
General Fund 2002 through 2011



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

History of "Other" Tax Revenue

General Fund 2002 through 2011



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

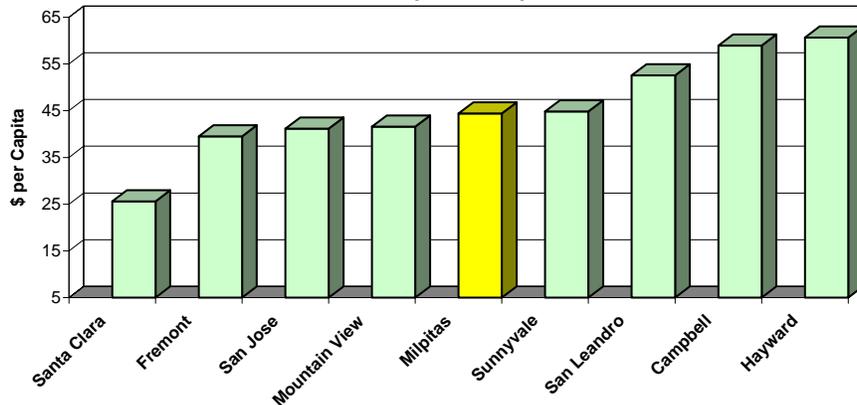
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Franchise Fees, Comparison with Other Jurisdictions

FY 05-06 through FY 09-10

City	Actual 2005-06	Actual 2006-07	Actual 2007-08	Budgeted 2008-09	Budgeted 2009-10
Milpitas	\$2,643,392	\$2,911,593	\$2,967,817	\$3,060,000	\$3,145,000
% of General Fund	4%	3%	4%	4%	5%
Per Capita	40.82	44.42	44.65	44.26	44.41
Campbell	\$1,346,968	\$1,685,456	\$2,323,063	\$2,225,000	\$2,383,122
% of General Fund	4%	5%	7%	6%	7%
Per Capita	35.17	43.88	58.44	55.40	58.96
Fremont	\$7,666,471	\$7,903,000	\$7,954,000	\$8,362,000	\$8,439,000
% of General Fund	7%	6%	6%	6%	7%
Per Capita	36.43	37.55	37.85	39.60	39.52
Hayward	\$7,102,000	\$6,972,000	\$8,699,000	\$8,600,000	\$9,147,000
% of General Fund	7%	7%	8%	8%	9%
Per Capita	48.51	47.63	58.41	57.00	60.63
General Fund-Rev	78,913,000	85,141,000	88,140,278	88,951,421	86,656,806
Population	72,033	71,995	73,262	73,932	74,971
Mountain View	\$3,205,000	\$2,936,000	\$2,955,434	\$3,046,912	\$3,118,498
% of General Fund	4%	3%	3%	3%	4%
Per Capita	44.49	40.78	40.34	41.21	41.60
San Jose	\$36,759,856	\$40,415,138	\$41,063,799	\$41,621,000	\$41,422,000
% of General Fund	5%	6%	6%	6%	6%
Per Capita	39.06	41.49	41.68	46.32	41.14
San Leandro	\$3,362,679	\$4,496,414	\$4,119,765	\$4,335,000	\$4,335,000
% of General Fund	5%	6%	5%	6%	6%
Per Capita	41.48	55.56	50.33	52.55	52.55
Santa Clara	\$2,907,192	\$3,166,797	\$3,281,082	\$3,000,000	\$3,000,000
% of General Fund	2%	2%	2%	2%	2%
Per Capita	26.65	28.46	28.72	25.97	25.59
Sunnyvale	\$5,531,248	\$5,713,842	\$5,855,124	\$6,177,593	\$6,227,378
% of General Fund	5%	5%	4%	6%	6%
Per Capita	41.42	42.10	43.14	44.92	44.86

FY 09-10 Franchise Fee Revenue - Per Capita - Comparison with Other Jurisdictions



NOTE: Palo Alto does not collect Franchise Tax Fees.

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Expenditures by Fund (Summary)

	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
100 General Fund	65,919,096	67,472,144	67,303,540	65,670,388
102 Library Fund	358,336	387,315	433,000	452,901
105 Abandon Veh Abatement	87,585	93,522	45,000	45,000
211 H-Hetch Ground Lease	25,846	26,576	28,000	28,000
212 Public Art Fund-Restricted	0	0	115,000	38,500
235 95-1 Lighting/Lscape Dist	275,030	197,305	316,130	320,130
236 98-1 Lighting/Lscape Dist	21,499	19,631	30,530	38,672
237 05 Community Fclty Dist	0	110,759	176,280	209,071
250 HCD Fund	528,349	418,343	364,982	376,892
251 HCD Loan	(376)	17,150	219,275	275,000
261 Supplemental Law Enforcement	160,744	45,581	0	0
262 State Asset Seizure	40,798	21,794	30,000	44,105
263 Federal Asset Seizure	20,000	15,277	30,000	57,170
267 Justice Assistance Grant	4,141	15,462	0	0
280 Solid Waste Services	233,772	109,174	461,031	426,010
281 Solid Waste Reduction	217,344	196,911	255,263	237,708
290 Housing Reserve Fund	4,318,244	4,843,170	7,209,204	7,476,110
310 Street Fund	81,734	99,870	133,000	135,600
311 Street CIP	3,102,381	3,610,222	6,289,000	1,128,899
321 Park Improvement CIP	474,478	409,785	1,802,949	2,600,000
322 Midtown Park Fund	0	481,453	0	0
331 General Government CIP	220,690	91,847	50,000	0
340 Storm Drain Development	0	0	19,999	0
341 Storm Drain CIP	0	174,465	175,000	85,000
350 Transit Area Impact Fee Fund	0	206,493	0	0
351 Transit Area Impact Fee CIP Fund	0	0	6,000,000	200,000
390 RDA Project Fund	24,354,485	21,829,289	19,982,205	23,110,536
391 Redevelopment CIP	26,773,853	16,881,182	(1,102,400)	711,646
400 Water M & O Fund	9,335,956	9,689,477	12,293,625	11,909,996
401 Water CIP	860,104	1,479,554	5,300,000	565,000
406 Recycled Water Fund	460,798	555,596	500,448	554,888
450 Sewer M & O Fund	(1,524,101)	7,363,428	12,898,235	11,075,354
451 Sewer CIP	8,079,338	2,879,591	1,150,000	385,000
452 Treatment Plant Construction	6,703	0	0	0
500 Equipment Mgmt Fund	2,661,960	2,460,184	2,356,854	1,795,209
505 Information Tec Replmt	101,314	164,814	167,200	167,200
506 Permit Automation Fund	14,500	0	40,000	48,000
TOTAL	<u>147,214,603</u>	<u>142,367,366</u>	<u>145,073,350</u>	<u>130,167,985</u>

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svc's	Capital Outlay	Debt Service	Capital Improvements	Total
GENERAL FUND						
City Council	192,785	172,670	0	0	0	365,455
City Manager	399,279	17,336	0	0	0	416,615
City Clerk	688,056	131,000	0	0	0	819,056
Building Inspection Services	691,915	41,271	0	0	0	733,186
Plan Checking	439,656	12,675	0	0	0	452,331
Building Administration	204,180	10,630	0	0	0	214,810
Permit Center	448,766	63,950	0	0	0	512,716
Public Works Inspection Services	54,308	5,936	0	0	0	60,244
Information Services	1,985,373	765,907	0	0	0	2,751,280
Human Resources	445,607	561,445	0	0	0	1,007,052
City Attorney	591,210	21,300	0	0	0	612,510
Finance Administration	572,609	71,860	0	0	0	644,469
Accounting Services	1,068,253	24,550	0	0	0	1,092,803
Receivables	208,954	7,260	0	0	0	216,214
Purchasing	366,827	93,025	0	0	0	459,852
Public Works Administration	257,815	14,340	0	0	0	272,155
Street Maintenance	1,230,684	468,664	0	0	0	1,699,348
Trees & Landscape Mnt	1,155,701	223,700	0	0	0	1,379,401
Facilities Maintenance	1,479,418	701,924	0	0	0	2,181,342
Engineering Administration	161,979	11,137	0	0	0	173,116
Design & Construction	460,493	9,209	0	0	0	469,702
Land Development	103,896	78,061	0	0	0	181,957
Traffic Engineering	33,353	0	0	0	0	33,353
Utility Engineering	0	126,000	0	0	0	126,000
Planning	432,785	174,750	0	0	0	607,535
Neighborhood Services	367,694	293,215	0	0	0	660,909
Park Maintenance	1,778,169	394,778	14,440	0	0	2,187,387
Recreation Administration	892,123	102,511	0	0	0	994,634
Senior Citizen Services	416,631	203,426	0	0	0	620,057
Preschool	165,149	26,080	0	0	0	191,229
Youth Programs	348,537	29,600	0	0	0	378,137
Teens	161,753	13,798	0	0	0	175,551
Special Events	35,186	73,438	0	0	0	108,624
Cultural Arts	1,100	28,225	0	0	0	29,325
Rainbow Theatre	182,125	39,271	0	0	0	221,396
General Classes	66,114	293,909	0	0	0	360,023
Aquatics	454,772	11,898	0	0	0	466,670
Sports & Fitness Classes	234,334	239,553	0	0	0	473,887
Adult Sports	51,963	24,410	0	0	0	76,373
Volunteer Services	35,741	5,500	0	0	0	41,241
Police Administration	619,202	26,530	0	0	0	645,732
Records	1,028,485	200,985	0	0	0	1,229,470
Personnel & Training	219,971	118,998	0	0	0	338,969

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Communications	2,285,921	237,110	0	0	0	2,523,031
Patrol Services	10,823,823	402,807	0	0	0	11,226,630
Traffic	2,516,989	107,664	0	0	0	2,624,653
Crossing Guards	286,853	6,030	0	0	0	292,883
Community Relations	948,229	30,327	0	0	0	978,556
Investigations	1,832,030	401,336	0	0	0	2,233,366
Fire Administration	462,726	53,742	0	0	0	516,468
Emerg Resp & Prep Div Admin	218,143	41,797	0	0	0	259,940
A/B/C Battalions Operations	11,125,929	1,169,440	30,590	0	0	12,325,959
Disaster Prep & Public Ed	157,057	67,424	0	0	0	224,481
Prevention Div Admin	221,021	51,967	0	0	0	272,988
Fire Plan Check & Permits	197,309	34,840	0	0	0	232,149
Hazardous Materials Regulation	374,154	2,110	0	0	0	376,264
Inspection & Investigation	4,600	43,600	0	0	0	48,200
Non-Departmental	2,290,500	2,562,200	0	0	0	4,852,700
sub-total (100)	54,478,238	11,147,119	45,030	0	0	65,670,388
LIBRARY FUND						
City Manager	0	427,901	0	0	0	427,901
Facilities Maintenance	0	25,000	0	0	0	25,000
sub-total (102)	0	452,901	0	0	0	452,901
ABANDON VEH ABATEMENT						
Neighborhood Services	22,000	500	0	0	0	22,500
Traffic	22,500	0	0	0	0	22,500
sub-total (105)	44,500	500	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	38,500	0	0	0	38,500
sub-total (212)	0	38,500	0	0	0	38,500
95-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	20,000	234,000	0	0	0	254,000
Land Development	5,000	61,130	0	0	0	66,130
sub-total (235)	25,000	295,130	0	0	0	320,130
98-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	24,000	10,400	142	0	0	34,542
Land Development	3,000	1,130	0	0	0	4,130
sub-total (236)	27,000	11,530	142	0	0	38,672
05 COMMUNITY FCLTY DIST						
Trees & Landscape Mnt	42,571	92,500	0	0	0	135,071
Park Maintenance	0	67,000	0	0	0	67,000
Non-Departmental	0	7,000	0	0	0	7,000
sub-total (237)	42,571	166,500	0	0	0	209,071

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
HCD FUND						
Building Inspection Services	10,852	0	0	0	0	10,852
Accounting Services	20,000	0	0	0	0	20,000
Neighborhood Services	89,540	250,500	0	0	0	340,040
Non-Departmental	0	6,000	0	0	0	6,000
sub-total (250)	<u>120,392</u>	<u>256,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>376,892</u>
HCD LOAN						
Neighborhood Services	0	275,000	0	0	0	275,000
sub-total (251)	<u>0</u>	<u>275,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>275,000</u>
STATE ASSET SEIZURE						
Traffic	0	0	14,105	0	0	14,105
Investigations	0	0	30,000	0	0	30,000
sub-total (262)	<u>0</u>	<u>0</u>	<u>44,105</u>	<u>0</u>	<u>0</u>	<u>44,105</u>
FEDERAL ASSET SEIZURE						
Patrol Services	0	0	27,170	0	0	27,170
Investigations	0	0	30,000	0	0	30,000
sub-total (263)	<u>0</u>	<u>0</u>	<u>57,170</u>	<u>0</u>	<u>0</u>	<u>57,170</u>
SOLID WASTE SERVICES						
Utility Engineering	23,064	0	0	0	0	23,064
Solid Waste	75,946	327,000	0	0	0	402,946
sub-total (280)	<u>99,010</u>	<u>327,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>426,010</u>
SOLID WASTE REDUCTION						
Solid Waste	63,260	174,448	0	0	0	237,708
sub-total (281)	<u>63,260</u>	<u>174,448</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>237,708</u>
HOUSING RESERVE FUND						
RDA & Economic Dvp	35,385	25,440	0	0	0	60,825
Planning	93,623	0	0	0	0	93,623
Neighborhood Services	168,662	56,000	0	0	0	224,662
Non-Departmental	0	7,097,000	0	0	0	7,097,000
sub-total (290)	<u>297,670</u>	<u>7,178,440</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,476,110</u>
STREET FUND						
Non-Departmental	0	135,600	0	0	0	135,600
sub-total (310)	<u>0</u>	<u>135,600</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>135,600</u>
STREET CIP						
Capital Improvement Projects	0	0	0	0	1,128,899	1,128,899
sub-total (311)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,128,899</u>	<u>1,128,899</u>
PARK IMPROVEMENT CIP						
Capital Improvement Projects	0	0	0	0	2,600,000	2,600,000
sub-total (321)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,600,000</u>	<u>2,600,000</u>
STORM DRAIN CIP						
Capital Improvement Projects	0	0	0	0	85,000	85,000
sub-total (341)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>85,000</u>	<u>85,000</u>

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
TRANSIT AREA IMPACT FEE CIP FUND						
Capital Improvement Projects	0	0	0	0	200,000	200,000
sub-total (351)	0	0	0	0	200,000	200,000
RDA PROJECT FUND						
RDA & Economic Dvp	141,526	85,160	0	0	0	226,686
Building Inspection Services	81,624	0	0	0	0	81,624
Public Works Inspection Services	87,199	0	0	0	0	87,199
City Attorney	104,339	56,300	0	0	0	160,639
Public Works Administration	91,031	0	0	0	0	91,031
Design & Construction	223,250	500	0	0	0	223,750
Land Development	439,660	0	0	0	0	439,660
Traffic Engineering	106,980	22,432	0	0	0	129,412
Special Projects	0	0	0	0	0	0
Solid Waste	0	0	0	0	0	0
Planning	374,450	0	0	0	0	374,450
Non-Departmental	241,700	1,093,200	0	0	0	1,334,900
Debt Service	0	0	0	19,961,186	0	19,961,186
sub-total (390)	1,891,758	1,257,592	0	19,961,186	0	23,110,536
REDEVELOPMENT CIP						
Capital Improvement Projects	0	0	0	0	711,646	711,646
sub-total (391)	0	0	0	0	711,646	711,646
WATER M & O FUND						
Receivables	318,921	0	0	0	0	318,921
Utilities	184,854	85,875	30,000	0	0	300,729
Public Works Administration	88,064	0	0	0	0	88,064
Utility Maintenance	960,753	595,943	110,000	0	0	1,666,696
Utility Engineering	443,046	303,268	0	0	0	746,314
Solid Waste	56,971	0	0	0	0	56,971
Non-Departmental	195,200	8,537,100	0	0	0	8,732,300
sub-total (400)	2,247,810	9,522,186	140,000	0	0	11,909,996
WATER CIP						
Capital Improvement Projects	0	0	0	0	565,000	565,000
sub-total (401)	0	0	0	0	565,000	565,000
RECYCLED WATER FUND						
Receivables	21,293	0	0	0	0	21,293
Utilities	7,067	170	0	0	0	7,237
Utility Maintenance	52,571	10,957	0	0	0	63,528
Land Development	8,000	0	0	0	0	8,000
Utility Engineering	73,597	1,233	0	0	0	74,830
Non-Departmental	0	380,000	0	0	0	380,000
sub-total (406)	162,528	392,360	0	0	0	554,888

Financial Information Expenditures by Fund (Detail)

<u>Fund/Function</u>	<u>Personnel Services</u>	<u>Supplies & Contractual Svcs</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Total</u>
SEWER M & O FUND						
Receivables	85,003	0	0	0	0	85,003
Utilities	50,775	82,435	0	0	0	133,210
Public Works Administration	88,024	0	0	0	0	88,024
Utility Maintenance	728,957	280,221	0	0	0	1,009,178
Utility Engineering	334,049	86,718	0	0	0	420,767
Solid Waste	56,971	0	0	0	0	56,971
Non-Departmental	121,300	8,470,900	0	0	0	8,592,200
Debt Service	0	0	0	690,000	0	690,000
sub-total (450)	<u>1,465,080</u>	<u>8,920,274</u>	<u>0</u>	<u>690,000</u>	<u>0</u>	<u>11,075,354</u>
SEWER CIP						
Capital Improvement Projects	0	0	0	0	385,000	385,000
sub-total (451)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>385,000</u>	<u>385,000</u>
EQUIPMENT MGNT FUND						
Fleet Maintenance	601,475	916,549	0	0	0	1,518,024
Non-Departmental	1,300	32,000	0	0	0	33,300
Equipment to be Depreciated	0	0	243,885	0	0	243,885
sub-total (500)	<u>602,775</u>	<u>948,549</u>	<u>243,885</u>	<u>0</u>	<u>0</u>	<u>1,795,209</u>
INFORMATION TEC REPLMT						
Information Services	0	77,200	90,000	0	0	167,200
sub-total (505)	<u>0</u>	<u>77,200</u>	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>167,200</u>
PERMIT AUTOMATION FUND						
Information Services	10,000	38,000	0	0	0	48,000
sub-total (506)	<u>10,000</u>	<u>38,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>48,000</u>
TOTAL	<u>61,577,592</u>	<u>41,643,329</u>	<u>620,332</u>	<u>20,651,186</u>	<u>5,675,545</u>	<u>130,167,985</u>

Financial Information Expenditures by Function by Fund

Function	General Fund	RDA Fund	Water Fund	Sewer Fund	Other Funds	Total
City Council	365,455	0	0	0	0	365,455
City Manager	416,615	0	0	0	427,901	844,516
City Clerk	819,056	0	0	0	0	819,056
RDA & Economic Dvp	0	287,510	0	0	0	287,510
Building Inspection Services	733,186	81,624	0	0	10,852	825,662
Plan Checking	452,331	0	0	0	0	452,331
Building Administration	214,810	0	0	0	0	214,810
Permit Center	512,716	0	0	0	0	512,716
Public Works Inspection Srv	60,243	87,199	0	0	0	147,442
Information Services	2,751,280	0	0	0	215,200	2,966,480
Human Resources	1,007,052	0	0	0	0	1,007,052
City Attorney	612,510	160,639	0	0	0	773,149
Finance Administration	644,469	0	0	0	0	644,469
Accounting Services	1,092,803	0	0	0	20,000	1,112,803
Receivables	216,214	0	340,214	85,003	0	641,431
Utilities	0	0	307,966	133,210	0	441,176
Purchasing	459,852	0	0	0	0	459,852
Public Works Administration	272,156	91,031	88,064	88,024	0	539,275
Street Maintenance	1,699,348	0	0	0	0	1,699,348
Utility Maintenance	0	0	1,730,224	1,009,179	0	2,739,403
Trees & Landscape Mnt	1,379,401	0	0	0	423,613	1,803,014
Fleet Maintenance	0	0	0	0	1,518,024	1,518,024
Facilities Maintenance	2,181,342	0	0	0	25,000	2,206,342
Engineering Administration	173,116	0	0	0	0	173,116
Design & Construction	469,702	223,750	0	0	0	693,452
Land Development	181,958	439,660	8,000	0	70,260	699,878
Traffic Engineering	33,353	129,412	0	0	0	162,765
Utility Engineering	126,000	0	821,145	420,767	23,064	1,390,976
Solid Waste	0	0	56,971	56,971	640,654	754,596
Planning	607,535	468,073	0	0	0	1,075,608
Neighborhood Services	683,409	224,662	0	0	615,040	1,523,111
Park Maintenance	2,187,388	0	0	0	67,000	2,254,388
Recreation Administration	994,634	0	0	0	0	994,634
Senior Citizen Services	620,057	0	0	0	0	620,057
Preschool	191,229	0	0	0	0	191,229
Youth Programs	378,137	0	0	0	0	378,137
Teens	175,551	0	0	0	0	175,551
Special Events	108,624	0	0	0	0	108,624
Cultural Arts	29,325	0	0	0	0	29,325
Rainbow Theatre	221,396	0	0	0	0	221,396

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Financial Information Expenditures by Function by Fund

Function	General Fund	RDA Fund	Water Fund	Sewer Fund	Other Funds	Total
General Classes	360,023	0	0	0	0	360,023
Aquatics	466,670	0	0	0	0	466,670
Sports & Fitness Classes	473,887	0	0	0	0	473,887
Adult Sports	76,373	0	0	0	0	76,373
Volunteer Services	41,241	0	0	0	0	41,241
Police Administration	645,732	0	0	0	0	645,732
Records	1,229,470	0	0	0	0	1,229,470
Personnel & Training	338,969	0	0	0	0	338,969
Communications	2,523,031	0	0	0	0	2,523,031
Community Relations	978,556	0	0	0	0	978,556
Patrol Services	11,226,631	0	0	0	27,170	11,253,801
Traffic	2,647,153	0	0	0	14,105	2,661,258
Crossing Guards	292,883	0	0	0	0	292,883
Investigations	2,233,366	0	0	0	60,000	2,293,366
Fire Administration	516,468	0	0	0	0	516,468
Emerg Resp & Prep Div	259,940	0	0	0	0	259,940
A/B/C Battalions Operations	12,325,960	0	0	0	0	12,325,960
Prevention Div Admin	272,988	0	0	0	0	272,988
Inspection & Investigation	48,200	0	0	0	0	48,200
Haz Materials Regulation	376,264	0	0	0	0	376,264
Fire Plan Check & Permits	232,149	0	0	0	0	232,149
Disaster Prep & Public Ed	224,481	0	0	0	0	224,481
Non-Departmental	4,852,700	8,431,900	9,112,300	8,592,200	248,400	31,237,500
Debt Service	0	19,961,186	0	690,000	0	20,651,186
Equipment to be depreciated	0	0	0	0	243,885	243,885
Capital Improvement Project	0	711,646	565,000	385,000	4,013,899	5,675,545
TOTAL	65,715,389	31,298,292	13,029,884	11,460,354	8,664,066	130,167,985

Internal Cost Allocation by Fund Schedule

Function	FY10/11	Admin & O/H Cost	Reallocation	Program	100/102/105	211	280/281
	Budget	To be Allocated	Admin & O/H Cost	Cost	General	HH Lease	Sld Wst
100 City Council	365,455	(198,296)	64,994	232,153	743	0	0
111 City Manager	844,516	(209,391)	79,670	714,795	455,758	0	0
114 City Clerk	819,056	(710,777)	41,932	150,211	86,341	0	0
116 RDA & Eco Development	287,511	0	111,119	398,630	0	0	0
530 Building Inspection	2,152,962	0	832,346	2,985,308	2,730,499	0	0
112 Information Services	2,966,480	(2,117,110)	247,398	1,096,768	34,910	0	0
115 Human Resources	1,007,052	(946,025)	23,062	84,089	0	0	0
120 City Attorney	773,149	(450,869)	125,796	448,076	0	0	0
300 Finance Admin	644,469	(318,303)	127,892	454,058	209,048	726	0
310 Accounting Services	1,112,803	(539,735)	215,949	789,017	354,055	1,230	0
320 Fiscal Services	1,082,607	(106,788)	379,483	1,355,302	69,685	242	0
330 Purchasing	459,852	(227,121)	90,153	322,884	148,656	517	0
420 Public Works	10,505,404	(3,732,875)	2,461,396	9,233,925	4,524,664	0	0
410 Engineering	3,874,781	(57,571)	1,461,322	5,278,532	1,019,954	0	923,915
510 Planning & Neigh Presv	2,598,719	0	765,256	3,363,975	1,110,419	0	0
424 Park Maintenance	2,254,387	(21,874)	842,829	3,075,342	2,937,044	0	0
450 Recreation	4,137,147	(537,827)	1,402,618	5,001,938	4,942,416	0	0
700 Police Admin	645,732	(130,373)	201,273	716,632	678,865	0	0
710 Technical Services	4,091,470	(2,504,136)	616,398	2,203,732	2,087,594	0	0
720 Field Services	14,207,941	(2,855,707)	4,394,453	15,746,687	14,878,923	0	0
730 Special Operations	3,271,922	(648,487)	997,977	3,621,412	3,373,726	0	0
800 Fire Admin	516,468	(6,869)	199,176	708,775	664,477	0	0
810 Emerg Resp & Prep Division	12,810,385	(170,378)	4,924,895	17,564,902	16,467,096	0	0
820 Prevention Division	929,601	(12,364)	358,517	1,275,754	1,196,019	0	0
910 Non-Departmental	31,237,500	(4,463,028)	0	26,774,472	365,863	28,000	0
930 Equipment to be Depreciated	243,885	0	0	243,885	0	0	0
TOTAL OP BUDGET	103,841,254	(20,965,904)	20,965,904	103,841,254	58,336,755	30,715	923,915
920 Debt Service	20,651,186	0	0	20,651,186	0	0	0
950 C I P Projects	5,675,545	0	0	5,675,545	0	0	0
Total	130,167,985	(20,965,904)	20,965,904	130,167,985	58,336,755	30,715	923,915
Op Cost Reimb					9,349,558	(2,715)	(260,197)
Total By Fund					67,686,313	28,000	663,718

Financial Information Internal Cost Allocation by Fund Schedule

Program Costs Allocated to Operating Funds						
290	390's	400/401	406	450/451	Other	
Housing	RDA	Water	Recycled	Sewer	Funds	TOTAL
34,823	148,578	23,889	2,020	22,100	0	232,153
45,903	160,661	26,825	2,295	23,353	0	714,795
10,515	42,059	4,882	421	5,993	0	150,211
83,887	314,743	0	0	0	0	398,630
1,095	242,039	0	0	823	10,852	2,985,308
88,862	396,706	148,721	12,606	199,763	215,200	1,096,768
7,274	13,849	35,166	3,061	24,739	0	84,089
32,985	355,476	25,597	2,223	31,795	0	448,076
22,703	104,433	28,833	7,583	80,732	0	454,058
38,451	176,874	48,833	12,843	136,731	20,000	789,017
7,568	34,812	870,369	41,541	331,085	0	1,355,302
16,144	74,263	20,503	5,392	57,409	0	322,884
7,835	228,069	2,438,248	88,687	1,522,809	423,613	9,233,925
77,230	1,257,576	1,126,655	117,755	685,187	70,260	5,278,532
494,882	1,103,081	33,325	2,821	4,407	615,040	3,363,975
5,114	66,184	0	0	0	67,000	3,075,342
9,502	50,020	0	0	0	0	5,001,938
7,166	22,216	4,013	215	4,157	0	716,632
22,038	68,315	12,341	662	12,782	0	2,203,732
156,829	486,171	87,825	4,705	90,959	41,275	15,746,687
35,614	110,404	19,944	1,068	20,656	60,000	3,621,412
8,647	35,439	71	0	141	0	708,775
214,292	878,244	1,757	0	3,513	0	17,564,902
15,562	63,787	128	0	258	0	1,275,754
7,097,000	1,346,006	8,740,249	380,000	8,596,954	220,400	26,774,472
0	0	0	0	0	243,885	243,885
8,541,921	7,780,005	13,698,174	685,898	11,856,346	1,987,525	103,841,254
0	19,961,186	0	0	690,000	0	20,651,186
0	711,646	565,000	0	385,000	4,013,899	5,675,545
8,541,921	28,452,837	14,263,174	685,898	12,931,346	6,001,424	130,167,985
(1,065,811)	(4,630,655)	(1,788,178)	(131,010)	(1,470,992)	0	0
7,476,110	23,822,182	12,474,996	554,888	11,460,354	6,001,424	130,167,985

Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>	<u>Transfer Distribution</u>
From the Library Fund	To the General Fund for: Operating Cost Reimbursement
	350,000
	sub-total
	<u>350,000</u>
From the H-Hetch Ground Lease	To the General Fund for: Operating Cost Reimbursement
	2,715
	sub-total
	<u>2,715</u>
From the Gas Tax Fund	To the Street Improvement Fund for: Various Street CIP Projects
	1,100,000
	sub-total
	<u>1,100,000</u>
From the 05 Community Fclty Dist	To the RDA Project Fund for: Reimbursement of 2005 CFD Formation Costs
	36,947
	sub-total
	<u>36,947</u>
From the Solid Waste Services	To the General Fund for: Operating Cost Reimbursement
	134,180
	sub-total
	<u>134,180</u>
From the Solid Waste Reduction	To the General Fund for: Operating Cost Reimbursement
	126,017
	sub-total
	<u>126,017</u>
From the Housing Reserve Fund	To the General Fund for: Operating Cost Reimbursement
	1,065,811
	sub-total
	<u>1,065,811</u>
* From the Housing Reserve Fund	To the RDA Project Fund for: Debt Service Payment
	387,677
	sub-total
	<u>387,677</u>
* From the Street Fund	To the Street CIP Fund for: Dixon Landing Road Plan Line (4253) Sidewalk Replacement 2011 (4254) Street Resurfacing Project (4255)
	25,000
	150,000
	1,000,000
	sub-total
	<u>1,175,000</u>
* From the Park Improvement Fund	To the Park CIP Fund for: Alviso Adobe Renovation (5055) Park Renovation Project 2011 (5091)
	2,500,000
	100,000
	sub-total
	<u>2,600,000</u>
* From the Storm Drain Development	To the Storm Drain CIP Fund for: Fuel Tank Improvements (3704) Minor Storm Drain Project 2011 (3705)
	40,000
	10,000
	sub-total
	<u>50,000</u>
* From the Transit Area Impact Fee Fd	To the Transit Area Impact Fee CIP Fund for: 2nd SCVWD Water Reservoir and Pump Stn (2002)
	200,000
	sub-total
	<u>200,000</u>
From the RDA Project Fund	To the General Fund for: Public Improvement Purchase Operating Cost Reimbursement
	5,400,000
	4,630,655
	sub-total
	<u>10,030,655</u>

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>		<u>Transfer Distribution</u>
* From the RDA Project Fund	To the Housing Reserve Fund for: 20% Housing Set Aside	8,027,000
	sub-total	<u>8,027,000</u>
From the RDA Project Fund	To the Public Art Fund for: Public Art Purchase	100,000
	sub-total	<u>100,000</u>
From the RDA Project Fund	To the Storm Drain CIP Fund for: Fuel Tank Improvements (3704)	35,000
	sub-total	<u>35,000</u>
* From the RDA Project Fund	To the RDA CIP Fund for: City Building Improvements (8182)	500,000
	Department of Energy Grant Program (8198)	74,000
	Climate Action Plan (8200)	100,000
	sub-total	<u>674,000</u>
* From the 2003 RDA TABs	To the RDA Project Fund for: Contractual Obligation Reimbursement	4,000,000
	sub-total	<u>4,000,000</u>
From the Water M & O Fund	To the General Fund for: Operating Cost Reimbursement	1,788,178
	sub-total	<u>1,788,178</u>
* From the Water M & O Fund	To the Water CIP Fund for: Pressure Reducing Valve Replacement (7070)	100,000
	Minor Water Projects 2011 (7111)	95,000
	sub-total	<u>195,000</u>
* From the Water Line Extension Fund	To the Water CIP Fund for: Hydrant Replacement (7110)	70,000
	sub-total	<u>70,000</u>
From the Recycled Water Fund	To the General Fund for: Operating Cost Reimbursement	131,010
	sub-total	<u>131,010</u>
* From the Recycled Water Fund	To the Water Fund for: To Maintain Support for Loss Sales	879,000
	Recycled Water Site Improvements (7105)	300,000
	sub-total	<u>1,179,000</u>
From the Sewer M & O Fund	To the General Fund for: Operating Cost Reimbursement	1,470,992
	sub-total	<u>1,470,992</u>
* From the Sewer M & O Fund	To the Sewer CIP Fund for: Sewer System Hydraulic Modeling (6110)	50,000
	Minor Sewer Projects 2011 (6114)	35,000
	sub-total	<u>85,000</u>
* From the Sewer Infrastructure Replmnt	To the Sewer CIP Fund for: Cypress Sewer Main Replacement (6113)	300,000
	sub-total	<u>300,000</u>
TOTAL TRANSFERS:		<u><u>35,314,182</u></u>

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

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FUNCTION:	City Council	CITY MANAGER: Thomas Williams
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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.



Budgets Narrative and Summary City Council

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2009-2010 Accomplishments					
1. Developed long-term fiscal planning policies	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 2009-10	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	
2010-2011 Goals					
1. Complete 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 2010-11	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 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
City Council Meetings	22	24	24	24
Commission Meetings	135	124	116	131
Subcommittee Meetings	50	43	49	60
County/Regional Agency/Association Meetings	260	260	260	260

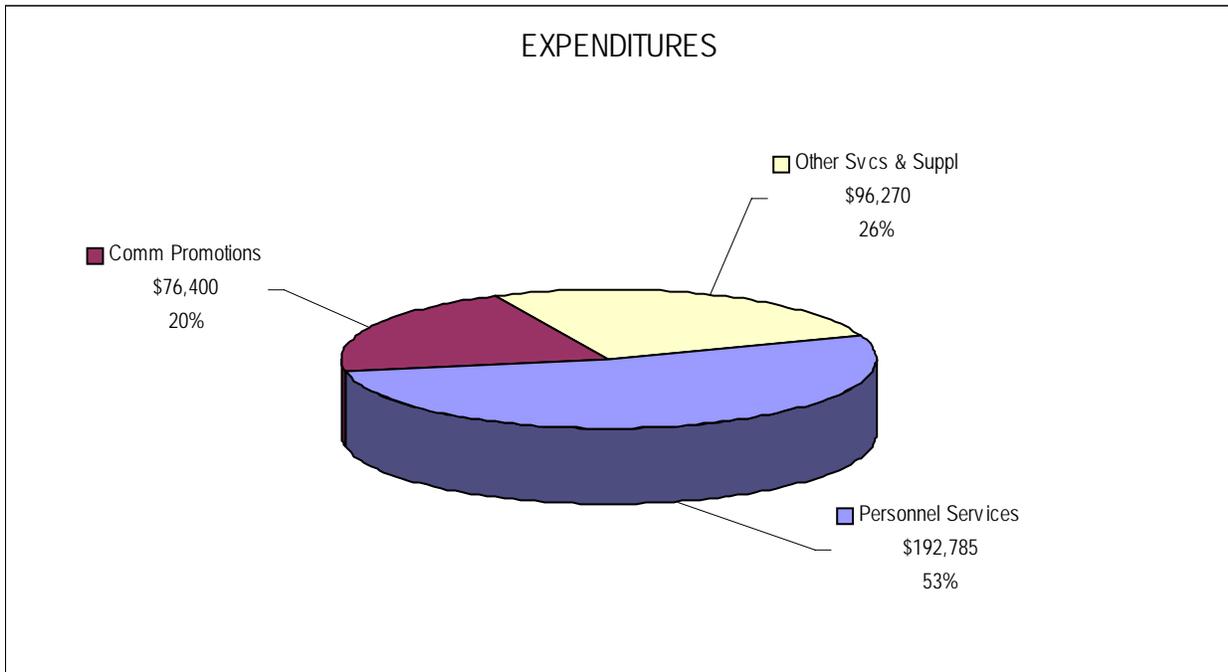
Personnel Allotment of 5 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Decrease attributed to employees' concession of 7% salary or equivalent. Stipends for the eight Planning Commissioners are included in the City Council budget.
Services and Supplies	Increase attributed to subscription fee for digital and E-mail services. This category includes contribution to Chamber of Commerce and funding for Commissioners' Recognition Dinner.
Capital Outlay	None.



Budgets Narrative and Summary City Council

	<u>Actual 2007-08</u>	<u>Actual 2008-09</u>	<u>Budget 2009-10</u>	<u>Proposed 2010-11</u>
PERSONNEL SERVICES				
4111 Permanent Salaries	57,416	57,616	59,676	59,676
4112 Temporary Salaries	3,250	3,725	3,000	4,400
4121 Allowances	39,211	39,715	37,560	38,700
4131 PERS	3,788	4,900	13,618	13,858
4132 Group Insurance	34,667	34,523	77,460	77,820
4133 Medicare	1,491	1,510	1,408	1,484
4135 Worker's Compensation	282	146	282	304
4139 PARS	976	815	0	66
4151 Compensation Reduction	0	0	0	(6,487)
4161 Retiree Medical Reserve	2,964	2,967	2,964	2,964
sub-total	<u>144,045</u>	<u>145,918</u>	<u>195,968</u>	<u>192,785</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	57,542	56,299	76,400	76,400
4220 Supplies	2,130	8,984	4,000	4,000
4230 Services	0	3,298	0	10,500
4501 Memberships and Dues	47,689	50,181	44,993	51,675
4503 Training	299	1,135	13,000	13,000
4520 Commissions and Boards	5,859	7,306	16,595	17,095
sub-total	<u>113,519</u>	<u>127,203</u>	<u>154,988</u>	<u>172,670</u>
TOTAL	<u><u>257,563</u></u>	<u><u>273,121</u></u>	<u><u>350,956</u></u>	<u><u>365,455</u></u>

FUNCTION:	City Manager	CITY MANAGER: Thomas Williams
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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
2009-2010 Accomplishments					
1. Implemented City Council priorities for fiscal year 2009-10	X	X		X	X
2. Provided leadership to municipal organization		X		X	X
3. Continued showing fiscal management that limited departments' 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	
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 of the City		X		X	
8. Developed leadership training program and succession planning	X		X	X	
2010-2011 Goals					
1. Implement City Council priorities for fiscal year 2010-11	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 service delivery		X	X	X	X
5. Continue to improve the economic base and fiscal health of the City		X		X	X

Performance Measures	Actual 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
City Council Meetings	22	24	24	24
Capital Improvement Program Projects Completed	8	12	13	13

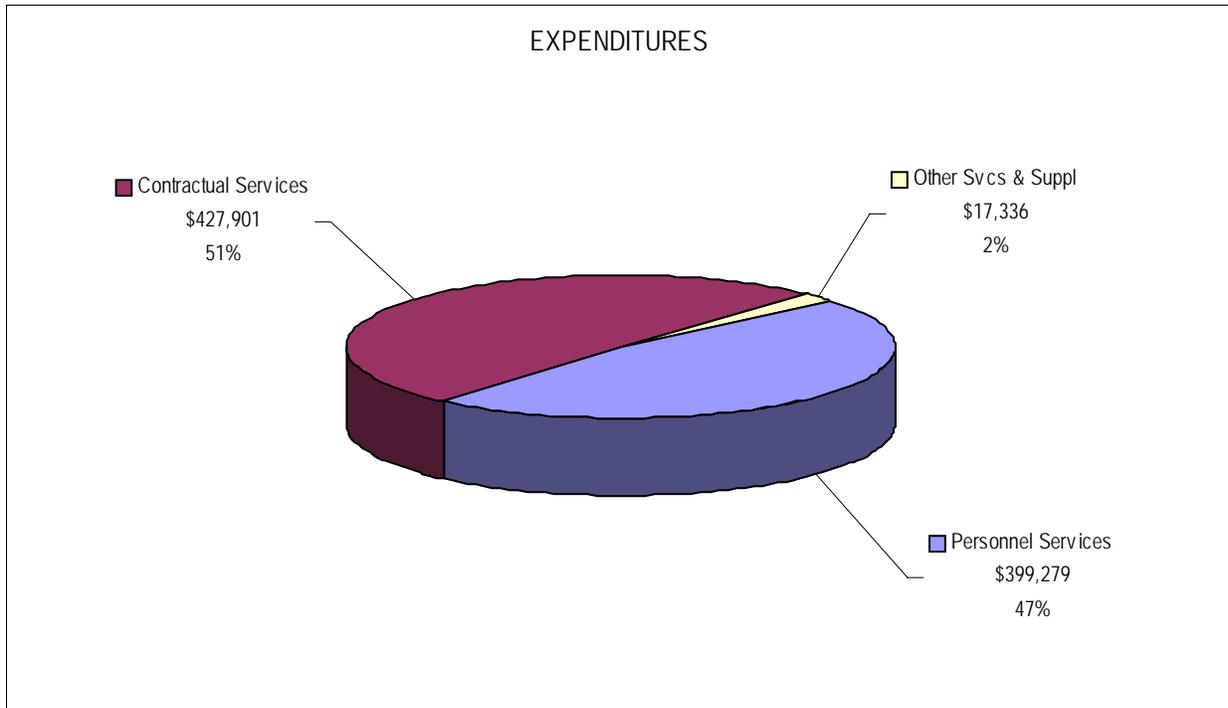
Personnel Allotment of 4 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Decrease attributed to employees' concession of 7% salary or equivalent.
Services and Supplies	Increase due to higher contribution to the County Library for extended hours.
Capital Outlay	None



	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	286,556	264,501	294,692	307,723
4113 Overtime	3,707	(3,937)	0	0
4115 Bonus Pay	18,018	0	0	0
4124 Leave Cashout	0	15,446	0	0
4131 PERS	49,252	57,010	59,316	63,691
4132 Group Insurance	12,347	12,466	30,888	31,176
4133 Medicare	4,493	4,125	4,295	4,489
4135 Worker's Compensation	1,434	754	1,462	1,526
4138 Deferred Comp-Employer	1,807	1,575	1,800	1,800
4151 Compensation Reduction	0	0	0	(26,420)
4161 Retiree Medical Reserve	14,274	14,557	14,640	15,294
sub-total	<u>391,887</u>	<u>366,498</u>	<u>407,093</u>	<u>399,279</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	68	0	0	0
4211 Equip Replacement Amortization	3,220	2,507	2,444	2,236
4220 Supplies	2,120	6,124	5,500	5,500
4230 Services	359,124	387,675	408,000	427,901
4501 Memberships and Dues	111	400	4,600	4,600
4503 Training	1,328	342	5,000	5,000
sub-total	<u>365,970</u>	<u>397,047</u>	<u>425,544</u>	<u>445,237</u>
TOTAL	<u><u>757,858</u></u>	<u><u>763,545</u></u>	<u><u>832,637</u></u>	<u><u>844,516</u></u>

FUNCTION:	City Clerk	CITY CLERK: Mary Lavelle
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Description: The City Clerk serves as the legislative administrator, elections official, and records manager for the City. Serves as Secretary to the Redevelopment Agency.

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 maintaining agendas and minutes of all City Council and Redevelopment Agency meetings.
- Coordinates outreach and tracking of appointments to 16 City Commissions.
- Administers codification of ordinances, i.e. maintenance of the Milpitas Municipal Code.
- Manages implementation of municipal elections, including campaign finance filing.
- Receives and files annual Form 700/ Statements of Economic Interest for all designated employees, Commissioners, and elected officials.
- Serves as a U.S. passport acceptance agency for passport applications.
- Conducts Administrative Hearings, upon request, for Parking Citation violations.
- Provides centralized Document Processing for transcribing of police reports.
- Staffs the 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.



City Clerk

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2009-2010 Accomplishments					
1. Prepared all City Council meeting agendas and minutes for 22 regular meetings and one budget session.	X		X		
2. Re-certified the City Clerk and Deputy City Clerk as Notaries Public.	X		X		
3. Collected required FPPC* filings (campaign documents and Conflict of Interest forms) and submitted appropriate forms to the State of California.	X			X	
4. Administered Passport Application Acceptance program, including first-ever "Passport Day in the USA" on Saturday, March 27, 2010.	X	X	X	X	
5. Initiated major update of 1995 Records Retention Schedule.	X	X	X		
6. Hosted Annual Meeting with Commission staff liaisons.	X		X		
7. Staffed new City Council Rules Subcommittee - twice each month.	X				
2010-2011 Goals					
1. Prepare all City Council meeting agendas and minutes.	X				
2. Administer Municipal Election on November 2, 2010.	X	X	X	X	
3. Continue Passport Agency acceptance services.	X	X	X	X	
4. Ensure additional public access to documents online.	X	X			
5. Staff City Council Rules Committee.	X		X		
6. Complete 2010 Records Retention Schedule for Council approval.	X		X		
7. Initiate a draft Commissioners Handbook.	X				
8. Send City Clerk to new training for Hearing Officer duty.	X		X		

*FPPC: Fair Political Practices Commission

Performance Measures	Actual 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
City Council agenda items processed	441	475	425	450
Passport applications accepted	2,811	2,432	2,850	2,750
Public Information inquiries	38,469	33,155	35,000	35,000
Total documents processed (primarily Police)	4,656	3,855	3,500	3,250
% turnaround time achieved in DPC* (90% of all reports completed in 96 hours)	Unk	98%	80%	80%
# of Candidates assisted in Municipal Election	NA	6	NA	8
# of Administrative Hearings conducted for Parking Violation Citation appeals	3	4	10	10

*DPC: Document Processing Center

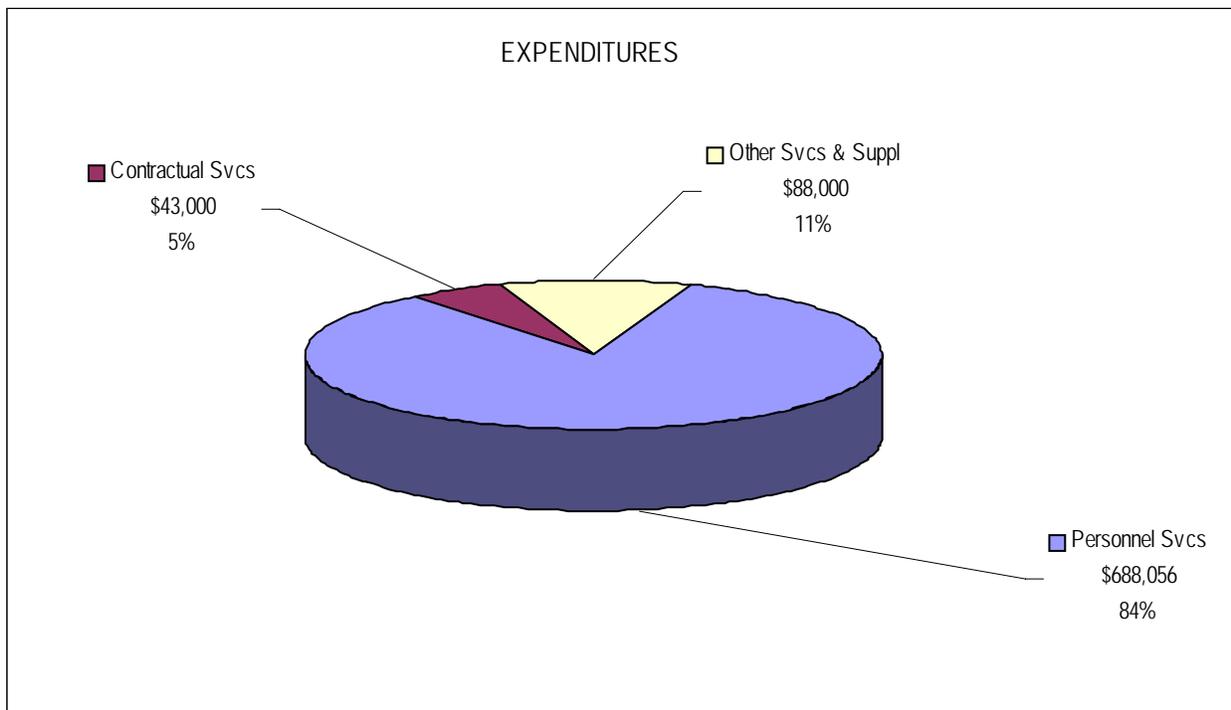
Personnel Allotment of 10 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Clerk	1	1		Document Proc Tech II	3	2	1
Deputy City Clerk	1	1		Confidential Office Specialist	1	1	
Lead Doc Processing Tech	1		1	Printing Services Tech II	1		1
Office Assistant II	2	1	1				
				TOTAL	10	6	4

Staff Change(s): None

Expenditure Analysis

Personnel Services	Decrease attributed to employees' concession of 7% salary and equivalent.
Services and Supplies	Increase attributed to Municipal Election in 2010. Decrease in office supplies due to elimination of Printing Services.
Capital Outlay	None.



	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	603,349	627,708	509,815	515,510
4112 Temporary Salaries	6,195	0	0	0
4113 Overtime	3,911	3,051	6,000	6,000
4124 Leave Cashout	7,048	8,283	0	0
4131 PERS	90,215	96,751	74,550	77,386
4132 Group Insurance	79,341	95,570	93,120	94,668
4133 Medicare	7,962	8,152	6,274	6,334
4135 Worker's Compensation	5,272	2,740	2,485	2,494
4138 Deferred Comp-Employer	2,710	2,710	2,700	2,700
4139 PARS	93	0	0	0
4151 Compensation Reduction	0	0	0	(42,121)
4161 Retiree Medical Reserve	29,706	30,278	24,792	25,085
sub-total	<u>835,802</u>	<u>875,244</u>	<u>719,736</u>	<u>688,056</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	6,834	4,074	3,522	0
4220 Supplies	22,859	18,030	30,000	10,000
4230 Services	54,150	49,802	62,500	43,000
4280 Elections	0	39,484	0	75,000
4410 Communications	67	17	0	0
4501 Memberships and Dues	674	445	1,000	1,000
4503 Training	1,475	2,255	2,000	2,000
sub-total	<u>86,059</u>	<u>114,108</u>	<u>99,022</u>	<u>131,000</u>
TOTAL	<u><u>921,861</u></u>	<u><u>989,352</u></u>	<u><u>818,758</u></u>	<u><u>819,056</u></u>

FUNCTION:	RDA & Econ Dev	RDA & ECON DEV MGR: Diana Barnhart
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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
2009-2010 Accomplishments					
1. Expanded Use Tax outreach program to 8 companies.				x	
2. Selection of Conference Center Architect and initiation of Phase I design and study.		x		x	
3. Completed Venture Capital Program.				x	
4. Completed Freeway Signage Agreements for revenue generating message boards				x	
5. Completed expansion of Redevelopment Program		x		x	
6. Completed first session of small business development classes at City Hall.	x			x	
2010-2011 Goals					
1. Installation of Freeway Signs.				x	
2. Revenue growth from business retention efforts.		x		x	
3. Complete new Five-Year Redevelopment Implementation Plan.				x	
4. Assist in local programming to create hotel nights.	x			x	
5. Complete 2nd Venture Capital Forum and 1st Mandarin "Starting a Business" class.	x			x	
6. Facilitate re-leasing of former Mervyn's site.	x			x	x

Performance Measures	Actual 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
Corporate Outreach Visits	N/A	8	8-12	8-12
Increase in tax revenue from outreach efforts	N/A	\$.7M	\$1.4M	\$100,000
Business retention as a result of outreach efforts	N/A	Unk	Unk	1

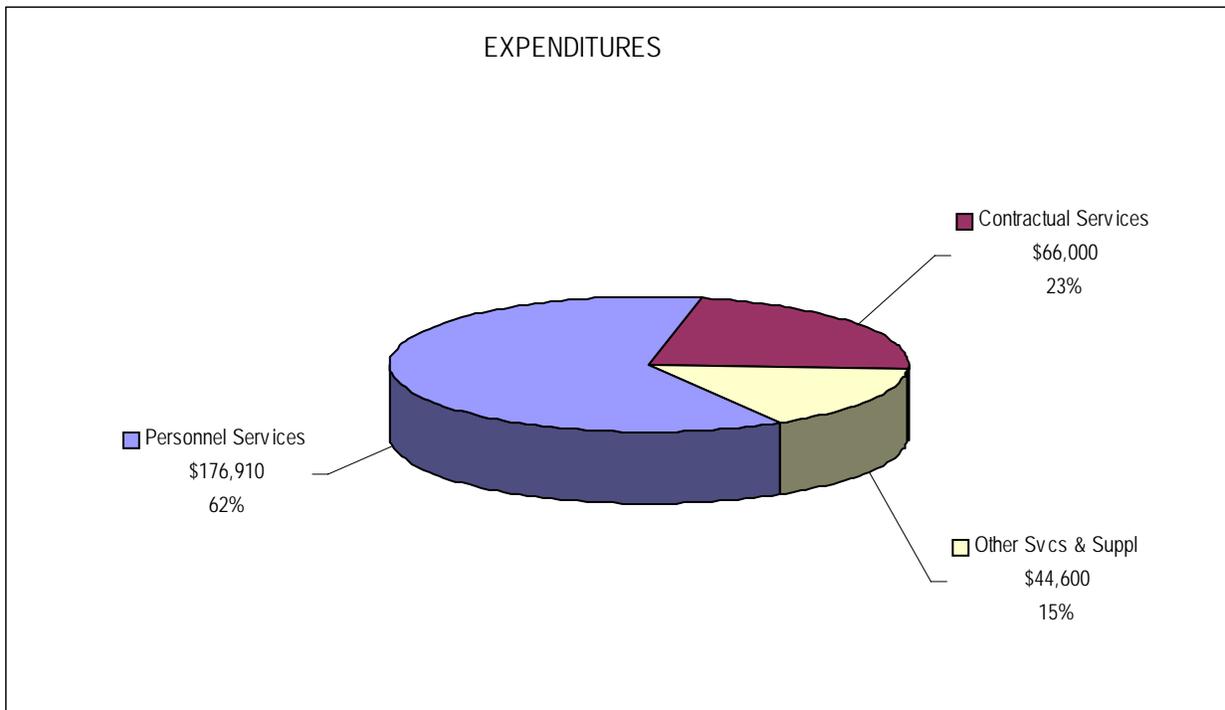
Personnel Allotment of 1 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Decrease attributed to employees' concession of 7% salary or equivalent.
Services and Supplies	Revenue generation events/ activities; marketing advertising
Capital Outlay	None



	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	125,930	141,568	141,026	141,026
4131 PERS	18,800	21,782	20,594	21,146
4132 Group Insurance	7,542	8,695	15,492	15,564
4133 Medicare	2,046	2,056	2,062	2,062
4135 Worker's Compensation	702	364	702	702
4138 Deferred Comp-Employer	1,847	903	900	900
4151 Compensation Reduction	0	0	0	(11,546)
4161 Retiree Medical Reserve	7,037	7,039	7,056	7,056
sub-total	<u>163,905</u>	<u>182,407</u>	<u>187,832</u>	<u>176,910</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	20,912	16,913	44,000	20,000
4220 Supplies	1,030	244	250	250
4230 Services	84,563	34,666	42,000	66,000
4501 Memberships and Dues	20,066	19,882	18,490	18,490
4503 Training	3,362	3,215	5,460	5,460
4520 Commissions and Boards	0	0	400	400
sub-total	<u>129,933</u>	<u>74,920</u>	<u>110,600</u>	<u>110,600</u>
TOTAL	<u><u>293,837</u></u>	<u><u>257,327</u></u>	<u><u>298,432</u></u>	<u><u>287,510</u></u>

DEPARTMENT: Building and Safety	CHIEF BUILDING OFFICIAL: Keyvan Irannejad
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Description: This department is responsible for implementation of safety and quality standards in private and public 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: Building 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 regulations.
- Schedules inspections using Integrated Voice Recognition System (IVR), on-line or by phone.
- Assists customers and monitors plan submittal process from initial submittal to permit issuance by assigning Project Coordinator to expedite permitting process.
- Issues permits, including permits submitted by fax, on-line and by mail.
- Processes permit applications, 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.
- Provides and updates submittal requirements, check lists, design guidelines and pamphlets to explain how to obtain permits and comply with construction requirements.
- Develops and updates easy-to-follow web site allowing customers to receive up-to-date information on code requirements, submit permit applications, obtain submittal requirements, and other related information.
- Meets with design professionals, homeowners and contractors to assist them in the timely issuance of permits and completion of projects, including after business hours 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 service thereby reducing review time by a minimum of two weeks.



Building and Safety

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2009-2010 Accomplishments					
1. Introduced on-line commercial permits and design guidelines.	X	X		X	X
2. Expanded checklists for plan check, submittals and inspection.	X		X		X
3. Continued cross-training 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
4. Continued to utilize same inspector from start to finish, provided same day and outside business hours services as requested.	X	X			
5. Continued improvement of new permitting software and web site enhancement to create an effective and efficient public access tool.	X	X	X	X	X
6. Outreached to local schools and community to better inform them about building safety codes designed to protect lives and property.	X	X			X
2010-2011 Goals					
1. Cross-train staff with Planning and Engineering to enhance customer service.	X		X	X	X
2. Enhance customer service by accepting submittals by mail and on-line.	X	X			
3. Continue to streamline the permitting process and improve customer service.	X	X			X
4. Continue "Office in The Vehicle" program by utilizing computer technology in the field allowing inspectors to be more efficient.	X	X		X	X
5. Continue to assist Fire Department and respond to emergency incidents	X	X			X
6. Continue improving our image to public through meetings with community and industry, education, community outreach and in support of sustainability.	X	X			X

Performance Measures	Actual 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
New Construction Valuation (Millions)	\$183	\$185	\$110	\$110
Total Building Permits Issued/Avg. Permits Issued per day	3,950/16	3,484/14	2,700/11	2,700/11
Total Plan Checks Performed/% Express Plan Checks Performed *	1,035/57	937/55	800/56	800/56
Number of Customers Served/Avg. Waiting Time in minutes	7,955/3	6,506/1.5	6,000/1.5	6,000/1.5
Daily Inspections per Inspector/Avg. Min. **	12.5/33.5	9/45	7/45	7/45
Customer Survey rating Excellent or Good	98%	100%	100%	100%
Plan Checks completed on schedule	90%	97%	98%	98%
Inspections completed on requested time	93%	98.5%	99%	99%
Accuracy of building plan check	97%	98%	99%	99%
Responds to after-hours emergency inspections	100%	100%	100%	100%

NOTE: * Express projects performed over the counter/same day.

** Inspections (building and misc.). Include inspection time travel, paperwork, computer input and phone calls. Public Work Inspections are not included.

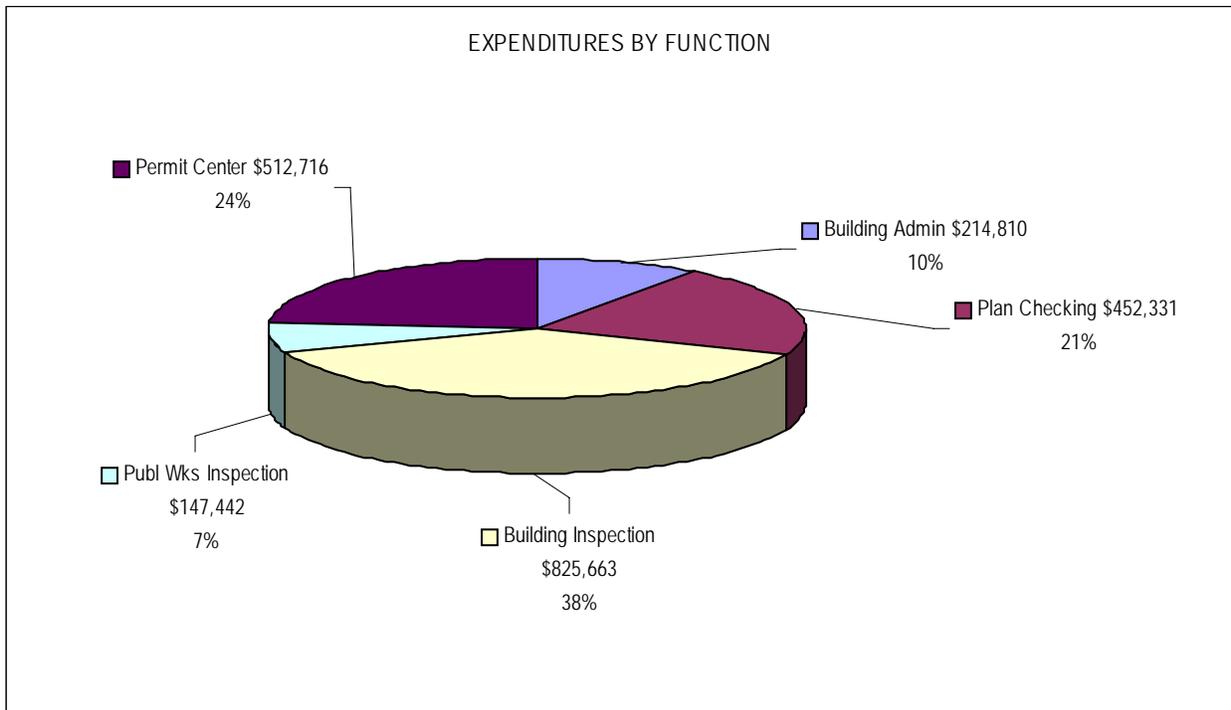
Personnel Allotment of 28 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Chief Building Official	1	1		Public Works Inspector	4	1	3
Building/NP Inspector	7	4	3	Sr Public Works Inspector	1	1	
Electrical Inspector	2	1.5	0.5	Plan Check Engineer	4	2	2
Plan Checker	1	1		Building Permit Technician	3	1	2
Sr Building Inspector	1	1		Office Assistant II	1	1	
Permit Center Manager	1	1		Office Specialist	1	1	
Sr Plan Check Engineer	1		1				
				TOTAL	28	16.5	11.5

Staff Change (s): One vacant Electrical Inspector is not funded until January 1, 2011.

Expenditure Analysis

Personnel Services	Decrease attributed to partial charges of inspection services to Capital Improvement Projects, 1 vacant Electrical Inspector is funded for 6 months only, and employees' concession of 7% salary or equivalent.
Services and Supplies	Decrease attributed to reduced supplies and training costs.
Capital Outlay	None



Building and Safety

	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	1,555,885	1,453,276	1,763,867	1,749,163
4112 Temporary Salaries	221,002	197,717	0	0
4113 Overtime	21,277	5,147	21,000	18,000
4124 Leave Cashout	36,603	58,251	0	0
4131 PERS	266,091	250,160	257,707	262,338
4132 Group Insurance	270,181	253,484	265,068	262,596
4133 Medicare	24,740	23,128	23,917	23,693
4135 Worker's Compensation	46,318	24,263	41,863	40,573
4138 Deferred Comp-Employer	4,165	3,337	1,800	1,800
4139 PARS	39	448	0	0
4143 Charged to CIPs	0	0	(212,101)	(281,643)
4151 Compensation Reduction	0	0	0	(145,304)
4161 Retiree Medical Reserve	79,583	100,854	88,046	87,284
sub-total	<u>2,525,882</u>	<u>2,370,065</u>	<u>2,251,167</u>	<u>2,018,500</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	32,080	34,707	30,830	29,507
4220 Supplies	15,303	10,298	27,340	23,975
4230 Services	40,990	44,363	63,250	63,250
4501 Memberships and Dues	1,420	1,370	1,530	1,530
4503 Training	9,354	6,298	18,195	16,200
sub-total	<u>99,147</u>	<u>97,035</u>	<u>141,145</u>	<u>134,462</u>
TOTAL	<u><u>2,625,029</u></u>	<u><u>2,467,100</u></u>	<u><u>2,392,312</u></u>	<u><u>2,152,962</u></u>

DEPARTMENT:	Information Services	IS DIRECTOR: Bill Marion
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Description: This department provides 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 Master 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 small projects to large multi-year efforts.
- 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 locally and foreign. One of the 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.



Information Services

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2009-2010 Accomplishments					
1. Email system upgrade	X			X	X
2. Emergency 911 Phone System Upgrade	X	X		X	X
3. Google Public WIFI	X	X		X	X
4. New City network replacement	X	X		X	X
5. Facilities Management System	X	X		X	
6. TeleStaff upgrade	X	X		X	X
2010-2011 Goals					
1. Computer Aided Dispatch (CAD) System upgrade	X	X			X
2. On-line Permitting upgrade (CRW)	X	X		X	
3. Continue Server Replacement Plan	X	X		X	X
4. Council Chamber A / V upgrade	X	X		X	
5. Upgrade Public Document access system	X	X		X	
6. Add G.I.S. services to the City's Web site	X	X		X	

Performance Measures	Actual 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
Network Availability *	99.00%	99.95%	99.95%	99.95%
Percent of service requests completed within 1 hour **	NA	NA	NA	60.00%
Server Availability *	99.00%	99.50%	99.50%	99.50%
Website Availability *	99.00%	99.50%	100.00%	99.50%
Percent of customer surveys received with a score of 4 or better (out of 5). **	NA	NA	NA	75.00%

NOTE: * Scheduled down time for maintenance is excluded.

** This is the first year we will be making this measurement. This will be used as a baseline for future years.

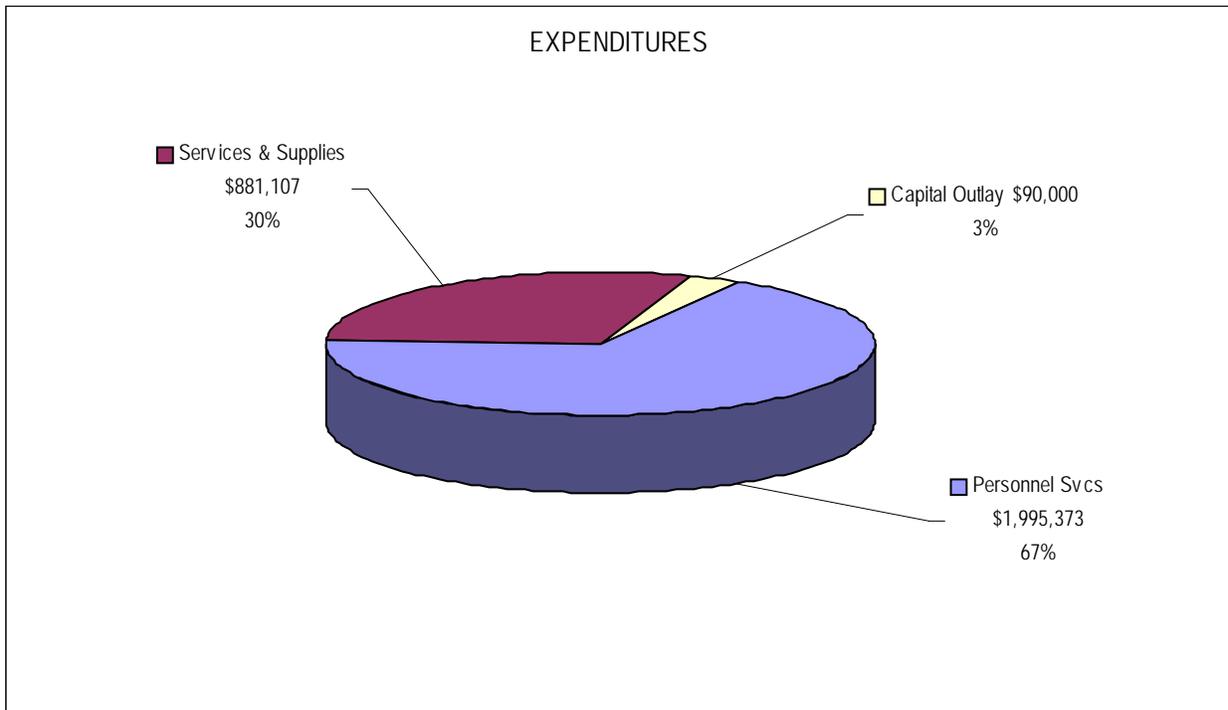
Personnel Allotment of 20 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Information Services Director	1	1		Customer Service Manager	1		1
Asst Information Svcs Director	1		1	Systems Administrator	5	3	2
Video Media Specialist	1	1		G I S Manager	1	1	
Telecom Manager	1	1		Desktop Technician	5	4	1
Network Manager	1	1		Office Assistant I	1		1
Operations Manager	1	1		Office Specialist	1	1	
TOTAL					20	14	6

Staff Change(s): None

Expenditure Analysis

Personnel Services	Decrease attributed to employees' concession of 7% salary or equivalent.
Services and Supplies	Inclusion of \$20,000 CRW On-line Permitting system upgrade in Permit Automation Fund.
Capital Outlay	Inclusion of \$90,000 in Equipment Replacement Funding.



Information Services

	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	1,501,023	1,673,349	1,532,925	1,553,404
4113 Overtime	225	175	0	0
4124 Leave Cashout	10,154	32,880	0	0
4131 PERS	228,899	257,994	223,932	232,930
4132 Group Insurance	185,142	225,169	216,720	220,260
4133 Medicare	22,335	24,739	22,384	22,660
4135 Worker's Compensation	8,867	4,646	8,129	7,730
4138 Deferred Comp-Employer	9,035	9,059	8,100	8,100
4151 Compensation Reduction	0	0	0	(127,171)
4161 Retiree Medical Reserve	83,922	84,757	76,446	77,460
sub-total	<u>2,049,602</u>	<u>2,312,766</u>	<u>2,088,636</u>	<u>1,995,373</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	6,895	5,518	5,379	7,683
4220 Supplies	12,048	11,753	25,000	25,000
4230 Services	420,840	387,162	626,100	646,724
4410 Communications	192,211	191,259	196,900	197,000
4501 Memberships and Dues	75	0	0	0
4503 Training	6,425	4,569	4,700	4,700
sub-total	<u>638,493</u>	<u>600,261</u>	<u>858,079</u>	<u>881,107</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	2,415	2,726	90,000	90,000
sub-total	<u>2,415</u>	<u>2,726</u>	<u>90,000</u>	<u>90,000</u>
TOTAL	<u><u>2,690,510</u></u>	<u><u>2,915,754</u></u>	<u><u>3,036,715</u></u>	<u><u>2,966,480</u></u>

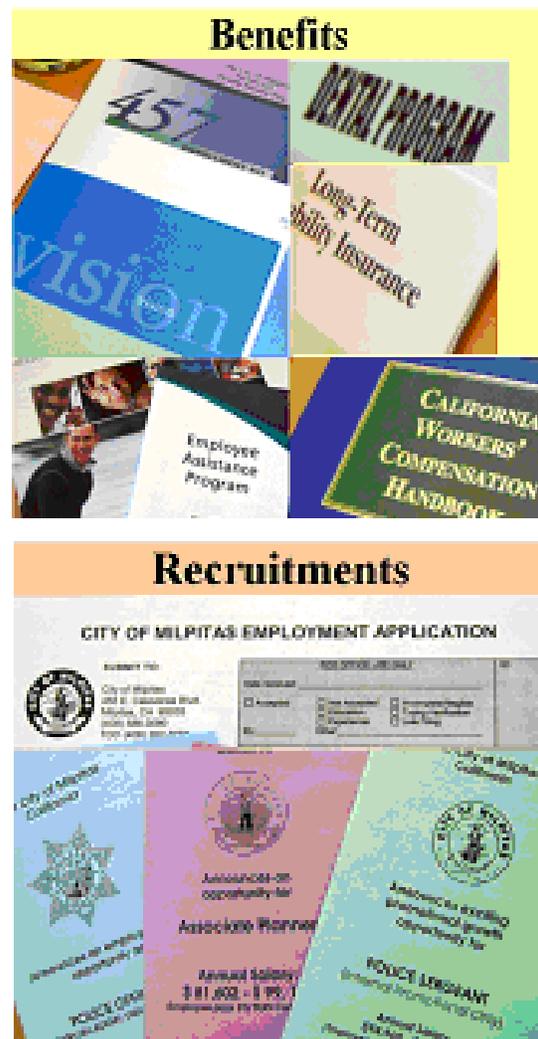
DEPARTMENT:	Human Resources	HR DIRECTOR: Carmen Valdez
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Description: This department is a centralized full-service department that provides Citywide services including: recruitment, benefits administration, a self funded workers' compensation program, 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, York. Staff works closely with York 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.



Human Resources

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2009-2010 Accomplishments					
1. In cooperation with the Information Services (IS) Department, developed and implemented an on-line Benefit Information program.	X		X		
2. Transitioned the Life Insurance and Long Term Disability programs to a new vendor.	X		X	X	
3. Implemented an automated job application software program through CalOpps.	X				
4. In cooperation with the City Attorney's Office, provided City-wide Sexual Harassment Avoidance Training.	X	X	X	X	X
5. Implemented the Redeployment and Reduction in Force process.				X	
6. Hired the City's first Swim Coach	X				X
7. Delivered superior customer service despite a reduction in staffing level.	X			X	
2010-2011 Goals					
1. Implement Workplace Violence Prevention Plan	X	X	X	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. Request for proposal for third party administration for the Workers' Compensation program.	X	X	X	X	
4. Update the Family Medical Leave Act policy to include new changes to the program including Military leave.	X	X	X	X	
5. Finalize a Fitness for Duty Program, a Short Term Disability Program and a Modified Duty Program.	X	X	X	X	
6. Develop a Supervisor's Manual.	X	X	X		

Performance Measures	Actual 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
Percentage of workplace issues resolved without escalating to formal grievance*	N/A	N/A	N/A	90
Percentage of Personnel Action Forms processed accurately	99	97	99	100
Percentage of employees returned to modified or full duty within 90 days after a Workers Compensation injury*	N/A	N/A	N/A	90
Percentage of benefit and address changes processed accurately within 10 days of receipt*	N/A	N/A	N/A	99
Number of new retirees electing to continue medical benefit coverage*	N/A	N/A	N/A	5
Percentage of vacancies receiving more than 30 applications*	10	10	10	90

* New performance measures effective FY2010-11

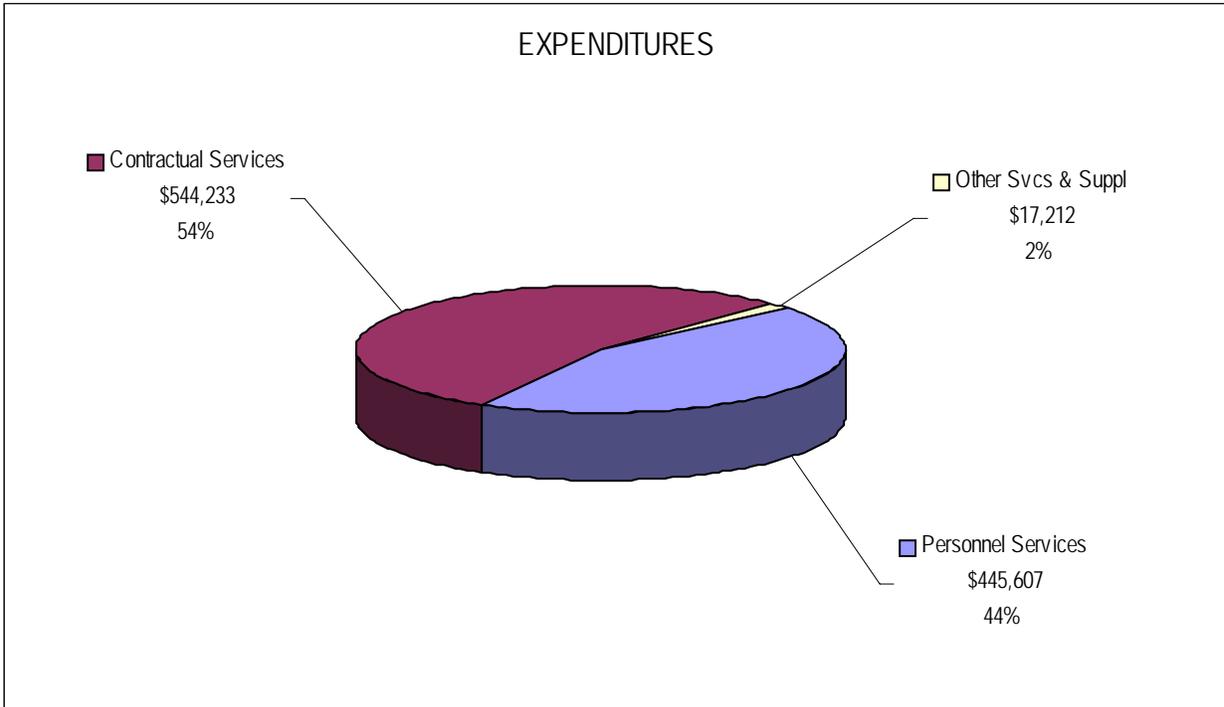
Personnel Allotment of 6 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Human Resources Director	1	1		Human Resources Tech	1	1	
Sr. Human Resrce Analyst	1		1	Confidential Office Assist II	1		1
Human Resrce Analyst I/II	2	1	1	Temporary Positions (FTE)	0.5	0.5	
				TOTAL	6.5	3.5	3

Staff Change(s): Delete 1 unfunded Administrative Analyst and 1 unfunded Human Resources Technician. Add 1 unfunded Senior Human Resources Analyst. Re-title Administrative Analyst to Human Resources Analyst.

Expenditure Analysis

Personnel Services	Decrease due to employees' concession of 7% salary or equivalent.
Services and Supplies	Decrease due to reduction in advertising and contractual services.
Capital Outlay	None.



Human Resources

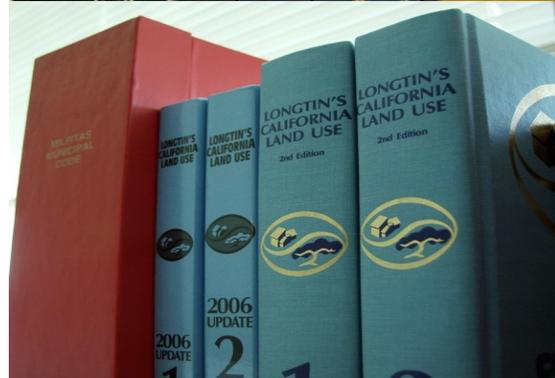
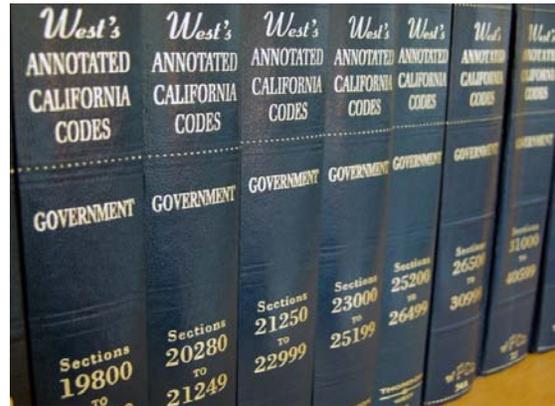
	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	411,052	385,282	331,273	333,164
4112 Temporary Salaries	0	9,165	0	15,600
4113 Overtime	73	735	1,000	1,000
4124 Leave Cashout	9,366	14,460	0	0
4131 PERS	61,470	59,706	48,393	49,975
4132 Group Insurance	52,196	50,587	46,284	46,788
4133 Medicare	6,048	5,990	4,840	5,090
4135 Worker's Compensation	1,944	1,110	1,654	1,741
4138 Deferred Comp-Employer	4,492	3,777	2,700	2,700
4139 PARS	0	133	0	234
4151 Compensation Reduction	0	0	0	(27,277)
4161 Retiree Medical Reserve	19,448	21,394	16,500	16,592
sub-total	<u>566,090</u>	<u>552,339</u>	<u>452,644</u>	<u>445,607</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	4,707	723	6,000	7,000
4220 Supplies	4,296	2,691	2,000	2,000
4230 Services	436,140	393,327	584,927	544,233
4410 Communications	85	21	0	0
4501 Memberships and Dues	2,094	1,094	2,212	2,212
4503 Training	4,222	3,722	6,500	6,000
sub-total	<u>451,544</u>	<u>401,578</u>	<u>601,639</u>	<u>561,445</u>
TOTAL	<u><u>1,017,634</u></u>	<u><u>953,917</u></u>	<u><u>1,054,283</u></u>	<u><u>1,007,052</u></u>

DEPARTMENT:	Office of the City Attorney	CITY ATTORNEY: Michael Ogaz
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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
2009-2010 Accomplishments					
1. Provided superior, affordable, timely legal advice and service	X	X	X	X	X
2. Advised in creation of new City-wide Records Retention Schedule	X			X	
3. Provided training on Brown Act, ethics, HIPAA, harassment, etc.	X		X	X	
4. Negotiated/amended numerous complex development agreements	X	X		X	
5. Implemented reimbursement process for extraordinary legal costs				X	
6. Implemented Calaveras Boulevard Traffic Impact Fee		X		X	
7. Amended City Housing Element of General Plan	X	X		X	X
8. Revised Massage Ordinance and created Social Host Ordinance	X	X		X	X
9. Updates of Bail, Parking Penalties and Master Fee Schedules	X			X	
10. Represented City in numerous administrative/court cases	X			X	
11. Provided hands-on legal guidance through layoff hearings				X	
2010-2011 Goals					
1. Continue review/update of City's Standard Operating Procedures			X	X	
2. Update/standardize Engineering contracts				X	
3. Complete first in a series of annual Municipal Code updates	X	X		X	
4. Provide regularly scheduled legal training to staff	X		X	X	X
5. Complete City Sign Ordinance to allow freeway signs	X	X		X	
6. Provide legal advice supporting economic development goals	X	X		X	
7. Continue cost-effective in-house litigation	X			X	

Performance Measures	Actual 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
Agenda contracts drafted/reviewed/edited	N/A	122	140	140
Ordinances/resolutions drafted/reviewed/edited	N/A	172	200	200
Court /administrative proceeding appearances	N/A	13+	20	20
Contract complaints/agenda contracts	N/A	N/A	1/140	0/140
% of documents timely produced for agenda	N/A	N/A	100%	100%

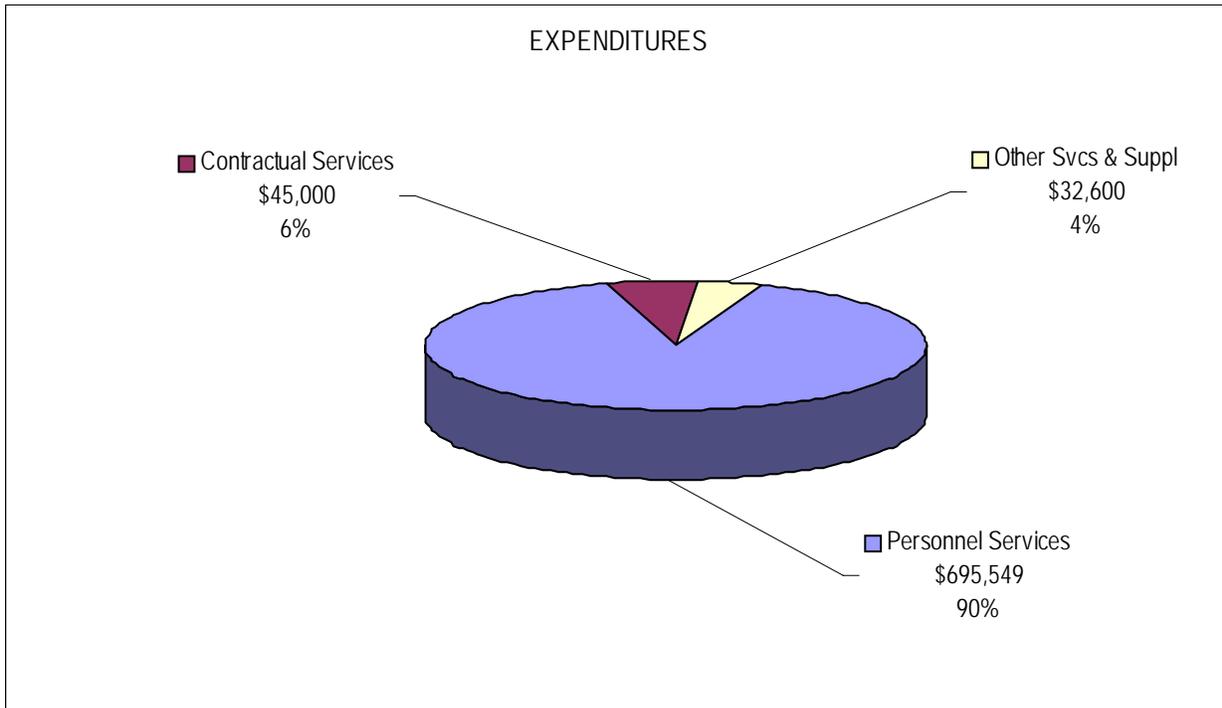
Personnel Allotment of 4 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Decrease due to employees' concession of 7% salary or equivalent.
Services and Supplies	Decrease due to continued reduced use of outside counsel and cost-effective use of supplies.
Capital Outlay	None



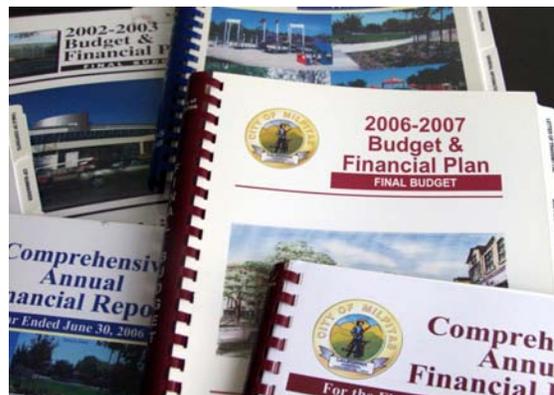
	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	157,697	484,673	514,353	541,466
4131 PERS	22,450	82,662	89,876	95,933
4132 Group Insurance	13,911	44,224	61,872	62,304
4133 Medicare	2,190	7,016	7,507	7,914
4135 Worker's Compensation	786	1,409	2,569	2,706
4138 Deferred Comp-Employer	822	3,481	3,600	3,600
4151 Compensation Reduction	0	0	0	(45,361)
4161 Retiree Medical Reserve	15,772	27,167	25,656	26,987
sub-total	<u>213,627</u>	<u>650,632</u>	<u>705,433</u>	<u>695,549</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	13,132	17,819	20,000	20,000
4230 Services	338,614	45,299	50,000	45,000
4501 Memberships and Dues	645	2,365	2,600	2,600
4503 Training	2,069	6,671	11,000	10,000
sub-total	<u>354,459</u>	<u>72,154</u>	<u>83,600</u>	<u>77,600</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	0	946	0	0
sub-total	<u>0</u>	<u>946</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>568,086</u></u>	<u><u>723,731</u></u>	<u><u>789,033</u></u>	<u><u>773,149</u></u>

DEPARTMENT:	Finance	FINANCE DIRECTOR:	Emma Karlen
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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.
- Provides internal mail service by delivering and distributing mails from the Post Office.



Finance

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2009-2010 Accomplishments					
1. Simplified business license form and enhanced on-line application process.	X	X		X	
2. Reviewed and updated budget policy for the City Council's approval.				X	
3. Resolved tort claims within 180 days from the date of claim.	X			X	X
4. Received awards for "Distinguished Budget Presentation", "Excellence in Financial Reporting" and "Excellence in Procurement".				X	
5. Implemented online purchasing of supplies and reduced obsolete inventory.	X			X	
6. Coordinated Master Fee review and adjustment.	X			X	
7. Processed invoices for payment within 5 working days from approval date.	X			X	
8. Provided accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget.	X			X	
9. Provided 99.9% accuracy on initial meter reads.	X			X	
2010-2011 Goals					
1. Resolve tort claims within 180 days from the date of claim.	X			X	X
2. Receive awards for "Distinguished Budget Presentation", "Excellence in Financial Reporting" and "Excellence in Procurement".				X	
3. Update CAL-Card manual and provide refresher training to ensure appropriate usage.	X			X	
4. Provide Citywide purchasing and contracts training to departments.	X			X	
5. Develop plan to transition old financial records in storage and implement electronic imaging for new records in lieu of storage.				X	
6. Implement an enhanced Interactive Voice Response (IVR) to process payments from customers and to improve collection rates.	X	X		X	
7. Develop an updated Cost Allocation Plan.				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 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
Receive awards for Budget and Financial Report	Yes	Yes	Yes	Yes
Percent of tort claims resolved within 180 days	82%	96%	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)	12	8	9	9
Percent of accurate meter reads	99.9%	99.9%	99.9%	99.9%

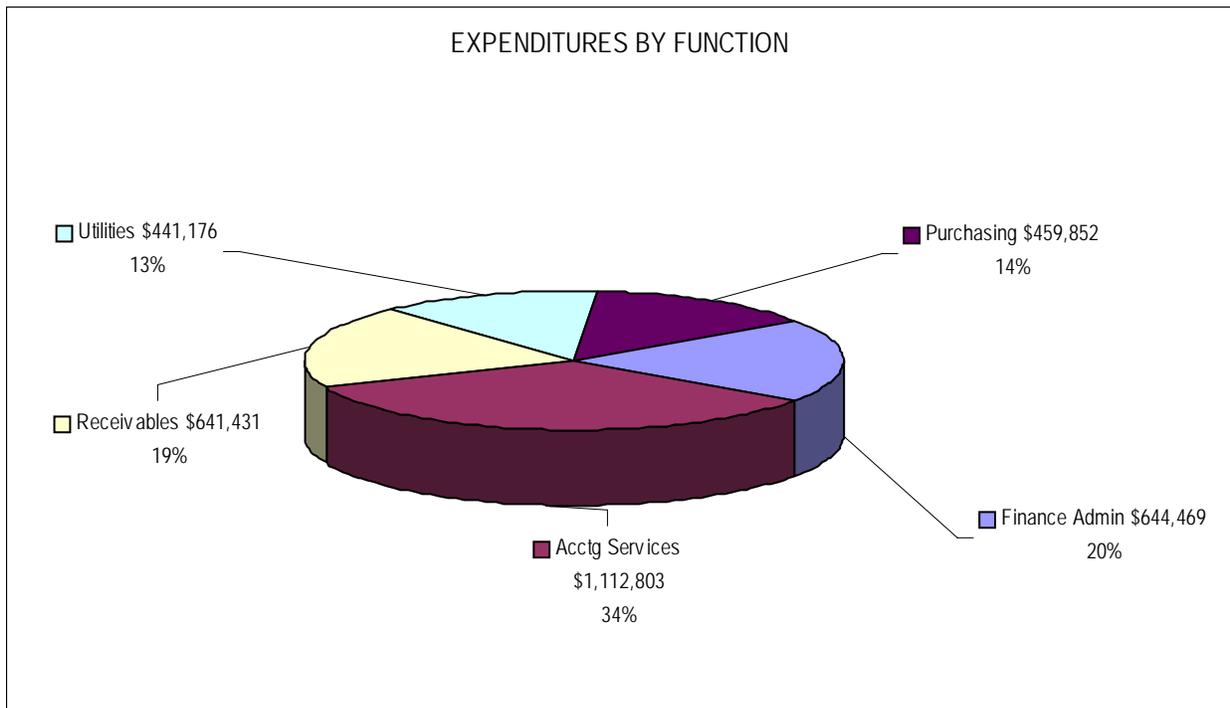
Personnel Allotment of 34.25 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Director of Financial Services	1	1		Accounting Technician	1	1	
Purchasing Agent	1	1		Fiscal Asst I/II	12	9	3
Assistant Finance Director	1		1	Senior Fiscal Assistant	1	1	
Accounting Services Manager	1	1		Office Specialist	1	1	
Budget Manager	1	1		Confidential Fiscal Asst II	1	1	
Accountant	3	3		Water Meter Reader II	2.5	2.5	
Admin Analyst I/II	2		2	Maintenance Worker II-40	1	1	
Buyer	1	1		Temporary Positions (FTE)	0.75	0.75	
Senior Accountant	2	1	1				
Fiscal Services Manager	1		1				
				TOTAL	34.25	26.25	8

Staff Change(s): None

Expenditure Analysis

Personnel Services	Decrease due to employees' concession of 7% salary or equivalent.
Services and Supplies	Slight increase due to transfer of annual maintenance cost for the utility billing system from Information Services Department.
Capital Outlay	No change



	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	2,174,927	2,107,558	2,164,938	2,201,718
4112 Temporary Salaries	27,311	52,547	16,000	16,000
4113 Overtime	9,740	3,699	23,500	23,500
4121 Allowances	(89)	1,483	1,080	0
4124 Leave Cashout	36,370	85,552	0	0
4125 Accrued Leave	(9,983)	(33,010)	0	0
4131 PERS	326,610	328,023	317,433	332,067
4132 Group Insurance	331,131	331,293	401,220	408,480
4133 Medicare	31,154	31,546	31,768	32,267
4135 Worker's Compensation	20,771	10,698	18,939	19,062
4138 Deferred Comp-Employer	8,131	7,553	7,200	6,300
4139 PARS	404	447	240	240
4143 Charged to CIPs	0	0	(63,000)	(63,000)
4151 Compensation Reduction	0	0	0	(180,936)
4161 Retiree Medical Reserve	112,750	113,074	107,094	108,858
sub-total	3,069,226	3,040,463	3,026,412	2,904,556
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	21,121	16,209	15,904	14,907
4220 Supplies	89,029	105,662	152,925	141,125
4230 Services	257,209	184,900	174,600	195,203
4501 Memberships and Dues	2,131	2,407	2,990	2,690
4503 Training	9,422	11,184	11,250	11,250
sub-total	378,912	320,362	357,669	365,175
CAPITAL OUTLAY				
4870 Machinery & Equipment	3,750	6,000	0	0
4920 Machinery Tools & Equipment	0	5,592	0	0
4930 Hydrants & Meters	0	0	30,000	30,000
sub-total	3,750	11,592	30,000	30,000
TOTAL	3,451,888	3,372,416	3,414,081	3,299,731

DEPARTMENT:	Public Works	PUBLIC WORKS DIRECTOR: Greg Armendariz.
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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 12,480 trees and 125 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 625 city-owned vehicles and equipment including Police vehicles, Fire apparatus and 142 communication radios. Provides proactive and preventative maintenance and repair 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.



Public Works

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2009-2010 Accomplishments					
1. Investigated 3,900 customer service requests and provided immediate response for urgent/safety related service requests.	X	X		X	X
2. Responded immediately to all roadway hazards, graffiti abatement and emergency storm service requests.	X	X		X	X
3. Cleaned 2,000 storm catch basins and maintained 13 storm pump stations.	X	X		X	X
4. Continued City's Clean & Safe Street Program.	X	X		X	X
5. Completed State mandated water distribution operator training for Utilities staff and appropriate standby personnel.		X	X		X
6. Provided cross-training and safety training to staff to improve efficiency and reduce injuries.	X	X	X	X	X
2010-2011 Goals					
1. Continue to investigate all customer service requests and provide immediate response for urgent/safety related service requests.	X	X		X	X
2. Continue to provide immediate response to all roadway hazards and graffiti abatement service requests.	X	X		X	X
3. Respond to after hours emergency storm and roadway problems within 45 minutes.	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	X	X	X

Performance Measures	Actual 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
Customer service requests processed	3,502	3,924	3,900	3,900
City street and sidewalk miles maintained	139	139	139	139
Number of set-ups for classes & meetings	2,801	3,500	3,188	2,900
Buildings square footage maintained	350,000	350,000	350,000	350,000
Traffic signals/street lights maintained	69/4,354	69/4,410	71/4,476	72/4,477
Street signs maintained	7,825	7,950	8,000	8,000
% Customer Surveys w/top rating of "Very Satisfied"			100%	100%
Clean sewer lines	667,046	595,161	550,000	500,000
Year end street tree inventory/annual cost per tree	11,709/\$38	12,200/\$36	12,380/\$34	12,480/\$33
Street landscaped acres/sites maintained	121/63	123/65	124/68	125/70
Completed Fleet section repair orders/per employee	1,845/461	1,923/481	2,000/500	2,010/670
Average vehicle downtime (hours)	1.72	3	3.25	4
Respond to after-hours urgent customer service requests within 45 minutes of receipt	100%	100%	100%	100%

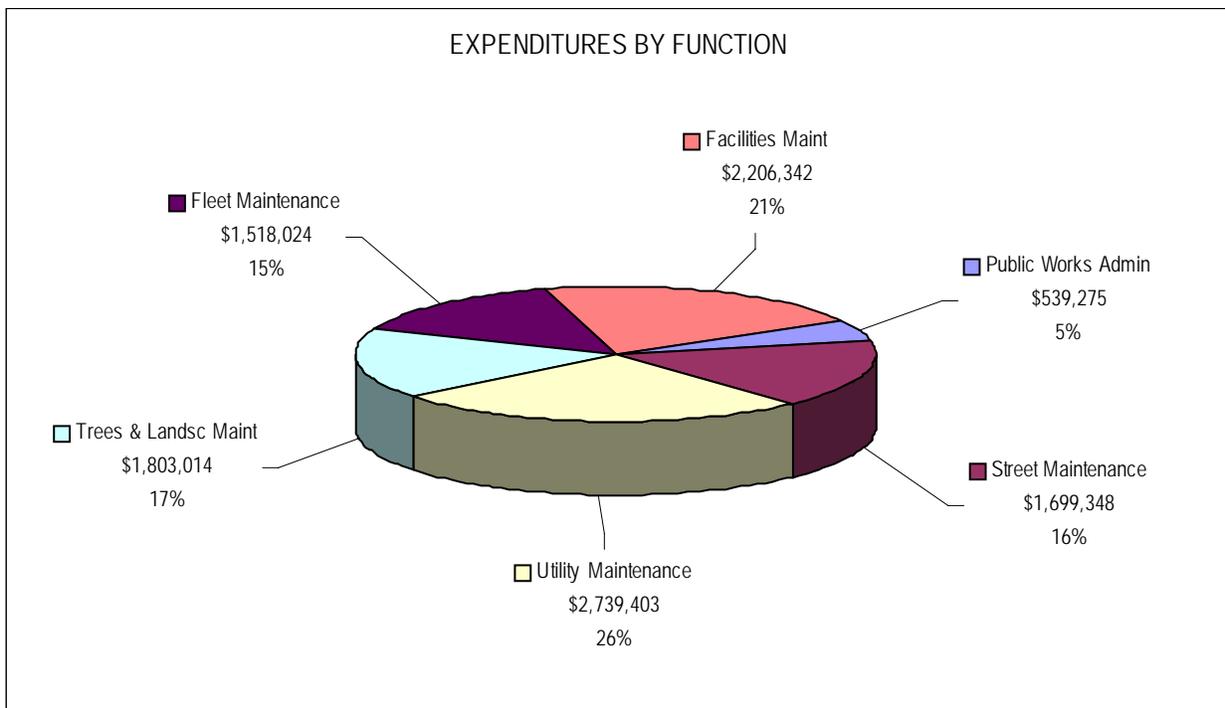
Personnel Allotment of 79.5 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Public Works Director	1	1		Fleet Maint Assistant-37.5 hr	1		1
Assoc Civil Engineer	1		1	Water System Operator	1	1	
Community Svcs Proj Mgr	1		1	Asst Water System Operator	1	1	
Office Assistant II	1	1		Maintenance Custodian II	5	5	
Office Specialist	2	1	1	Maintenance Custodian III	1	1	
Secretary	1	1		Maint Custodian I-40 Hr	1		1
Equipment Maint Worker II	2	2		Maint Custodian II-40 Hr	1	1	
Equipment Maint Worker III	5	5		Maintenance Worker I-37.5	1		1
Senior Maint Supervisor	4	3	1	Maintenance Worker II-37.5	26	22.5	3.5
Fleet Maint Supervisor	1		1	Maintenance Worker III	13	8	5
Fleet Maint Worker II	3	3		Temporary Positions (FTE)	4.50	4.5	
Fleet Maint Worker III	2	2					
TOTAL					79.50	63.0	16.5

Staff Change(s): One vacant Maintenance Worker II is not funded until January 1, 2011

Expenditure Analysis

Personnel Services	Decrease attributed to employees' concession of 7% salary or equivalent.
Services and Supplies	Reduction of (\$35,250) in Utilities Contractual Services that were transferred to the Utilities Engineering budget.
Capital Outlay	\$105,000 for Fire Hydrants & Water Meters. \$5,000 for Water Meters for the Recycled Water System.



	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	4,469,511	4,436,584	4,662,862	4,700,317
4112 Temporary Salaries	163,725	165,049	134,010	134,010
4113 Overtime	112,813	103,852	125,000	125,000
4121 Allowances	75,240	74,068	111,892	86,712
4124 Leave Cashout	140,100	158,004	0	0
4125 Accrued Leave	24,951	23,082	0	0
4131 PERS	685,082	702,683	706,155	722,123
4132 Group Insurance	862,774	894,662	978,960	1,005,408
4133 Medicare	63,446	64,792	64,458	64,715
4135 Worker's Compensation	178,529	91,509	169,108	166,810
4138 Deferred Comp-Employer	5,853	5,211	4,500	4,500
4139 PARS	1,001	1,065	1,572	2,009
4141 Adjustments-Payroll	830	609	0	0
4143 Charged to CIPs	0	0	(22,000)	(22,000)
4151 Compensation Reduction	0	0	0	(387,612)
4161 Retiree Medical Reserve	233,312	229,185	222,972	219,074
sub-total	<u>7,017,167</u>	<u>6,950,355</u>	<u>7,159,489</u>	<u>6,821,066</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	729,744	626,563	614,155	557,286
4220 Supplies	1,485,639	1,385,730	1,532,737	1,501,237
4230 Services	1,094,745	1,482,646	1,471,950	1,409,200
4410 Communications	1,494	1,920	4,250	1,250
4420 Utilities	27,483	46,800	49,700	80,700
4501 Memberships and Dues	3,850	11,737	7,740	4,740
4503 Training	11,247	14,240	19,785	19,785
sub-total	<u>3,354,202</u>	<u>3,569,637</u>	<u>3,700,317</u>	<u>3,574,198</u>
CAPITAL OUTLAY				
4850 Vehicles	0	95,335	39,998	142
4910 Office Furniture & Fixtures	9,930	0	0	0
4920 Machinery Tools & Equipment	13,077	646	0	0
4930 Hydrants & Meters	47,362	47,262	110,000	110,000
sub-total	<u>70,369</u>	<u>143,243</u>	<u>149,998</u>	<u>110,142</u>
TOTAL	<u><u>10,441,738</u></u>	<u><u>10,663,235</u></u>	<u><u>11,009,804</u></u>	<u><u>10,505,406</u></u>

DIVISION:	Engineering	PUBLIC WORKS DIRECTOR: Greg Armendariz
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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: 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 CIP, 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.
- Provides engineering analysis and design.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2009-2010 Accomplishments					
1. Completed Lower Penitencia Levee re-certification	X	X	X	X	X
2. Completed building inspectors cross training for public works inspections	X	X	X	X	X
3. Completed the 25-year water supply agreement and water sales contract with SFPUC		X		X	X
4. Completed Water and Sewer Master Plan environmental impact report	X	X		X	
5. Secured \$2.2 million American Recovery & Reinvestment Act grants	X	X			
6. Converted Oliver Jones and Strickroth Parks to recycled water irrigation	X			X	
7. Completed construction of the Carlo off-ramp & Calle Oriente Park renovation	X	X		X	
2010-2011 Goals					
1. Complete construction of the new Senior Center project, Alviso Adobe and Cardoza Park	X	X		X	X
2. Complete Storm Drain Master Plan Update, 2010 Urban Water Management Plan and implement new stormwater permit provisions	X	X	X	X	X
3. Obtain LOMR approval from FEMA for Berryessa Pump Station and reduce Special Flood Hazard Area	X	X		X	X
4. Begin Transit Area utility infrastructure design and implementations	X	X		X	X
5. Start long-range solid waste diversion and disposal strategic plan	X	X		X	X
6. Complete Great Mall Parkway median landscape and recycled water main and Gibraltar Pump Improvements	X	X		X	X
7. Train staff to pursue CIP grant-funding		X	X	X	

Performance Measures	Actual 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
Contracts Awarded/Value	17/\$6.9M	18/\$13.5M	18/\$8.4M	14/\$7M
Meet all water quality standards for potable water distribution	100%	100%	100%	100%
Achieve City solid waste diversion rate (goal: 50% minimum)	57%	69%	70%	70%
Review first submittals of private development plans within 20 working days	92% of time	92% of time	95% of time	95% of time
Development projects reviewed	265	180	118	100
Responded to flood zone and other inquiries	100	100	200	120
Engineering and Traffic Surveys	28	13	20	29
Grants Submitted	5	8	8	9
Projects Completed (Initial Acceptances)	8	12	13	13

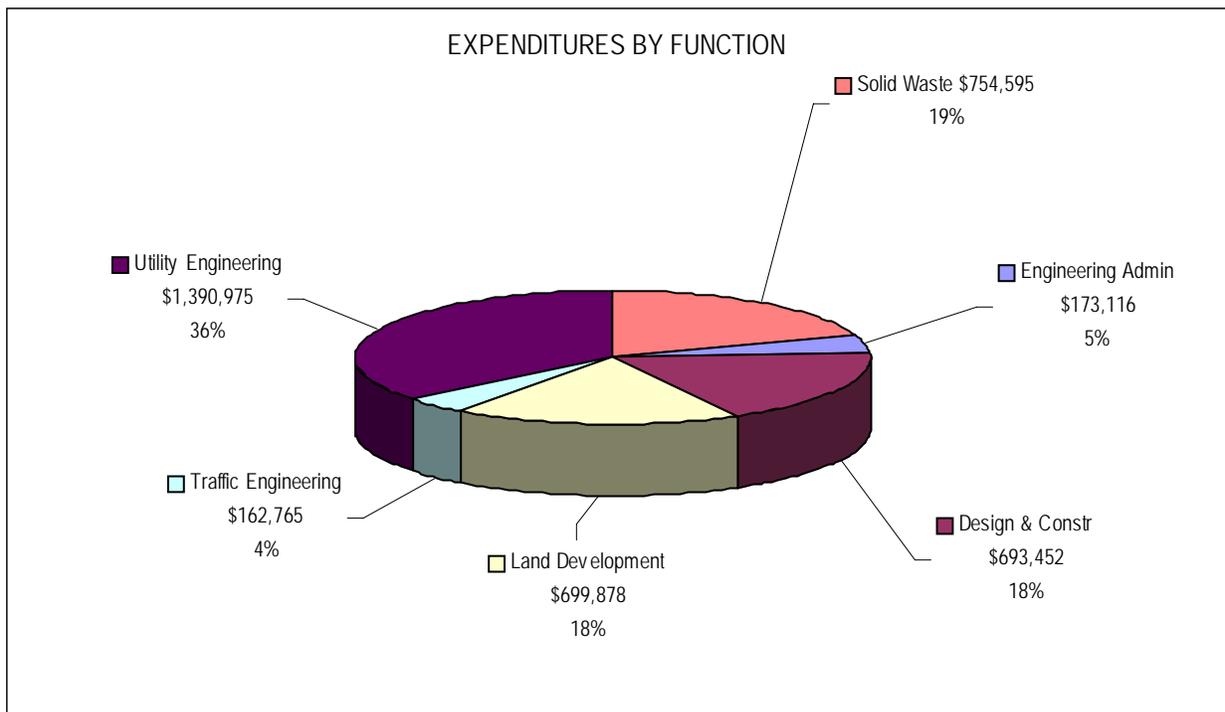
Personnel Allotment of 40.5 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Engineer	1		1	Engineering Permit Tech	1		1
Assistant City Engineer	1		1	CIP Manager	1	1	
Administrative Analyst I/II	2	2		Princ Transportation Planner	2		2
Public Information Specialist	1	1		Engineering Aide	5	2	3
Assistant Civil Engineer	10	8	2	Office Assistant II	1		1
Associate Civil Engineer	7	4	3	Office Specialist	2	2	
Principal Civil Engineer	3	2	1	Secretary	1	1	
Traffic Engineer	1	1		Temporary Positions (FTE)	0.5	0.5	
C A D Technician	1	1					
				TOTAL	40.5	25.5	15

Staff Change(s): Transferred the Transportation Planning function and one Assistant Transportation Planner to the Planning Department.

Expenditure Analysis

Personnel Services	Decrease due to transfer of one Assistant Transportation Planner to the Planning Department and employees' concession of 7% salary or equivalent.
Services and Supplies	Decrease due to transfer of \$80,000 contractual services to the Planning Department.
Capital Outlay	None



	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	2,455,240	2,369,934	2,726,931	2,629,731
4112 Temporary Salaries	109,204	71,757	24,000	12,000
4113 Overtime	45,113	2,836	45,500	45,500
4121 Allowances	5,459	7,238	0	0
4124 Leave Cashout	46,322	118,749	0	0
4125 Accrued Leave	5,983	1,141	0	0
4131 PERS	385,670	372,380	398,495	394,424
4132 Group Insurance	342,760	349,453	404,496	396,168
4133 Medicare	35,461	34,393	35,925	35,877
4135 Worker's Compensation	36,014	14,181	14,235	13,231
4138 Deferred Comp-Employer	6,961	5,445	6,300	7,200
4139 PARS	141	247	585	180
4143 Charged to CIPs	0	0	(792,528)	(777,892)
4151 Compensation Reduction	0	0	0	(215,112)
4161 Retiree Medical Reserve	170,551	157,390	135,566	131,208
sub-total	<u>3,644,878</u>	<u>3,505,145</u>	<u>2,999,505</u>	<u>2,672,515</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	178,700	151,036	230,000	204,500
4211 Equip Replacement Amortization	38,948	29,452	30,509	20,486
4220 Supplies	26,035	15,711	19,870	19,870
4230 Services	989,804	1,014,282	1,039,490	906,490
4501 Memberships and Dues	5,047	10,933	17,620	17,520
4503 Training	3,056	11,050	38,200	33,400
4520 Commissions and Boards	0	1,000	0	0
sub-total	<u>1,241,590</u>	<u>1,233,464</u>	<u>1,375,689</u>	<u>1,202,266</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	4,659	1,589	0	0
sub-total	<u>4,659</u>	<u>1,589</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>4,891,127</u></u>	<u><u>4,740,198</u></u>	<u><u>4,375,194</u></u>	<u><u>3,874,781</u></u>

DEPARTMENT:	Planning & N Svcs	PLAN & NEIGH SVCS DIR: James Lindsay
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Description: This department reviews land development applications and environmental assessments, ensures 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 a number of City Commissions, ensures 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, the City’s Housing Rehabilitation Loan 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 ensures 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, provides public information on land development regulations and processes.
- Responds to public service requests to ensure 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 Commission, Transportation & Land Use Subcommittee, the Bicycle Pedestrian Advisory Commission and the Library Advisory Commission.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2009-2010 Accomplishments					
1. Coordinated with other departments to standardize conditions of approval for development projects.	X		X		
2. Assisted in creating the City's Parks Master Plan establishing park planning goals and inventory of open space.		X		X	
3. Completed the update to the General Plan Housing Element by receiving State certification		X			
4. Streamlined the AVASA reporting process reducing staff processing time.			X		X
5. Streamlined the Service Request reporting process by deploying laptops in the field utilizing the SVU wireless network.	X		X		X
6. Negotiated several complex development agreements to facilitate redevelopment opportunities.				X	
7. Identified additional permit streamlining opportunities through modifications of the Zoning Ordinance.	X		X		
2010-2011 Goals					
1. Assist in the creation of a Climate Action Plan to reduce greenhouse gas emissions citywide.					X
2. Prepare a standardized Neighborhood Services Procedure Manual to ensure consistency in service delivery.	X		X		
3. Establish programs and criteria for the use of RDA 20% Housing Funds to support neighborhood improvement projects.		X		X	
4. Update the General Plan to incorporate the Parks and Trails Master Plans.		X			
5. Complete the reports for Impediments to Fair Housing and the CDBG Consolidated Plan.		X			
6. Complete the staff cross training program with the Building and Engineering Departments.	X		X		

Performance Measures	Actual 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
% of Use Permit applications processed within 3 months	NA	NA	75%	80%
% of Minor Site Development applications processed within 2 months	NA	NA	100%	100%
Planning Division customer contacts	3,200	3,200	3,500	3,200
% of rehabilitation loan recipients rating our service as at least "satisfactory"	90%	90%	90%	93%
Customer service requests/violations abated	1,100	1,187	980	900
# of cases in compliance within 30 days of receipt	NA	NA	NA	425
Days to abate graffiti on private property	15	17	20	17
Abandoned vehicles abated on private property	150	187	250	200
# of home ownership assistance loans processed	27	30	31	25

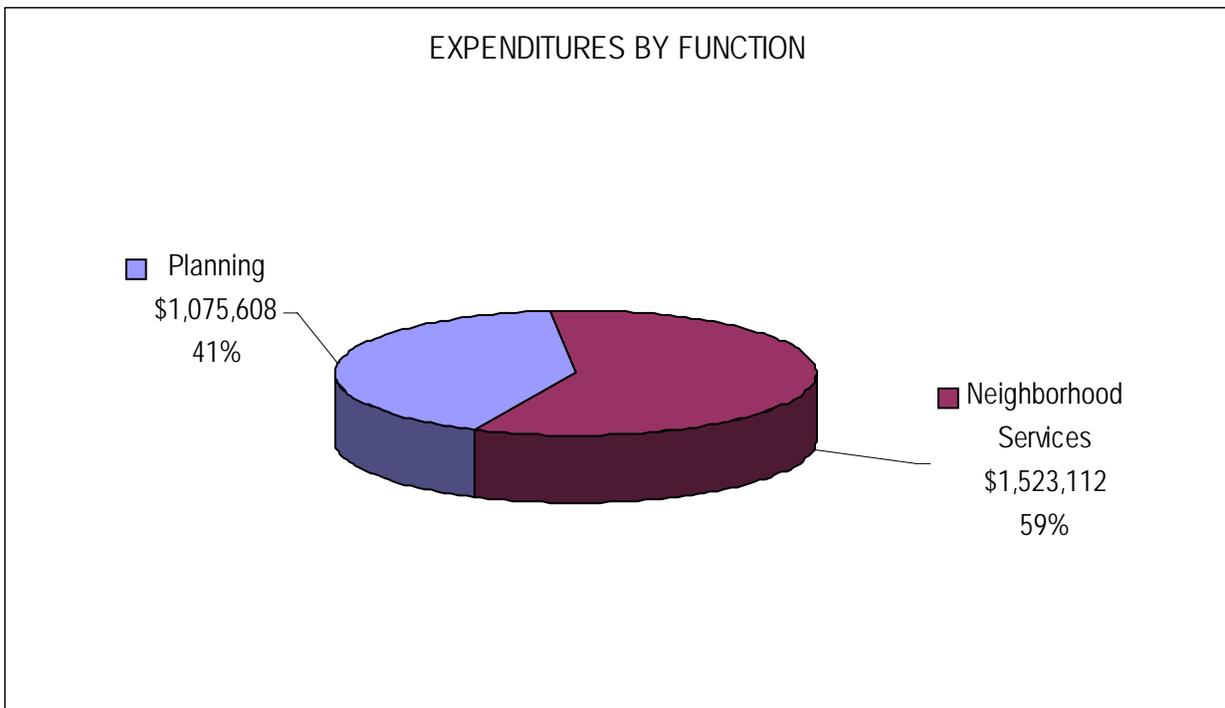
Personnel Allotment of 18 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Planning & Neigh Svcs Dir	1	1		Asst Transportation Planner	1	1	
Administrative Analyst II	1		1	Principal Planner	1	1	
Assistant Planner	1.5	1	0.5	Housing/Neigh Pres Spec	3	2	1
Associate Planner	2		2	Senior Housing Specialist	1	1	
Planning Manager	1		1	Office Specialist	3	3	
Junior Planner	1	1		Recreation Svcs Asst IV	0.5	0.5	
Senior Planner	1	1					
TOTAL					18	12.5	5.5

Staff Change(s): The Transportation Planning function and one Assistant Transportation Planner was transferred from the Engineering Department to the Planning Division.

Expenditure Analysis

Personnel Services	Increase due to the transfer of 1 Assistant Transportation Planner.
Services and Supplies	Increase due to the transfer of the Transportation Planning function.
Capital Outlay	None



	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	943,534	1,074,829	1,066,597	1,185,388
4112 Temporary Salaries	110,135	0	0	0
4113 Overtime	7,131	5,212	2,500	0
4121 Allowances	(517)	2,710	0	0
4124 Leave Cashout	31,172	57,263	0	0
4131 PERS	157,344	165,896	155,910	177,798
4132 Group Insurance	146,004	152,602	178,764	198,408
4133 Medicare	13,697	15,639	15,512	16,254
4135 Worker's Compensation	6,187	3,039	5,425	6,016
4138 Deferred Comp-Employer	3,298	724	3,600	2,700
4151 Compensation Reduction	0	0	0	(96,645)
4161 Retiree Medical Reserve	54,386	56,978	52,703	58,836
sub-total	<u>1,472,371</u>	<u>1,534,893</u>	<u>1,481,011</u>	<u>1,548,755</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	316,291	261,039	459,125	538,500
4211 Equip Replacement Amortization	13,504	10,632	7,234	6,415
4220 Supplies	11,414	11,940	27,430	23,500
4230 Services	591,953	731,051	478,201	469,000
4501 Memberships and Dues	1,304	1,389	3,125	2,700
4503 Training	6,791	6,492	10,750	9,850
sub-total	<u>941,257</u>	<u>1,022,543</u>	<u>985,865</u>	<u>1,049,965</u>
TOTAL	<u><u>2,413,628</u></u>	<u><u>2,557,436</u></u>	<u><u>2,466,876</u></u>	<u><u>2,598,720</u></u>

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



Parks and Recreation

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2009-2010 Accomplishments					
1. Installed 20 new park signs.	X	X			
2. Promoted sponsorship opportunities for all Special Events to help offset the cost of events and received over \$10,000 in monetary, donations and in-kind services		X			
3. Hosted a very successful Halloween Event, Spooktacular, at the Great Mall and partnered with the Great Mall, Milpitas High School, Community Volunteers and Rainbow Theatre. Over 3,000 youth and guests attended the 3-day event.		X		X	
4. Completed the Parks Master Plan.		X			
5. Successfully recruited over 200 volunteers to assist Oct-Dec for Special Events.		X			
6. The After-the-Bell Program implemented the Fit for Learning curriculum.	X	X	X		
2010-2011 Goals					
1. Convert Oliver Jones and Strickroth Parks to reclaimed water.		X		X	
2. Continue to offer quality aquatic programs during the 2010 Summer Season despite the closure of Milpitas High School Pool Facility.	X	X			
3. Nutrition Program to purchase plates and cups to reduce the use of disposable items at the new Senior Center.				X	
4. Receive National Council on Aging Accrediation for the new Senior Center.	X				
5. Certify 100 volunteers for the President's Volunteer Service Awards Program.				X	
6. Respond effectively and efficiently to customers and Parks and Recreation program requests for use of the Parks and Recreation Services Facilities.	X	X			

Performance Measures	Actual 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
Senior Center Members	1,040	1,118	1,500	1,600
Drop-in Sports Participants	2,500	4,500	5,500	6,500
Sports Center Members	8,500	9,000	10,000	11,000
Parks Maintained (acres)	171.55	178.65	178.65	178.65
Park Garbage Can Emptied at Parks	18,781	18,407	17,300	18,150

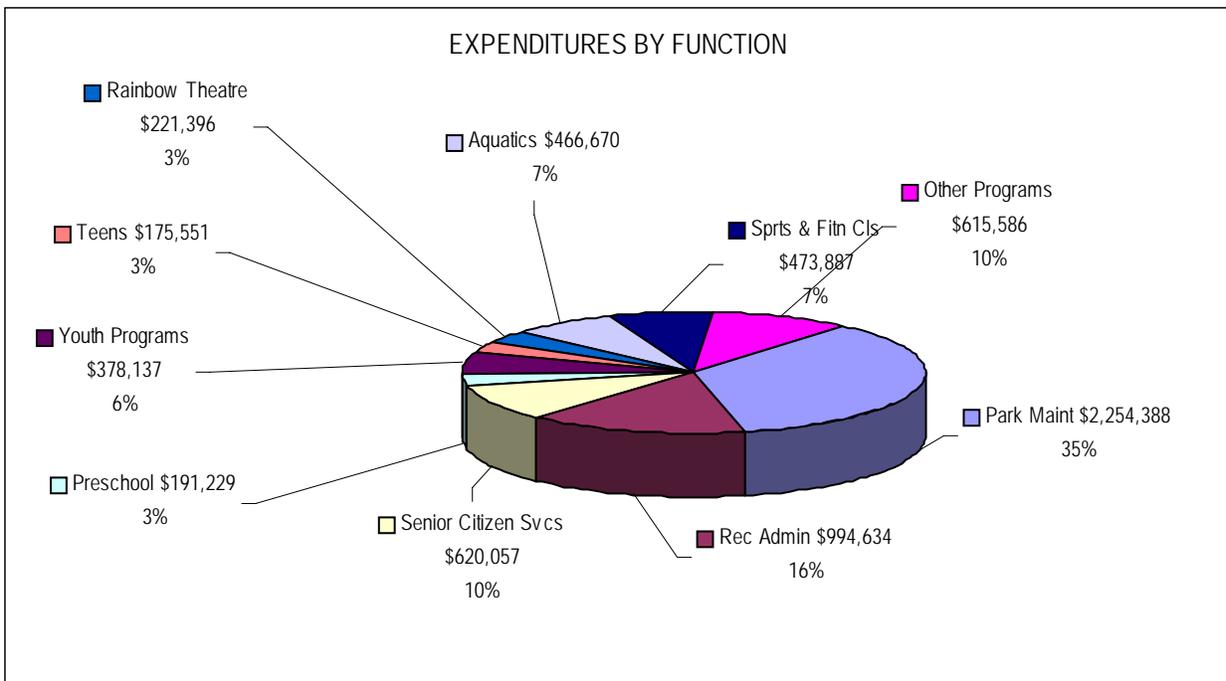
Personnel Allotment of 89 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Parks and Rec Director	1	1		Maintenance Worker II-37.5	12	11	1
Recreation Services Supv	4	2	2	Maintenance Worker III	6	5	1
Recreation Services Mgr	1		1	Maintenance Supervisor	2	1	1
Program Coordinator	7	4	3	Recreation Services Asst I	0.75	0.75	
Office Assistant II	2	1	1	Recreation Services Asst II	1.75	0.75	1
Public Services Asst II	5	5		Recreation Services Asst III	0.75	0.75	
Public Services Supervisor	1		1	Recreation Services Asst IV	4.25	3.75	0.5
Maintenance Worker I-37.5	1		1	Temporary Positions (FTE)	39.5	39.5	
				TOTAL	89	75.5	13.5

Staff Change(s): Unfunded 1 Maintenance Supervisor

Expenditure Analysis

Personnel Services	Decrease attributed to unfunding of 1 Maintenance Supervisor, converting all fitness instructors from temporary employees to contractors, and employees' concession of 7% salary or equivalent.
Services and Supplies	Increase attributed to employment status change for all fitness instructors.
Capital Outlay	Including the purchase of a riding mower.



Parks and Recreation

	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	2,664,482	2,632,173	2,738,963	2,631,227
4112 Temporary Salaries	1,147,531	1,201,064	1,279,897	1,089,149
4113 Overtime	34,542	27,344	31,100	31,100
4121 Allowances	10,400	11,630	10,400	10,400
4124 Leave Cashout	49,224	38,314	0	0
4131 PERS	455,310	449,380	435,786	420,275
4132 Group Insurance	509,828	536,967	602,460	596,280
4133 Medicare	51,438	51,904	52,852	51,039
4135 Worker's Compensation	78,423	40,593	74,135	67,744
4138 Deferred Comp-Employer	4,686	4,713	5,400	3,750
4139 PARS	11,632	13,835	16,475	14,040
4151 Compensation Reduction	0	0	0	(218,832)
4161 Retiree Medical Reserve	136,957	129,436	133,206	127,526
sub-total	<u>5,154,453</u>	<u>5,137,354</u>	<u>5,380,674</u>	<u>4,823,698</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	52,775	43,409	49,100	32,100
4211 Equip Replacement Amortization	257,095	231,119	224,513	206,332
4220 Supplies	349,763	312,293	347,357	332,409
4230 Services	686,191	735,887	836,025	969,701
4410 Communications	571	0	0	0
4420 Utilities	0	415	0	0
4501 Memberships and Dues	2,489	2,510	3,730	3,705
4503 Training	7,918	3,613	7,750	7,750
4600 Ins, Settlements & Contgcy	830	937	1,000	1,400
sub-total	<u>1,357,631</u>	<u>1,330,182</u>	<u>1,469,475</u>	<u>1,553,397</u>
CAPITAL OUTLAY				
4870 Machinery & Equipment	0	0	0	14,440
4920 Machinery Tools & Equipment	433	647	0	0
sub-total	<u>433</u>	<u>647</u>	<u>0</u>	<u>14,440</u>
TOTAL	<u><u>6,512,517</u></u>	<u><u>6,468,183</u></u>	<u><u>6,850,149</u></u>	<u><u>6,391,535</u></u>

DEPARTMENT:	Police	POLICE CHIEF: Dennis Graham
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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 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 and Calaveras Hills.
- 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.



Police

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2009-2010 Accomplishments					
1. Reduced crime rate by 4.1% in 2009, to a 40-year low.	X	X			X
2. Reduced violent crime rate by 13.5% in 2009, to a 38-year low.	X	X			X
3. Response time to emergency calls was maintained at 2:46 in 2009, for the 2nd year in a row, a 9-year low.	X	X			X
4. Increased car seat inspections by 28% to 204 in 2009.	X	X			X
5. Implemented a Social Host ordinance to address teenage drinking.	X	X			X
6. Upgraded 9-1-1 emergency dispatch phone system.	X	X	X		X
7. More than doubled the number of Reserve Officers, from 2 to 5.	X	X		X	X
2010-2011 Goals					
1. Increase the number of car seat safety program presentations to Spanish-speaking audiences.	X	X			X
2. Implement Teen Binge Drinking Prevention education.	X	X			X
3. Ensure 100% registration by known sex offenders.		X			X
4. Expand the number of Gang Awareness presentations.	X	X			X
5. Ensure average response times to emergency calls remain at 3:00 or under.	X				X

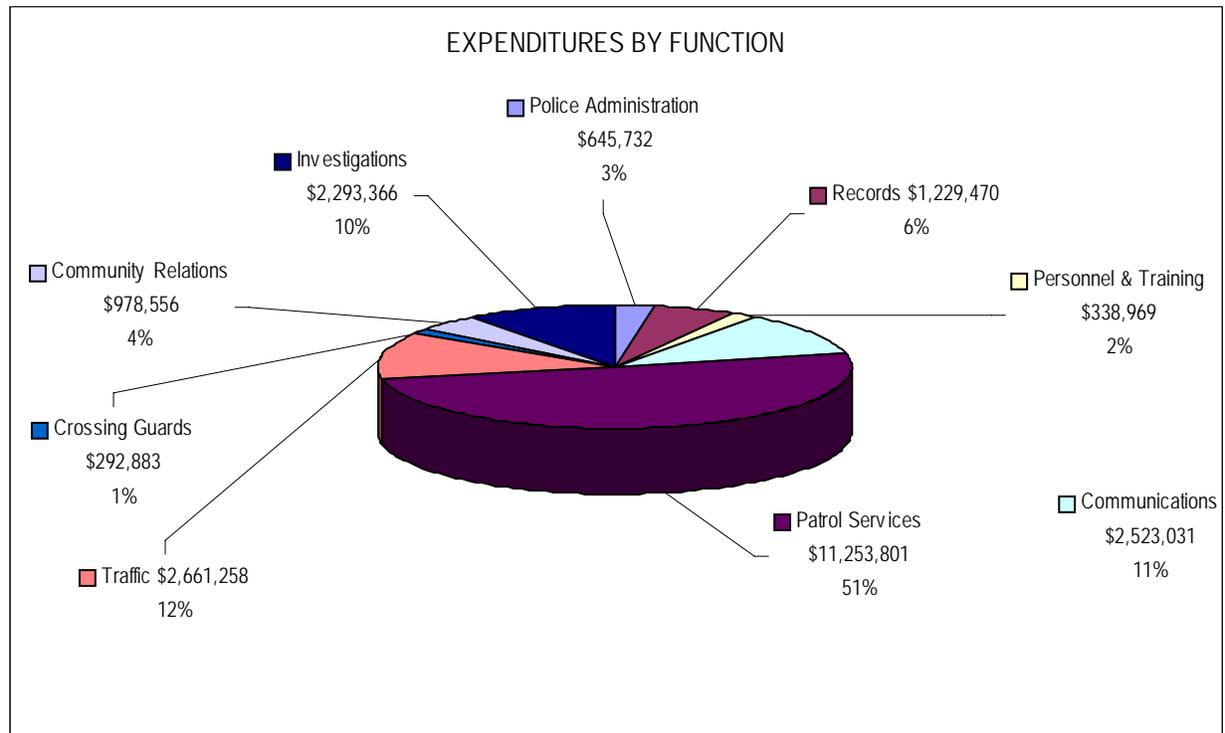
Performance Measures	Actual 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
Avg. response time to emergency calls (minutes)	2:57	2:46	2:47	2:47
Percentage of 9-1-1 calls answered by a dispatcher within 10 seconds	99%	99%	99%	99%
Percentage of public requests for report information completed within two days	93%	96%	95%	95%
Number of anti-terrorist Patrol checks	3,558	2,307	1,469	1,400
Number of accidents involving school children at intersections staffed by Crossing Guards	0	0	0	0
Parent Drug Awareness presentations	14	12	12	12
DARE presentations: schools/students	14/1,489	13/1,440	12/850	11/837
Community presentations	268	275	266	270
Number of vehicle citations issued	11,891	10,849	11,391	11,300
Number of arrests reported to FBI (all crimes)	3,231	3,303	2,996	3,000

Police

Personnel Allotment of 137.5 FTE							
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Police Chief	1	1		Secretary	1	1	
Police Captain	2		2	Police Assistant	1		1
Police Commander	3	3		Police Clerk II	6	5	1
Police Lieutenant	4	4		Police Clerk Supervisor	2	2	
Patrol Officer	5	4	1	Police Property Clerk	1.5	1	0.5
Police Officer	67	62	5	Communications Dispatcher	12	11	1
Police Sergeant	13	13		Communications Supervisor	4	3	1
Office Assistant II	1	1		Temporary Positions (FTE)	14	14	
TOTAL					137.5	125	12.5

Staff Change(s): Funded a Police Commander.

Expenditure Analysis	
Personnel Services	Decrease due to employees' concession of 7% salary or equivalent.
Services and Supplies	Slightly decrease due to reduced amortization of vehicles.
Capital Outlay	Increase due to six police vehicle purchases.



Police

	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	12,984,503	13,253,134	13,802,584	14,274,811
4112 Temporary Salaries	278,549	296,575	333,377	310,426
4113 Overtime	624,020	580,769	788,437	706,320
4121 Allowances	150,176	144,472	148,572	148,572
4124 Leave Cashout	626,094	466,838	0	0
4131 PERS	2,890,147	2,926,499	2,848,952	3,250,519
4132 Group Insurance	1,485,514	1,547,108	1,743,204	1,783,488
4133 Medicare	170,737	176,505	175,297	184,607
4135 Worker's Compensation	543,697	285,121	556,304	576,830
4138 Deferred Comp-Employer	5,409	3,643	3,600	4,500
4139 PARS	3,919	3,859	4,465	4,395
4151 Compensation Reduction	0	0	0	(1,279,370)
4161 Retiree Medical Reserve	583,146	590,647	597,761	618,906
sub-total	<u>20,345,912</u>	<u>20,275,170</u>	<u>21,002,553</u>	<u>20,584,004</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	3,000	3,000	3,000	3,000
4211 Equip Replacement Amortization	531,231	476,072	486,539	434,453
4220 Supplies	150,737	154,166	230,438	199,721
4230 Services	491,604	527,540	689,668	770,732
4410 Communications	28,470	29,467	33,900	33,900
4501 Memberships and Dues	1,311	1,880	4,265	5,430
4503 Training	64,510	67,417	84,551	84,551
sub-total	<u>1,270,862</u>	<u>1,259,543</u>	<u>1,532,361</u>	<u>1,531,787</u>
CAPITAL OUTLAY				
4850 Vehicles	9,668	33,763	0	41,275
4870 Machinery & Equipment	127,227	7,729	0	0
4920 Machinery Tools & Equipment	83,976	67,279	60,000	60,000
sub-total	<u>220,871</u>	<u>108,772</u>	<u>60,000</u>	<u>101,275</u>
TOTAL	<u><u>21,837,645</u></u>	<u><u>21,643,485</u></u>	<u><u>22,594,914</u></u>	<u><u>22,217,066</u></u>

DEPARTMENT: Fire	INTERIM FIRE CHIEF: Jeffrey L. Clet
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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 releases 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.



Fire

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2009-2010 Accomplishments					
1. Responded to 4375 emergency incidents with an average response time of 4.2 minutes	X	X			X
2. Certified 258 S.A.F.E.** Team members.	X	X			X
3. Conducted 1,080 plan reviews, issued 857 approvals/permits and performed 1,714 inspections. *	X				X
4. Presented prevention information at over 102 events; over half these events with more than 25 attendees. *	X	X			X
2010-2011 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 50 S.A.F.E. team members and provide refresher training to 90% of critical Emergency Operations Center staff	X	X	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

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

Performance Measures	Actual 2007-08	Actual 2008-09	Projected 2009-10	Estimated 2010-11
Calls for service & average response times (minutes)	4,361/4.1	4,300/4.1	4,400/4.2	4,500/4.2
Number of disaster preparedness citizens (per 1,000) & civilian employees (%)	3.0/10	3.1/10	3.2/10	3.4/10
Number of platoon training hours & personnel certified to serve at higher rank	250/21	240/23	250/20	250/23
Number of plan reviews/inspections	995/3,819	1,080/4,515	1,000/4,000	900/3,900
Plan reviews/inspections meeting target turn-around times (90%)	96%	86%	95%	95%
Prevention information events	70	102	90	90

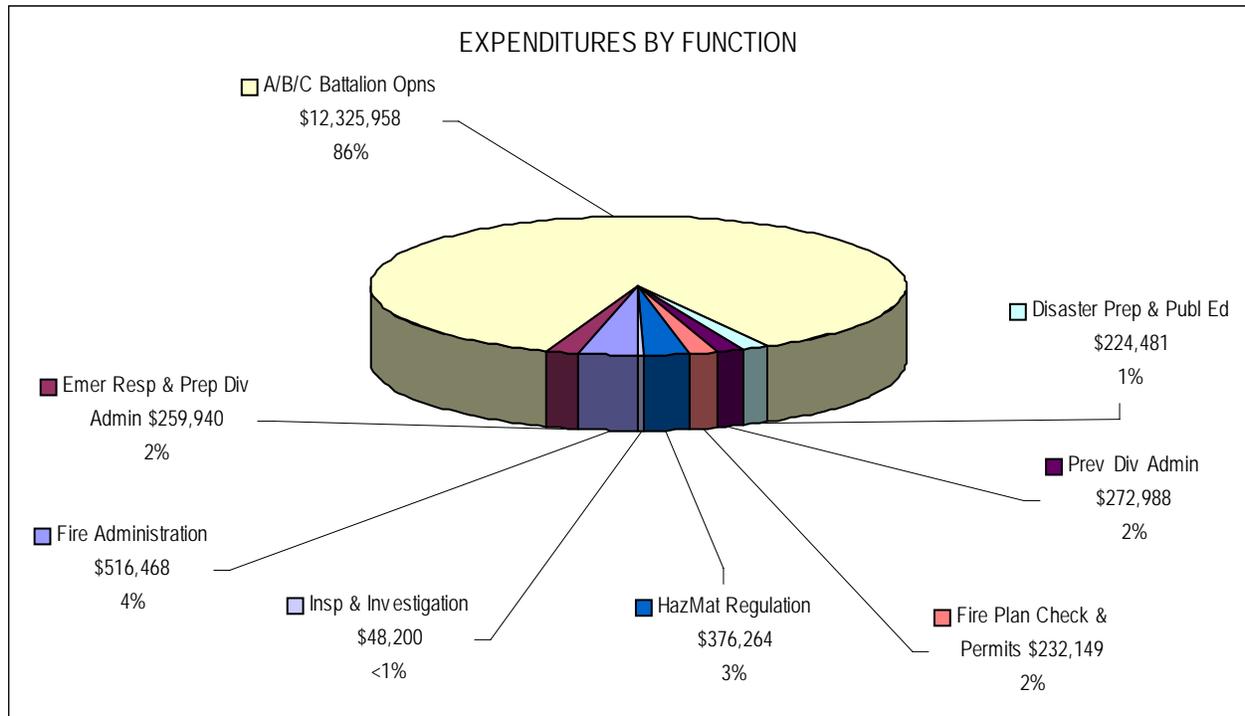
Fire

Personnel Allotment of 80 FTE							
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Fire Chief	1	1		Fire Protection Engineer	2	1	1
Assistant Fire Chief	1		1	Fire Engineer	15	12	3
Fire Marshal	1	1		Firefighter	12	10	2
Assistant Fire Marshal	1		1	Firefighter/Paramedic	12	12	
Emerg Svcs Coordinator	1	1		Fire Engineer-Paramedic	6	4	2
Fire Battalion Chief	4	4		Office Assistant II	1	1	
Fire Captain	16	15	1	Office Specialist	1		1
Fire Prevention Inspector	2		2	Secretary	1	1	
Hazardous Materials Inspector	3	2	1				
TOTAL					80	65	15

Staff Change(s): Unfunded the Assistant Fire Marshal position.

Expenditure Analysis

Personnel Services	Decrease due to employees' concession of 7% salary or equivalent.
Services and Supplies	Decrease due to reduced amortization of vehicles, supplies and contractual costs.
Capital Outlay	Increase due to two thermal imaging camera purchases.



	Actual 2007-08	Actual 2008-09	Budget 2009-10	Proposed 2010-11
PERSONNEL SERVICES				
4111 Permanent Salaries	7,938,593	8,084,405	8,490,048	8,184,104
4112 Temporary Salaries	0	122,317	0	0
4113 Overtime	1,101,583	980,699	831,000	1,255,100
4121 Allowances	61,079	61,259	61,752	61,752
4124 Leave Cashout	350,256	891,169	0	0
4131 PERS	1,850,877	1,871,664	1,818,936	2,052,004
4132 Group Insurance	903,811	971,607	1,049,304	1,065,720
4133 Medicare	103,353	108,927	100,848	107,737
4135 Worker's Compensation	356,839	187,513	370,797	379,777
4138 Deferred Comp-Employer	41,879	40,901	41,100	40,800
4151 Compensation Reduction	0	0	0	(777,849)
4161 Retiree Medical Reserve	375,729	381,041	387,953	391,793
sub-total	13,083,999	13,701,503	13,151,738	12,760,938
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	0	1,500	1,500
4211 Equip Replacement Amortization	1,100,020	918,086	1,035,701	946,075
4220 Supplies	184,762	263,084	244,260	215,860
4230 Services	232,711	131,607	218,186	195,800
4410 Communications	4,265	2,242	3,600	3,600
4501 Memberships and Dues	2,650	2,375	9,940	9,940
4503 Training	54,277	33,546	95,145	92,145
sub-total	1,578,685	1,350,940	1,608,332	1,464,920
CAPITAL OUTLAY				
4870 Machinery & Equipment	15,840	0	0	30,590
4910 Office Furniture & Fixtures	0	1,292	0	0
4920 Machinery Tools & Equipment	1,032	224,973	0	0
sub-total	16,872	226,265	0	30,590
TOTAL	14,679,555	15,278,707	14,760,070	14,256,448

DEPARTMENT:	Non-Departmental
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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: \$2,850,000 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: \$8,00,000 is for Treatment Plant fees; \$2,523,000 is for gas, electric and water utilities; and \$8,564,000 is for water purchases. \$6,895,000 is set aside for Housing Grants and Loans. \$700,000 is for a redevelopment loan to a manufacturer to assist in equipment purchase and "fit-up" costs. A total of \$45,000 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 2010-11 fiscal year.

Debt Service: \$13,603,000 is projected to pay the principal and interest due on the Agency Tax Allocation Bonds. \$690,000 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. \$2,358,186 is for payment to the State of California for deposit into the Supplemental Education Revenue Augmentation Fund (SERAF).

Equipment Replacement: \$243,885 is for equipment replacement from monies that are available in the Equipment and Information Technology Replacement Funds.

Non-Departmental

	100 General Fund	211 H-H Lease Fund	212 Public Art Fund	237 CFD Fund
PERSONNEL SERVICES				
4124 Leave Cashout	547,000	0	0	0
4132 Group Insurance	18,500	0	0	0
4136 Unemployment	53,200	0	0	0
4137 MOU Contractual Agreements	615,000	0	0	0
4139 PARS	6,000	0	0	0
4141 Adjustments-Payroll	90,600	0	0	0
4161 Retiree Medical Reserve	960,200	0	0	0
sub-total	<u>2,290,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
SUPPLIES & CONTRACTUAL SERVICES				
4201 Community Promotions	0	0	0	0
4205 Miscellaneous Grants	0	0	0	0
4209 Miscellaneous Loans	0	0	0	0
4220 Supplies	0	0	13,500	0
4237 Contractual Services	31,500	0	25,000	7,000
4239 Audit Fees	53,000	0	0	0
4242 Rents & Leases	0	28,000	0	0
4252 Retainers & Fees	0	0	0	0
4253 ABAG Attorney's Fees	20,000	0	0	0
4254 ABAG Settlements	46,000	0	0	0
4421 Utilities-Gas	145,000	0	0	0
4422 Utilities-Electric	1,307,200	0	0	0
4423 Utilities-Water	303,300	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
4503 Training and Registration	8,000	0	0	0
4509 Tuition Reimbursement	23,200	0	0	0
4600 Insurance & Settlements	254,000	0	0	0
4610 Uncollectible Accounts	23,000	0	0	0
4640 Contingent Reserve	348,000	0	0	0
sub-total	<u>2,562,200</u>	<u>28,000</u>	<u>38,500</u>	<u>7,000</u>
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CAPITAL OUTLAY				
4850 Vehicles	0	0	0	0
4870 Machinery & Equipment	0	0	0	0
sub-total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>4,852,700</u></u>	<u><u>28,000</u></u>	<u><u>38,500</u></u>	<u><u>7,000</u></u>

Non-Departmental

250 HCD Fund	310 Street Fund	390 RDA Fund	400/406 Water Fund	450/452 Sewer Fund	500/505 Equipment Replacement	Proposed 2010-11
0	0	23,000	18,000	12,000	0	600,000
0	0	2,400	1,900	1,200	0	24,000
0	0	7,000	5,600	4,200	0	70,000
0	0	80,000	64,100	40,900	0	800,000
0	0	1,000	1,000	1,000	0	9,000
0	0	2,400	3,600	2,100	1,300	100,000
0	0	125,900	101,000	59,900	0	1,247,000
<u>0</u>	<u>0</u>	<u>241,700</u>	<u>195,200</u>	<u>121,300</u>	<u>1,300</u>	<u>2,850,000</u>
0	0	15,000	0	0	0	15,000
0	0	1,095,000	0	0	0	1,095,000
0	0	6,500,000	0	0	0	6,500,000
0	0	0	0	0	0	13,500
0	1,300	300,000	5,200	10,000	0	380,000
6,000	8,000	13,000	10,000	10,000	0	100,000
0	0	0	0	0	0	28,000
0	0	1,000	0	0	0	1,000
0	0	7,000	8,000	30,000	0	65,000
0	0	15,000	19,000	70,000	0	150,000
0	25,000	5,000	43,000	32,000	0	250,000
0	49,000	175,000	96,300	122,500	0	1,750,000
0	52,300	10,500	88,900	68,000	0	523,000
0	0	0	6,139,000	0	0	6,139,000
0	0	0	2,045,000	0	0	2,045,000
0	0	0	380,000	0	0	380,000
0	0	0	0	2,500,000	0	2,500,000
0	0	0	0	5,500,000	0	5,500,000
0	0	5,000	1,000	1,000	0	15,000
0	0	2,700	2,700	1,400	0	30,000
0	0	46,000	23,000	70,000	32,000	425,000
0	0	0	56,000	56,000	0	135,000
0	0	0	0	0	0	348,000
<u>6,000</u>	<u>135,600</u>	<u>8,190,200</u>	<u>8,917,100</u>	<u>8,470,900</u>	<u>32,000</u>	<u>28,387,500</u>
0	0	5,240,000	0	370,000	0	5,610,000
0	0	8,363,000	0	320,000	0	8,683,000
0	0	6,358,186	0	0	0	6,358,186
<u>0</u>	<u>0</u>	<u>19,961,186</u>	<u>0</u>	<u>690,000</u>	<u>0</u>	<u>20,651,186</u>
0	0	0	0	0	166,732	166,732
0	0	0	0	0	77,153	77,153
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>243,885</u>	<u>243,885</u>
<u>6,000</u>	<u>135,600</u>	<u>28,393,086</u>	<u>9,112,300</u>	<u>9,282,200</u>	<u>277,185</u>	<u>52,132,571</u>

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City of Milpitas
2010-15 CAPITAL IMPROVEMENT PROGRAM
GRAND SUMMARY

Project Expenses	2010-11	2011-12	2012-13	2013-14	2014-15	Total
Community Improvement	711,646	625,000	680,000	305,000	500,000	2,821,646
Park Improvement	2,600,000	175,000	4,095,000	3,975,000	1,965,000	12,810,000
Streets	1,128,899	2,540,000	1,560,000	1,775,000	1,300,000	8,303,899
Water	765,000	9,645,000	3,475,000	6,900,000	3,050,000	23,835,000
Sewer Improvement	385,000	2,750,000	1,050,000	2,000,000	2,000,000	8,185,000
Storm Drain Improvement	85,000	1,075,000	4,500,000	1,500,000	1,900,000	9,060,000
Total	5,675,545	16,810,000	15,360,000	16,455,000	10,715,000	65,015,545
Finance Sources	2010-11	2011-12	2012-13	2013-14	2014-15	Total
Grants/Reimbursement/Developer Fee	(58,455)	0	0	0	0	(58,455)
Park Fund	2,600,000	175,000	2,774,000	506,000	665,000	6,720,000
RDA Fund	709,000	1,412,000	1,230,000	730,000	900,000	4,981,000
Sewer Fund	85,000	50,000	50,000	0	0	185,000
Sewer Infrastructure Fund	300,000	1,000,000	500,000	1,000,000	1,000,000	3,800,000
Street Fund	1,175,000	1,990,000	1,560,000	1,225,000	1,150,000	7,100,000
Water Fund	195,000	1,925,000	2,100,000	3,200,000	600,000	8,020,000
Water Line Extension Fund	70,000	70,000	75,000	0	0	215,000
Storm Drain Fund	50,000	513,000	0	0	0	563,000
Equipment Replacement Fund	0	125,000	0	125,000	0	250,000
Recycled Water Fund	300,000	0	0	0	0	300,000
Unidentified Funding	0	4,050,000	7,071,000	7,569,000	6,250,000	24,940,000
Traffic Impact Fees	50,000	0	0	0	150,000	200,000
Water Infrastructure Fund	0	0	0	100,000	0	100,000
TASP Impact Fees	200,000	5,500,000	0	2,000,000	0	7,700,000
Total	5,675,545	16,810,000	15,360,000	16,455,000	10,715,000	65,015,545

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 two existing projects and one new project as shown on the opposite page:

Project Number-Name

Description

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.

8198-Department of Energy Grant Program

Provides three primary activities: 1. a mandatory Department of Energy study to calculate job creation and reductions in greenhouse gas emissions for various City facilities 2. replace aging and inefficient HVAC chillers and controls at the Police/Public Works building 3. convert lighting at the Sports Center parking lot to energy efficient LED fixtures.

8200-Climate Action Plan

Provides for preparation of a Milpitas Climate Action Plan. This plan will include several elements including: an inventory for the general community and City owned facilities, greenhouse emission analysis, land use recommendations in order to comply with new CEQA criteria and criteria to evaluate new development against CEQA threshold of carbon footprint.

COMMUNITY IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	PROPOSED	ESTIMATED ANNUAL MAINTENANCE COST
391-8182	City Building Improvements	\$ 511,646	\$ 25,000
391-8198	Department of Energy Grant Program	100,000	0
391-8200 *	Climate Action Plan	100,000	0
	TOTAL COST	<u>\$ 711,646</u>	\$ 25,000

AVAILABLE FINANCING SOURCE:

RDA Tax Increment	\$ 674,000
PG & E Grant	<u>37,646</u>
TOTAL AVAILABLE	<u>\$ 711,646</u>

NOTE: Asterisk (*) indicates new projects.

PARK IMPROVEMENT PROJECTS

The Park Improvement category includes funding of one existing project 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.

5091-Park Renovation Project 2011

Provides for safety and accessibility ADA improvements in accordance with the Park Master Plan. Renovations can include replacement of playground equipment, drinking fountains, and reconstructing walkways and other park improvements, for safety and accessibility.

PARK IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>PROPOSED</u>	<u>ESTIMATED ANNUAL MAINTENANCE COST</u>
321-5055	Alviso Adobe Renovation	\$ 2,500,000	\$ 75,000
321-5091 *	Park Renovation Projects 2011	<u>100,000</u>	<u>5,000</u>
	TOTAL COST	\$ <u><u>2,600,000</u></u>	\$ 80,000

AVAILABLE FINANCING SOURCE:

Park Fund	\$ <u>2,600,000</u>
TOTAL AVAILABLE	\$ <u><u>2,600,000</u></u>

NOTE: Asterisk (*) indicates new projects.

STREET IMPROVEMENT PROJECTS

The Street Improvement category includes continued funding of two existing projects, defunding of one existing project due to lack of State grant funding and funding of three new projects as shown on the opposite page:

Project Number-Name

Description

4170-Hwy 237/I-880 Interchange

Provides for design and construction of the 237/880 Interchange through a cooperative agreement between Milpitas and Santa Clara County Traffic Authority (TA). The construction work was completed in 2004. The only remaining is the landscaping and recycled water irrigation improvements.

4246-Sidewalk Replacement 2009

Provides for FY2009-10 citywide replacement of existing curb, gutter and sidewalk. The project also involves street tree root cutting to prevent further damage to sidewalk. The work scope also includes installation of ADA ramps.

4247-Suggested Routes to School

Provides for a 3-year school safety program targeting the City's nine elementary and 2 middle schools to encourage walking and bicycling to school. Program elements include the preparation of suggested routes to school maps, walking-biking-carpooling education & programs, and event promoting.

4253-Dixon Landing Road Plan Line

Provides for the preparation of a plan line study to evaluate the widening of Dixon Landing Road from N. Milpitas Boulevard to I-880 from 2 lanes to 3 lanes in each direction.

4254-Sidewalk Replacement 2011

Provides for FY2010-11 citywide replacement of existing curb, gutter and sidewalk. The project also involves street tree root cutting to prevent further damage to sidewalk. The work scope also includes installation of ADA ramps.

4255-Street Resurfacing Project 2011

Provides for the street resurfacing in 2011. The program includes a variety of pavement treatments from slurry seal to major rehabilitation/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.

STREET IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	PROPOSED	ESTIMATED ANNUAL MAINTENANCE COST
311-4170	Hwy 237/I-880 Interchange (Defunding)	\$ (390,000)	\$ 0
311-4246	Sidewalk replacement 2009	68,899	0
311-4247	Suggested Routes to School	75,000	0
311-4253	* Dixon Landing Road Plan Line	225,000	0
311-4254	* Sidewalk Replacement 2011	150,000	0
311-4255	* Street Resurfacing Project 2011	<u>1,000,000</u>	<u>0</u>
	TOTAL COST	<u>\$ 1,128,899</u>	\$ 0

AVAILABLE FINANCING SOURCE

Street Fund	\$ 1,175,000
Transit Area Impact Fee Fund	50,000
Grants (includes defunding of \$390,000)	<u>(96,101)</u>
TOTAL AVAILABLE	<u>\$ 1,128,899</u>

NOTE: Asterisk (*) indicates new projects.

WATER IMPROVEMENT PROJECTS

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

Project Number-Name

Description

7070-Pressure Reducing Valve Replacement

Provides for the replacement of existing pressure reducing valves within the City's water system. These valves reduce the very high Hetch-Hetch transmission line pressures to the City's operating water pressure.

7105-Recycled Water Site Improvements

Provides for converting selected City landscape facilities located near the recycled water line mains to recycled water. It includes modifications and improvements, installation of recycled water line extensions, new valves, providing signs and equipment tags, and other minor system improvements, to meet State requirements of using recycled water.

7110-Hydrant Replacement

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

7111-Minor Water Projects 2011

Provides for the analysis and implementation of various water projects which arise during the year. This project also provides for ongoing modifications and improvements to existing water system including enhancing security at various water facilities.

2002-Second SCVWD Water Reservoir and Pump Station

Provides for the construction of a second water reservoir (5.3 million gallons) and pump station to serve the SCVWD water supply turnout. FY2010-11 funding provides for site planning and right-of-way appraisals.

WATER IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	PROPOSED	ESTIMATED ANNUAL MAINTENANCE COST
401-7070	Pressure Reducing Valve Replacement	\$ 100,000	\$ 5,000
401-7105	Recycled Water Site Improvements	300,000	10,000
401-7110	Hydrant Replacement	70,000	2,000
401-7111 *	Minor Water Projects 2011	95,000	0
351-2002 *	Second SCVWD Water Reservoir and Pump Station	200,000	100,000
	TOTAL COST	<u>\$ 765,000</u>	<u>\$ 117,000</u>

AVAILABLE FINANCING SOURCE:

Water Fund	\$ 195,000
Water Line Extension Fund	70,000
Recycled Water Fund	300,000
Transit Area Impact Fee Fund	200,000
TOTAL AVAILABLE	<u>\$ 765,000</u>

NOTE: Asterisk (*) indicates new projects.

SEWER IMPROVEMENT PROJECTS

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

Project Number-Name

Description

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.

6113-Cypress Sewer Main Replacement

Provides replacement of the existing 36" diameter main sewer pipe line crossing SR 237 at Cypress Court near the 237/I-880 interchange. The main sewer line has reached its design life and the pipeline has settled unevenly. It carries approximately 1/3 of the City's sewer flows to the Main Sewage Pump Station, and part of the Sewer System backbone.

6114-Minor Sewer Projects 2011

Provides the ongoing analysis, engineering and implementation of various minor modifications and improvements to the existing sewer system which arise during the year.

SEWER IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	PROPOSED	ESTIMATED ANNUAL MAINTENANCE COST
451-6110	Sewer System Hydraulic Modeling	\$ 50,000	\$ 0
451-6113 *	Cypress Sewer Main Replacement	300,000	5,000
451-6114 *	Minor Sewer Projects 2011	<u>35,000</u>	<u>1,000</u>
	TOTAL COST	<u>\$ 385,000</u>	\$ 6,000

AVAILABLE FINANCING SOURCE:

Sewer Fund	\$ 85,000
Sewer Infrastructure Replacement Fund	<u>300,000</u>
TOTAL AVAILABLE	<u>\$ 385,000</u>

NOTE: Asterisk (*) indicates new projects.

STORM DRAIN IMPROVEMENT PROJECTS

The Storm Drain Improvement category includes funding of two new projects as shown on the opposite page:

Project Number-Name

Description

3704-Fuel Tank Improvements

Provides for the removal of underground fuel tanks and installation of above ground double walled tanks at Wrigley Ford, Bellew, Penitencia, Berryessa, and Jungens storm pump stations. These are State mandated improvements intended to protect ground water from potential contamination.

3705-Minor Storm Drain Projects 2011

Provides for the analysis and implementation of various minor modifications and improvements to the existing storm drain system. This work addresses minor localized drainage problems.

STORM DRAIN IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	PROPOSED	ESTIMATED ANNUAL MAINTENANCE COST
341-3704	* Fuel Tank Improvements	\$ 75,000	\$ 5,000
341-3705	* Minor Storm Drain Projects 2011	<u>10,000</u>	<u>0</u>
	TOTAL COST	<u>\$ 85,000</u>	\$ 5,000

AVAILABLE FINANCING SOURCE:

RDA Tax Increment	\$ 35,000
Storm Drain Fund	<u>50,000</u>
TOTAL AVAILABLE	<u>\$ 85,000</u>

NOTE: Asterisk (*) indicates new projects.

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ESTIMATED REVENUES

Property Tax, Current	36,065,000
Use of Money & Property	1,112,000
Intergovernmental	<u>37,646</u>
Total Estimated Revenues	37,214,646

Other Financing

(Increase) Decrease in Fund Balance	5,278,165
Operating Transfers In	
Reimbursement of 2005 CFD formation costs	36,947
Operating Transfers (Out)	
Operating Cost reimbursement to General Fund from Housing Reserve	(1,065,811)
Operating Cost reimbursement to General Fund from RDA Projects	(4,630,655)
Public Improvement	(5,400,000)
Storm Drain Fund	(35,000)
Public Art Fund	<u>(100,000)</u>

TOTAL ESTIMATED REVENUES AND OTHER FINANCING SOURCES	<u><u>31,298,292</u></u>
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ESTIMATED EXPENDITURES

Salaries & Wages	2,189,428
Grants & Loans	7,630,000
Services & Supplies	<u>806,032</u>
Total Operating Costs	10,625,460

Capital Projects		
391-8182	City Building Improvements	511,646
391-8198	Department of Energy Grant Program	100,000
391-8200	Climate Action Plan	<u>100,000</u>
	Total Capital Projects	711,646
Debt Service		
	03 Tax Allocation Bonds	13,603,000
	Contractual Obligation to County for Land	4,000,000
	SERAF payment to State of CA	<u>2,358,186</u>
	Total Debt Service	19,961,186
	 Budgeted Appropriations	 <u><u>31,298,292</u></u>

FUND BALANCE:

Fund Balance 7/1	47,898,000
Increase (Decrease) in Fund Balance	<u>(5,278,165)</u>
Fund Balance 6/30	<u><u>42,619,835</u></u>
Reserved	2,017,000
Unreserved, Designated for CIP	3,400,000
Unreserved, Designated for Housing	9,980,402
Unreserved undesignated	<u>27,222,433</u>
Fund Balance 6/30	<u><u>42,619,835</u></u>

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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.

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 10-11 Budget. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 10-11 can be found on pages 100-101 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.

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	322	Midtown Park Fee
100	General	330	General Government
102	Library	331	General Government CIP
104	Cable Rebate	332	2000 Technology COP
105	Abandoned Vehicle Abatement	340	Storm Drain Development
120	Browning Ferris Holding	341	Storm Drain CIP
130	Private Job Developer Deposits	350	Transit Area Impact Fee
		390	Redevelopment Project
200	Special Revenue Funds	391	Redevelopment CIP
211	Hetchy-Hetchy Ground Lease	392	1997 RDA Tax Allocation Bonds CIP
212	Public Art-Restricted	395	2003 RDA Tax Allocation Bonds CIP
213	Public Art-Nonrestricted		
221	Gas Tax	400	Enterprise Funds
235	95-1 Lighting and Landscape Maint. District	400	Water Maintenance and Operation
236	98-1 Lighting and Landscape Maint. District	401	Water CIP
237	2005 Community Facility District	402	Water Line Extension
250	Housing and Community Development	405	Water Infrastructure Replacement
251	Housing and Community Dev Loan	406	Recycled Water
261	Supplemental Law Enforcement Services	450	Sewer Maintenance and Operation
262	State Asset Seizure	451	Sewer CIP
263	Federal Asset Seizure	452	Treatment Plant Construction
267	Justice Assistance Grant	453	Sewer 2006 COPS
268	2009 Justice Assistance Grant	455	Sewer Infrastructure Replacement
280	Solid Waste Services		
281	Solid Waste Reduction	500	Internal Service Funds
290	Housing Reserve	500	Equipment Management
		505	Information Technology Rplcmt
300	Capital Projects Funds	506	Permit Automation Fund
310	Street Improvement		
311	Street CIP	600	Agency Funds
312	Traffic Impact Fees	602	Deferred Compensation
313	Traffic Congestion Relief	618	Local Improvement District #18
320	Park Improvement	641	Short Term Disability
321	Park Improvement CIP		

- 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

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

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

Appendix List of Revenues

- 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
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4230 Services

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4250 Legal Services

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4280 Elections

- 4280 Elections

440 Communications and Utilities

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4420 Utilities

- 4421 Gas
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- 4424 SFWD, Wholesale Water
- 4425 SCVWD, Wholesale Water
- 4427 Recycled Water Purchase
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450 Memberships, Training and Travel

- 4500 Memberships, Training and Travel
 - 4501 Memberships and Dues
 - 4502 Professional Licensing
 - 4503 Training and Registration
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 - 4506 Meals for Meetings
 - 4507 Per Diem
 - 4508 Mileage Reimbursement and Parking
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460 Insurance Settlements and Contingencies

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- 4640 Contingent Reserve
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- 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
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 - 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
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Abbreviations and Acronyms

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

Appendix Abbreviations and Acronyms

MLS	Major League Soccer	SCWWD	Santa Clara Valley Water District
MOU	Memorandum of Understanding	SEMS	Standardized Emergency Management
MSA	Milpitas Supervisors Association	SERAF	Supplmntl Educ. Rev. Augmentation Fund
MUSD	Milpitas Unified School District	SFPUC	San Francisco Public Utilities Commission
MVP	Milpitas Volunteer Program	SLETS	Sheriff's Law Enforcement Telecom System
NAIOP	Nat Assoc of Industrial & Office Properties	SOP	Standard Operating Procedure
NBO	Neighborhood Beautification Ordinance	SV-ITS	Silicon Valley Intelligent Transportation
NOVA	North Valley Private Industry Council	SVU	Santa Clara Valley Unwired
O&M	Operating and Maintenance	SWAT	Special Weapons and Tactics
OES	Office of Environmental Services	TABs	Tax Allocation Bonds
OPA	Owner Participation Agreement	TAG	Technology Application Group
OSHA	Occupational Safety and Health Admin	TIA	Traffic Impact Analysis
PAL	Police Athletic League	TDM	Transportation Demand Management
PC	Planning Commission	TOT	Transient Occupancy Tax
PCR	Police Community Relations	UBC	Uniform Building Code
PERS	Public Employees Retirement System	UCR	Uniform Crime Reports
PLAN	Pooled Liability Assurance Network	UFC	Uniform Fire Code
POST	Peace Officers Standards and Training	VLF	Vehicle License Fee
PPO	Preferred Provider Organization	VTA	Valley Transportation Authority
PRCRC	Parks, Recreation and Cultural Resour Com	WMD	Weapons of Mass Destruction
PRV	Pressure Reducing Valves	WPCP	Water Pollution Control Plant
PUC	Public Utility Commission	YBA	Youth Basketball Association
RAP	Recreation Assistance Program	YSB	Youth Service Bureau
R & D	Research and Development	YTD	Year to Date
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		

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 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).

Capital Outlay — Expenditure for the acquisition of equipment for direct services with a useful life of two or more years and an acquisition cost of \$5,000 or more per unit (i.e. police vehicles, riding mowers, etc.). Capital Outlay is budgeted in the operating budget.

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 known 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 \$.0925 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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