



2006-2007 Budget & Financial Plan

FINAL BUDGET



Midtown

City of Milpitas

CALIFORNIA



2006-2007 Final Budget

Jose S. Esteves, Mayor

Armando Gomez, Vice-Mayor

Robert Livengood, Councilmember

Althea Polanski, Councilmember

Debra Giordano, Councilmember

Submitted By:

Charles Lawson, City Manager

Prepared By:

Finance Department

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CITY OF MILPITAS

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

August 28, 2006

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

Members of the City Council:

Submitted for your review and approval is the Annual Budget for Fiscal Year 2006-2007. 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 future 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 2006-07 (FY 06-07) budget was developed to incorporate the following City Council's priorities and policy direction:

- Continue to improve and provide 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
- Maintain a reserve policy for the General Fund and other major funds to ensure against economic uncertainties
- Complete the design and construction of the new Library and Midtown parking garage
- 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
- Encourage commercial and residential development focused in the Midtown Specific Plan area that will center on the new light rail system and the future BART system to alleviate traffic congestion

The Budget Highlights section describes how staff has implemented the Council's policy direction through the budget. The City Council held a budget work session in March and directed City staff to conduct public outreach meetings to prioritize various City programs.

BUDGET HIGHLIGHT

FY 06-07 Operating Budget was developed conservatively to address the fiscal challenges faced by the City with increase in General Fund expenditure continues to outpace revenue growth. Although local economy continues to recover as indicated by increases in property tax revenue, sale tax revenue and building permit fees, total General Fund revenue projected for FY 06-07 is still below what we received six years ago. Meanwhile, total expenditure has increased 35% during the same time span. It is imperative that the City develops strategies to address FY 06-07 and future years' budget shortfalls. Limited by resources, the FY 06-07 Operating and Capital Budgets were prioritized to provide services that are most cost effective and beneficial to the community and projects that will bring economic stability to the City. Some of the most significant highlights from the budget are described below:

- Balance the General Fund budget without using any reserves by continuing financial strategies such as funding 95% of the operating budget and judiciously reduce workforce through attrition. All these cost saving measures will be applied in a manner that will least impact services to the citizens and community.
- Continue the present hiring freeze in all but the most necessary positions to achieve cost savings of more than \$4 million.
- Limit temporary workforce to jobs that are truly temporary or seasonal in nature.
- Provide funding to maintain existing employment benefits while striving to negotiate in good faith with the employee groups to consider prudent salary adjustments.
- Begin funding a portion of the outstanding retiree medical benefits liability by establishing an irrevocable trust, in anticipation of the requirements of Government Accounting Standards Board Statement No. 45.
- Careful evaluation of infrastructure and programming needs in the Five-year Capital Improvement Program to fund and deliver the Council's highest priority projects. These projects will include construction of the new Library, a Midtown parking garage, and major infrastructure and street improvement in Main Street and Abel Street. All these capital improvement projects, centered in the Midtown area, are prioritized to encourage commercial and residential development that will provide economic stability in that area.
- Complete Phase II of the Transit Sub-Area Land use Plan around the southern boundary of Milpitas in order to focus on developments that will integrate with the light rail system and the future BART system.
- Retain and recruit businesses in the City. The City began to see the results of the economic development efforts by adding an Economic Development Manager position in FY 05-06 and adopting an Economic Strategic Action Plan. The City was successful in attracting a major car dealership to locate in Milpitas. It is anticipated that the car dealership will begin operation in the spring of 2007.
- Continue to stabilize the General Fund expenditure and revenue in order to maintain a high general credit rating - Standard & Poor's rated the City "AA" in FY 05-06.

BUDGET OVERVIEW

The total Annual Budget for FY 2006-07 is \$164,137,690. This is a 14.8% increase from the FY 2005-06 Annual Budget. Excluding the City's FY 06-07 Capital Improvement Budget, the total operating budget is \$109,486,396, a 0.1% decrease from last year. The total budget includes the City's Water and Sewer Utility enterprise budgets of \$11,446,545 and \$17,400,700 respectively. It also includes the City's Redevelopment Agency (RDA) budget of \$60,134,501. The total budget for capital improvements for FY 06-07 is \$54,651,294. A separate Capital Improvement Program (CIP) budget document is produced annually that provides a detailed description of each project. The CIP document includes all projects for the budget year as well as profiling

anticipated community needs over the subsequent four years. A summary of each project description and funding requirement can be found on pages 165 through 177 of this document.

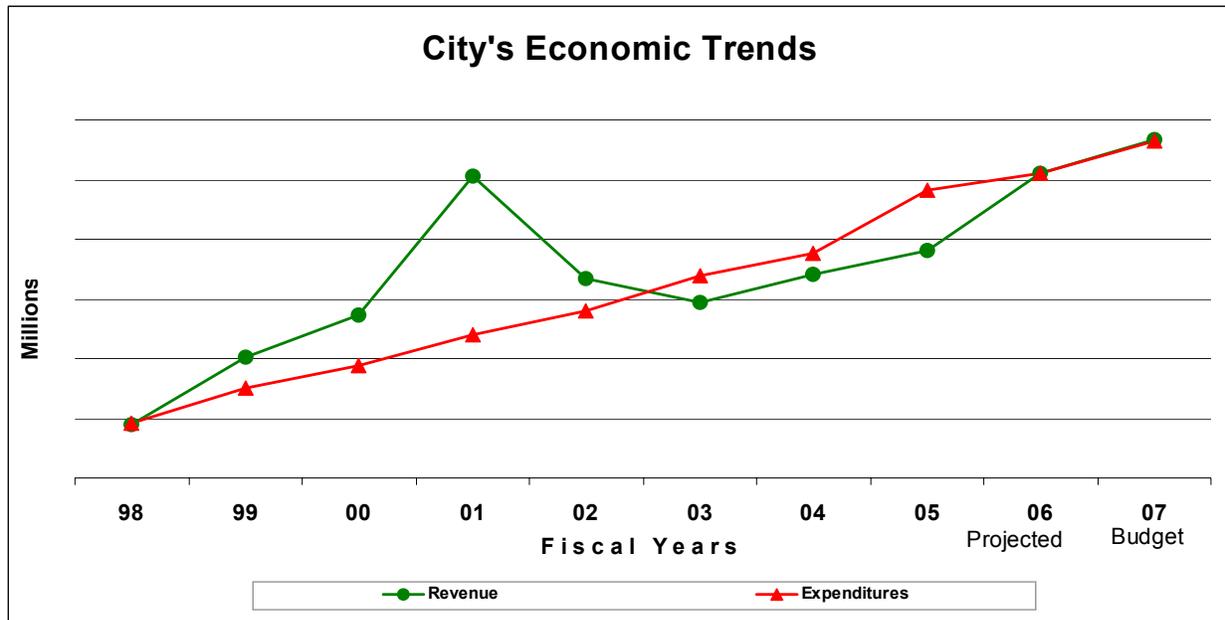
The General Fund budget is \$68,300,030, a 3.8% increase compared to FY 2005-06. The primary component of this increase is in the category of Salaries and Benefits. Salaries and Benefits show a net increase of 3.7% from last year due to a combination of factors: anticipated wage increases in accordance with the labor contracts under negotiation and increased medical insurance premium.

Services and supplies increased by 5.4% compared to last year primarily due to increased funding for the following: equipment and vehicle replacement in the form of amortization charge to the user departments, citywide utility expenditures for electricity, gas and water, and repairs and maintenance expenditures.

The budget anticipates an overall 8.8% General Fund revenue growth in FY 06-07 compared to FY 05-06 original revenue estimate. However, the growth of the General Fund revenue is still not sufficient to keep pace with the increased expenditures. In order to balance FY 06-07 budget without using any General Fund reserves, the budget includes cost saving measures as follows:

- Continue the present hiring freeze in all but the most necessary positions in FY 06-07. The hiring freeze has been a key element in helping the revenue shortfall in the last four years and is projected to contribute more than \$4 million savings for next year.
- Continue funding 95% of the operating budget. Historically, the City's departments have rarely expended 100% of their budget. To achieve approximately \$3.6 million cost savings up front, each department's General Fund budget will only be funded at a 95% level. This budget strategy will allow each department latitude in controlling each unit's costs by prioritizing its expenditures in such a manner that will least impact services to the public.
- Defer property acquisition payment from Redevelopment Agency from FY 05-06 to FY 06-07. The Agency purchased several properties from the City two years ago. The City has the right to demand payments when needed. In the FY 05-06 budget, the Agency was scheduled to make \$6.1 million payment to the City's General Fund. Revised projection for the General Fund indicates that revenues will be more than original estimate, therefore only a portion of the payment is needed in FY 05-06. This strategy recommends deferring \$5.1 million of the payment to FY 06-07.
- Reduce workforce through attrition. While the City was able to use reserve balance to maintain a high level of service in the past, the ways to provide these services need to be reviewed comprehensively in times of prolonged budget deficits. Reducing workforce through attrition will require each department to further streamline processes and re-assign job duties to accomplish essential tasks. This strategy can reduce costs by about \$700,000.
- FY 06-07 Operating budget does not anticipate utilizing any of the General Fund reserve balance. The remaining unreserved, undesignated fund balance will be approximately \$11 million which at 16.1% of the FY 06-07 budget appropriations is in compliance with the City's budget policy of maintaining a 15% reserve.

The following chart provides the historical trend of the General Fund revenues and expenditures from FY 97-98 through FY 05-06, along with the budget projections for FY 06-07.



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 economic recession. This region is severely impacted due to concentration of the high-tech industry and the shifting of some of these technology and manufacturing jobs overseas. Consequently, while the nation and the rest of the State have begun to experience economic growth, the Silicon Valley is still lagging. Milpitas is similarly impacted because of its location and comparable economic mix.

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 are restaurants, apparel stores and electronics equipment. The five largest manufacturing employers are Cisco Systems, Inc., Lifescan Inc., LSI Logic Corporation, Seagate Technology and Solectron Corporation. Other major employers are Palm One, Linear Technology, KLA-Tencor. 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.

Milpitas Redevelopment Agency (RDA) is one of the top ten RDAs in the State. With the 2003 expansion of the RDA, Redevelopment Area 1 encompasses 2,230 acres or 26% of the City. The Project area produces over \$27 million in annual gross tax increment. In November 2003 the RDA issued \$200 million in tax allocation bonds to generate funds for key City and Agency projects including a new library, major infrastructure improvements and a new senior center.

Major Development Activities in the City

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

Transit Sub-Area Land Use Plan – The City developed phase I of a Transit Sub-Area Land Use Plan which provides development concept for the area surrounding the future Montague/Capitol BART station and two VTA Light Rail Stations. In FY 06-07, the City will complete phase II of the Plan which will include a general plan amendment, zoning changes, design guidelines, fiscal impact study and environmental report. 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, schools, retail and restaurants.

Residential Development – Residential development activities remained relatively strong and have shown signs of increased activities. Milpitas represents one of the more affordable alternatives in Santa Clara County, with median home prices at \$629,000, lower than the County's median home price of \$675,000. Residential development approvals in progress outside the Midtown area include Barry Swenson's Twin Towers (181 condominium units), Aspen Apartments (101 units), Town Center (65 housing units) and Baystone condominium (387 units). Spurred by the high density potential of the Midtown Plan, residential and mixed use developments that are in the planning stage include Apton Plaza (98 condominium units and 3,000 square feet of retail space, Centria (481 condominium units), and Oak Springs (147 condominium units). Residential development under construction includes 683 condominium and townhouse units of the KB Homes project, of which 110 units will be deed restricted for affordable housing.

Non-residential Development – Non-residential development includes redevelopment of existing tenant spaces and buildings in the Town Center. A Super Safeway has been approved and construction is in progress. Other commercial development activities include the development of land adjacent to the KB Homes for three car dealerships. Piercy Toyota was recently approved to construct a 70,000 square foot showroom and a 52-bay service area at that site.

Great Mall of the Bay Area - The Great Mall is the largest enclosed mall in Northern California, with approximately 1.1 million square foot of leasable space. In 2003, Mills Corporation became the new owner of the Great Mall and began its efforts to attract new anchor tenants. Kohl's Department became one of the major anchor tenants in 2005. Other new tenants that were added include Nike, Anne Klein, Borders Book, and Abercrombie & Fitch. Other tenant approvals in progress include a Neiman Marcus outlet.

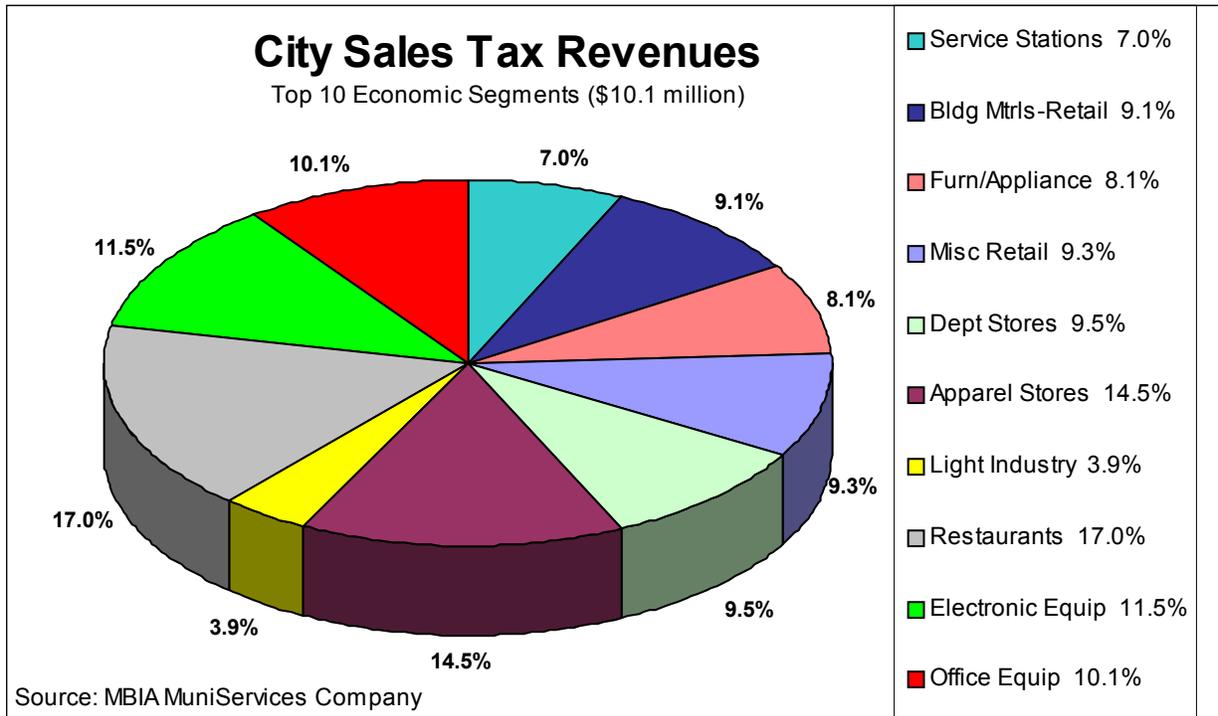
Consumer Confidence Level

Despite recent fluctuations of the consumer confidence index, the overall consumers' assessment of current economic conditions remains favorable, primarily due to improved job outlook. The March 2006 index is near a four-year high. Consumers are more optimistic than they were a year ago, which could lead to easing in consumer spending. This sentiment is reflected by increased local sales tax revenue in recent months.



Top Ten Sales Tax Generators by Economic Segment

The chart below provides a snapshot of the City’s sales tax revenue by economic segment in the last four quarters. Total amount of sales tax revenue for the latest benchmark year was about \$12.2 million, with the top ten economic segments generated about \$10.1 million. Sectors such as general retail, and food products lead the increases over a year ago.



Revised General Fund Revenue Estimates for Current Fiscal Year 2005-2006

Recent economic recovery in the Bay Area continued to improve the City’s revenue. The year-to-date revenue was better than projected, primarily due to the improved economy and secondarily due to receipt of one-time revenues. **The revised revenue estimates for FY 2005-06 assume that General Fund revenues will be \$4.4 million (9.5%) more than budgeted.**

Sales tax revenues are expected to be \$0.2 million less than budget due to the delayed opening of a major car dealership. Originally, that car dealership was anticipated to be in operation in the spring of 2006 but the opening has been postponed to the spring of 2007. Other economic segments were relatively stable in FY 2005-06 with increases primarily coming from apparel stores and restaurants. Building permit revenue is expected to be almost \$1.8 million more than originally estimated due to recent residential development activities in the Midtown area.

Transient Occupancy Tax (TOT) revenue is expected to be less than original estimate by \$40,000. However, FY 05-06 TOT still shows a moderate increase over FY 04-05 revenue by about \$270,000 or 6.8%. Interest earnings on the City’s investment portfolio are expected to be lower than the FY 2005-06 original estimates by \$250,000 due to lower interest earnings on the investment portfolio as some of the higher yield securities matured.

Property tax is expected to be \$0.6 million more than original estimate primarily due to increase assessed valuation on secured properties. Due to the housing market bloom in the last two years, a lot of the real properties have changed ownerships causing the assessed valuation to increase by approximately 5%, much higher than the 2% permitted by Proposition 13.

FY 05-06 motor vehicle license in-lieu tax revenue increased by approximately \$960,000 more than budgeted due to repayment of that tax revenue by the State. In FY 03-04, the State borrowed a portion of the Motor vehicle in-lieu tax from the local agencies and promised to repay in August 2006. Due to unexpected increases in State revenues, the repayment was made early in FY 05-06 but is considered a one-time revenue.

Other revenues such as charges for services and miscellaneous revenue also show increases over original estimates. The increase in charges for services of about \$730,000 is primarily related to reimbursement of staff's services provided to private developers. The miscellaneous revenue increase of about \$680,000 is related to the return of the City's equity share and profits on the sale of a property. The increase in miscellaneous revenue is considered one-time.

Despite revenue increases experienced in several major revenue sources, the General Fund is projected to close out the fiscal year using about \$1 million of the operating transfer from Redevelopment Agency. The FY 05-06 budget anticipated a \$6.1 million transfer from the Redevelopment Agency Fund, for acquisition of several key City properties for redevelopment purposes. Due to improved revenues in FY 05-06, staff proposes to transfer only \$1 million in FY 05-06 and defer the remaining \$5.1 million to FY 06-07, as one of the strategies to balance FY 06-07 budget.

REVENUES AND OTHER FINANCING SOURCES

Revenue detail is shown in the Financial Information section of the budget. A summary of revenues, including transfers between funds, and the increase or use of fund balances for various funds is shown on the following chart as a comparison between FY 05-06 and FY 06-07.

REVENUES AND OTHER FINANCING SOURCES

<u>Fund</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>Over (Under) Prior Year</u>
General	\$ 65,819,064	\$ 68,300,030	\$ 2,480,966
Library	15,000	345,000	330,000
Special Revenue	4,080,748	3,805,675	(275,073)
Capital Project	2,605,813	2,705,239	99,426
Redevelopment	40,344,440	60,134,501	19,790,061
Water	10,877,713	11,446,545	568,832
Sewer	19,279,064	17,400,700	(1,878,366)
Total	\$143,021,842	\$164,137,690	\$ 21,115,848

Revenue Estimates for Fiscal Year 2006-07

Total estimated revenue and other financing sources that include the use of reserves are estimated to increase by \$21.1 million compared to the FY 2005-06 budget. In FY 2005-06 the General Fund revenue was originally estimated to be lower but was revised upward by \$4.4 million to reflect the economic improvement experienced in the past year. In FY 06-07, General Fund revenues are expected to be approximately \$320,000 lower than FY 05-06's revised revenue of \$50.5 million due to one time revenues received in FY 05-06 that are non-recurring in FY 06-07. The assumptions for projection and analysis of the major revenue sources are discussed below.

General Fund Revenue Estimates

FY 2006-07 estimated General Fund revenue assume a \$4 million or 8.8% increase over FY 05-06 budgeted revenue but 0.6% or \$320,000 decrease from FY 05-06 revised revenue projection. Some of the changes include the following.

Sales tax revenues for FY 05-06 are revised to be less than budget by \$0.2 million. Although the Association of Bay Area Governments (ABAG)'s forecast is 2.8% next year, our assumption for FY 06-07 sales tax revenue is a 5.5% increase over FY 05-06 revised estimate. Total sales tax revenue is estimated to be \$16.2 million. The projection is based on continued economic recovery and increased sales in the food products and general retail economic segments. The Great Mall of the Bay Area shopping mall has added new anchor stores which generated increased sales. In addition, a major car dealership is expected to open its operation in Milpitas in late FY 06-07.

Building permit revenue for FY 05-06 is estimated to be \$1.8 million more than budget due to recent residential development activities in the Midtown. In FY 06-07, building permit revenues are projected to be approximately \$3.7 million, approximately \$630,000 less than FY 05-06 revised revenue, based on the number of recent applications submitted and the size of the projects. It is anticipated KB Homes will continue with their development activities and other residential development projects such as Centria, Oak Springs and Town Center will commence.

Property tax revenues are estimated to be \$0.6 million more than FY 05-06 budget due to addition of new residential developments on tax roll and recent number of transactions that allow the County Assessor to re-assess properties at their market values. It is anticipated that property tax revenue will increase by 10.5% based on a combination of factors. First of all, the County Assessor provided report of growth on the assessed valuation at about 6%. Second, the voters in California approved Proposition 1A which prevents the State from reducing local government's share of property tax except in the case of fiscal emergency. Starting in FY 06-07, the State will cease shifting local agencies' property tax to the Education Revenue Augmentation Fund (ERAF). The amount of the shift averages about \$1 million per year in the last two fiscal years. The restoration of property tax is included in the 10.5% projected increase for next year.

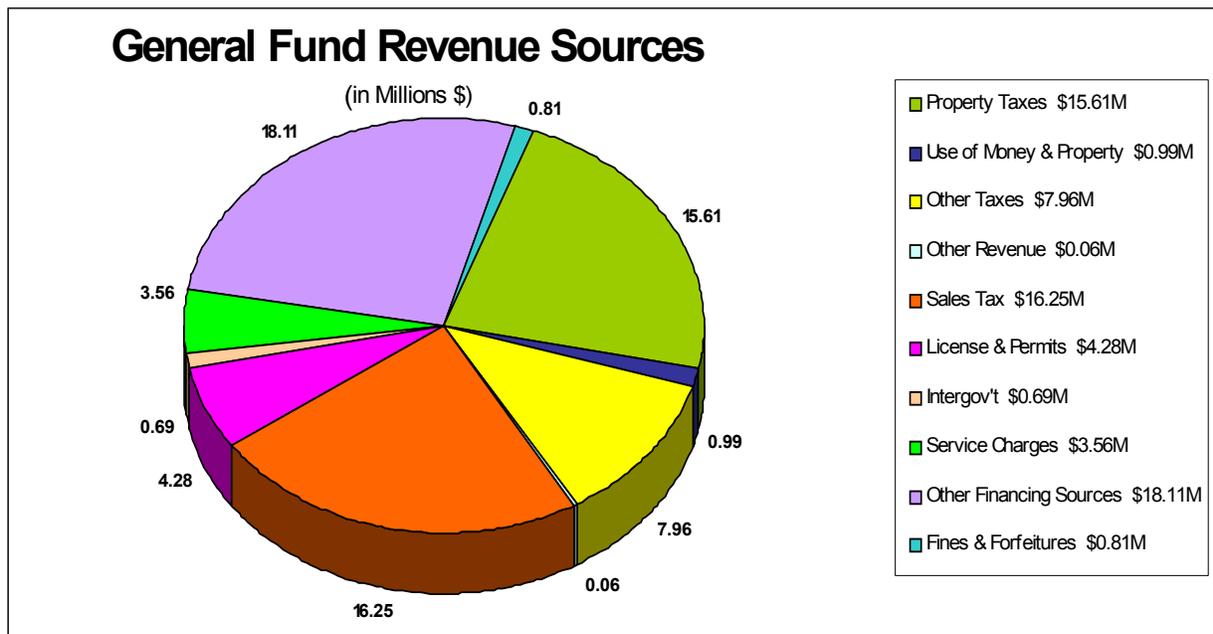
Hotel/motel Transient Occupancy Tax (TOT) revenue showed an increase of \$30,000 over budget in FY 05-06 primarily because the revised projection for FY05-06 is below target by about \$40,000. It is projected that that FY 06-07 TOT will increase by a modest 2% to \$4.3 million, in

anticipation of more business travel as the economy in this region continues to recover. Although there is a correlation between business travel and increased sales activities, the projection for TOT revenue is more conservative because of the ability of teleconferencing for many high-tech companies.

Interest income is anticipated to decrease by \$144,000 compared to the FY 05-06 budget, primarily due to lower investment earnings on the investment portfolio as some of the higher yield securities matured. Projected interest income for FY 06-07 is approximately \$993,000. Interest income for the General Fund is based on projected earnings from the current portfolio at an assumed reinvestment rate of 4.7%, and allocation to General Fund based on projected cash balance.

Other Financing Sources are operating transfers between funds primarily to allocate operating costs from one fund to another. The rationale of cost allocation is to allocate central service departments' budgeted costs that are typically born by General fund to other funds based on estimated staff and service support provided to each fund. The City does not have a Redevelopment Department, or Water and Sewer Department. Consequently, a lot of staff and resources from the General Fund are used to support these operations. A detailed Internal Cost Allocation Schedule for FY 06-07 can be found on pages 96 to 97.

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



RDA Revenue Estimates

FY 05-06 Redevelopment property tax increment was revised upward by \$300,000 or 1.2% to \$26.9 million. While a number of commercial properties still experienced high vacancy rates, assessed valuation on residential properties remained high and based on a recent report on assessed valuation growth provided by the County Assessor, FY 06-07 tax increment is expected to increase by approximately 6%.

Utility Rates

A 6.7% water rate increase in FY 06-07 was approved. The key factors affecting the water rates are estimated increases in wholesale water costs from the Santa Clara Valley Water District, San Francisco Public Utility Commission and increased capital improvement project costs. Water rate increases are expected to occur for the next few years because wholesalers are projecting further increases to meet new regulatory requirements. The current operating fund balance for the Water fund is approximately \$3 million. The rate increase is consistent with the Utility Financial Master Plan adopted by the Council in FY 02-03. The Plan identifies funding mechanisms for anticipated capital projects and provides a 20-year projected financial framework for water and wastewater rates.

The budget also includes a 9% sewer rate increase for single-family residential customers in FY 06-07. The sewer fund currently has a \$2.1 million operating fund balance and approximately \$5.3 million replacement fund balance. The Capital Improvement Program for FY 06-07 includes replacement of the Main Sewer Pump Station by issuing Sewer Revenue Bonds.

For FY 06-07 the recycled water rate will increase by 6.7%, same as water rates, for most categories in order to maintain irrigation rates at 80% of potable rates and industrial and inside dual plumbing rates at 50% of potable rates. Sales are estimated to remain constant after a recent expansion of the customer base.

EXPENDITURES

A budget comparison of appropriations for all funds between FY 05-06 (Adopted Budget) and FY 06-07 (Adopted Budget) is as follows:

<u>Appropriations</u>	<u>Adopted Budget FY 05-06</u>	<u>Adopted Budget FY 06-07</u>	<u>Over (Under) Prior Year</u>
Salaries & Benefits	\$ 58,953,441	\$ 60,886,955	\$ 1,933,514
Services & Supplies	28,497,237	30,072,691	1,575,454
Capital Outlay	1,184,095	550,750	(633,345)
Subtotal	\$ 88,634,773	\$ 91,510,396	\$ 2,875,623
Capital Improvement	33,402,713	54,651,294	21,248,581
Debt Service	20,984,356	17,976,000	(3,008,356)
Total Appropriations	<u><u>\$143,021,842</u></u>	<u><u>\$ 164,137,690</u></u>	<u><u>\$ 21,115,848</u></u>

Total expenditures represent an overall 14.8% increase from FY 05-06. Operating expenditures, excluding capital improvement, decrease by 0.1% compared to last year. Following is a summary of the changes in operating expenditures by category:

Salaries and benefits are expected to increase by 3.3%. The net increase to the General Fund is \$1.96 million (3.7%). The total citywide budget increase in this category is \$1.93 million, which is due to the following contributing factors:

First, the projected FY 06-07 salary and wage increases reflect anticipated increases in accordance with various Memoranda of Understanding that are currently under negotiation. Health insurance premiums are anticipated to increase by approximately 8% in January 2007. In FY 05-06, the operating budget included \$1.7 million anticipated savings from attrition as staff retired or left the employment of the City. To date, the City was able to save approximately \$1 million but is not expected to meet the goal of \$1.7 million. The FY 06-07 includes \$700,000 salaries and wages savings from attrition.

Second, in accordance with the City Council's direction, a number of vacant non-public safety positions have been frozen since FY 01-02 to save personnel costs. Beginning in FY 05-06, public safety positions were also included on the vacancy list to achieve 5% savings. In the FY 06-07 Adopted Budget, a number of these positions will remain frozen for the entire year. The hiring freeze, which has been factored in the salaries and benefits expenditure, will contribute no less than \$4 million in savings for next year.

Services and supplies are expected to increase by \$1.57 million or 5.5% citywide, with \$614,000 (5.4%) increase in the General Fund. The services and supplies budget include services that were provided by outside parties. Majority of the cost increase are beyond the control of the City. For example, the City's utility expenses are anticipated to increase by 11% or \$258,000. The costs of water purchased from San Francisco Public Utility Commission and Santa Clara Valley Water District will increase by \$308,000. The amount that the Sewer Fund has to contribution to the San Jose/Santa Clara Water Pollution Control Plant will also increase by \$536,000. General Fund is similarly impacted as it pays for majority of the gas and electricity costs. Other increases include equipment replacement in the form of amortization charge to the user departments and maintenance for City buildings.

Capital Outlay - This category includes new and scheduled vehicle and equipment replacements. Total capital outlay request for FY 06-07 is \$550,000. Approximately \$356,000 of the equipment and vehicles will be fully funded by the Equipment Replacement Fund. Major Capital outlay requests include the following: \$12,000 for an artificial pre-lit Christmas tree, \$14,000 for a mail machine and electronic scale, \$41,000 for an Asphalt Paver and Pavement Marker, \$22,000 for a riding mower, \$31,000 for a hoist system to lift vehicles for maintenance, and \$201,000 for seven police vehicles for the Police Department.

Debt Service is projected to decrease \$3 million in FY 06-07 due to termination of ERAF shift from the Redevelopment Fund. Included in the debt service category are payments for two outstanding debt issues, the 2000 Certificates of Participation (Technology COPS) and 2003 Redevelopment Agency Tax Allocation Bonds and a \$4 million obligation to the County of Santa Clara created by a Purchase and Sale Agreement between the County and the Redevelopment Agency.

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	Total Principal	Total Interest
2007	\$ 8,508,118	\$ 9,642,257
2008	8,490,350	9,482,370
2009	8,480,810	9,463,786
2010	8,169,105	9,414,454
2011	8,224,862	9,377,847
2012-2016	44,141,090	46,619,154
2017-2021	51,470,973	43,994,567
2022-2026	52,980,904	26,275,262
2027-2031	45,410,000	7,321,520
2031-2033	8,915,000	446,614
Total	<u>\$244,791,212</u>	<u>\$17,037,831</u>

DEBT LIMIT

The City's legal bonded debt limit, as established by the California Government Code, is approximately \$350 million. The City through the Milpitas Redevelopment Agency and the Milpitas Public Financing Authority issued various bonds in the past. Currently, there are two outstanding debt issues, the Technology Financing Phase I Certificates of Participation issued in 2000 with an outstanding balance of \$3,540,000, and the Redevelopment Agency Tax Allocation Bonds issued in 2003 with an outstanding balance of \$190,780,000. Neither one of these bonded debts is subject to the legal debt limit. The final payments on these two bonds will occur between fiscal years 2010 and 2033.

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.

CAPITAL IMPROVEMENTS

The Capital Improvement Budget funding for FY 06-07 by Project Category is as follows:

<u>Project Category</u>	<u>Adoped Budget</u>	<u>Percentage of Total</u>
Community Improvements	\$40,830,000	74.71%
Park Improvements	195,000	0.36%
Street Improvements	2,351,294	4.30%
Water Improvements	1,560,000	2.85%
Sewer Improvements	9,715,000	17.78%
Total	\$54,651,294	100.00%

The total FY 06-07 Adopted Capital Improvement Program (CIP) funding is \$21 million more than the FY 05-06 CIP, primarily due to funding requests for two major projects, \$33.7 million for construction of the New Library of which the design was funded in previous years, and \$9.2 million for the replacement of a lift station at the Main Sewage Pump Station site. An extensive prioritization of all CIP projects for consistency with available resources and future needs has been performed to ensure that the selected projects can be accomplished. The FY 06-07 CIP has been developed to fund and deliver the Council's highest priority projects.

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 06-07 were also reviewed by the Parks, Recreation and Cultural Arts Commission.

Although cost savings is one of the considerations in implementing the capital improvement program, many projects are prioritized for reasons such as health and safety for the public, replacement of deteriorated capital assets or systems, or enhancement of economic development and quality of life for the citizens. New buildings tend to be more energy efficient and replacing deteriorated capital assets tend to save repair costs in the long run. The actual cost savings is difficult to quantify. On the other hand, some of these projects will increase operating costs upon completion. These costs, to the extent that they can be estimated, are

identified in the Capital Budget section of this document. Total estimated maintenance costs is approximately \$100,000 annually.

The Capital Budget Section of this document also provides a brief description and status of the projects to be funded in FY 06-07. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2006-2011 prepared by the Engineering Division may be obtained at 455 E. Calaveras Blvd, Milpitas, CA 95035.

FUND BALANCES/RETAINED EARNINGS

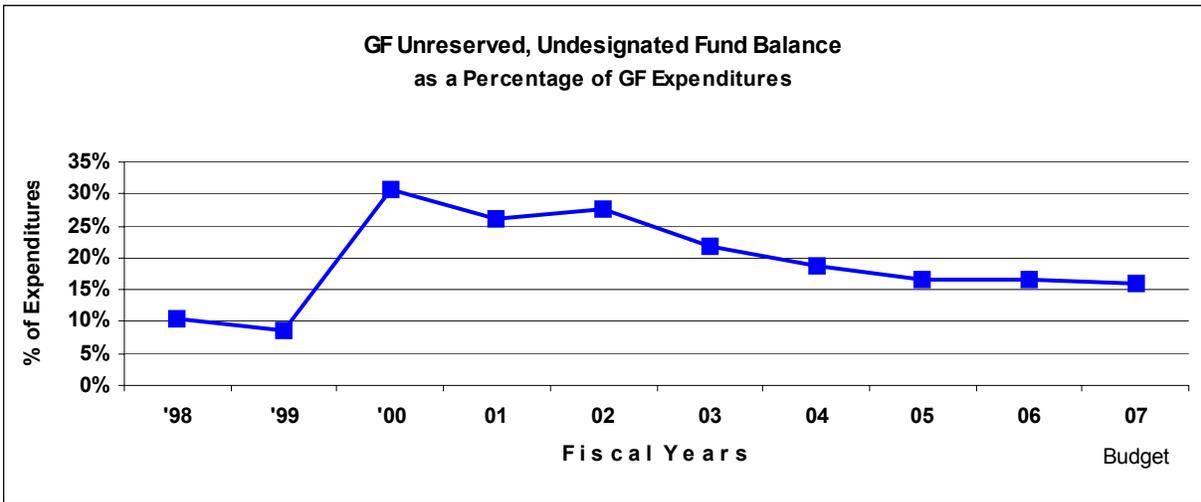
An important resource for a City is the funding that is available for future appropriations and unexpected emergencies. A complete schedule of the Budget Summary of the Revenue, Expenditures, Transfers, and Fund Balances is shown in the Financial Information section of the Budget.

The following schedule shows the estimated undesignated Fund Balance for the General Fund and the percentage of the balance in relation to the Fund's total appropriations. Also shown are the total estimated fund balances for the Restricted Funds:

<u>Fund</u>	Budgeted Expenditures <u>FY 06-07</u>	Estimated Balance <u>6/30/06</u>	% of Budgeted <u>Expenditures</u>
<u>Unreserved – Undesignated</u>			
General	\$ 68,300,030	\$ 11,008,595	16.1%
<u>Restricted</u>			
HCD		3,096,641	
Street Improvement		7,781,911	
General Government CIP		1,319,832	
Park		7,273,623	
Water		10,035,943	
Sewer		22,199,868	
Storm Drain		403,489	
Redevelopment		103,098,320	
Library		7,122,695	
Other		5,312,610	

The projected percentage of the estimated unreserved, undesignated fund balance for the General Fund is 16.1% 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 06-07.

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



The Restricted Funds listed on the previous page have legal restrictions on the way in which the funds may be used. The estimated fund balances in the Restricted Funds include amounts that have already been committed for projects or programs approved by the Council/Agency. In addition, the Restricted Funds fund balances include bond proceeds or anticipated bond proceeds that have legal restrictions for their use as outlined in the bond documents.

FIVE YEAR GENERAL FUND FORECAST

Beginning with the FY 06-07 budget, staff prepared and added a Five-year General Fund Forecast 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. The Five Year General Fund Projection schedule can be found in the Financial Information Section of this document, immediately behind the 2006-07 Budget Summary. The assumptions for FY 06-07 General Fund revenues and expenditures were discussed in detail in previous section of this Transmittal Letter. Therefore the following discussion will focus on the major revenue sources and expenditures for FY 07-08 and beyond.

Property tax revenues are expected to increase 5% in FY 07-08 and 4% in subsequent years, primarily due to new construction, change of ownerships and assessed valuation increase for unsecured properties as local businesses continue to recover and add capital assets.

Sales tax revenues are projected to increase 11% in FY 07-08, 7.8% in FY 08-09, 6.6% in FY 09-10, and 4% in FY 2010-11. In addition to assuming the continued recovery of the economy, the increases factored in the opening of a major car dealership in the spring of 2007 and subsequent opening of two more car dealerships in FY 08-09 and FY 09-10. With the addition of residents as some of residential developments are completed and occupied, it is anticipated that Milpitas businesses will capture a portion of the consumers’ spending.

Hotel tax revenues are projected to increase 4% annually starting from FY 07-08. It is assumed that the hotel operators will increase room price by the average consumer price index which is approximately 3% to recover costs. The remaining 1% is due to anticipated increased occupancy.

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. The projection is 5% increase in FY 07-08, 4% increase in FY 08-09, and tapering off to 3.5% increase in FY 09-10 and FY 10-11 respectively.

License and permits consist of building permits and fire permits which are primarily construction related. Due to the number of applications submitted for Midtown and potential developments in the Transit Sub-area, it is anticipated that these fees will remain at a high level for a few years. The projection for FY 07-08 and FY 08-09 is 5% increase annually and 3.5% increase annually for the subsequent years.

Charges for Services include charges for private development related services, engineering fees and recreation services charges. It is anticipated that the increases will be similar to the increases for license and permits. Therefore, the projection for FY 07-08 and FY 08-09 is 4.5% increase annually and 3% increase annually for the subsequent years.

Operating transfers are mainly reimbursements from other funds for the staff support and resources provided by General Fund. These transfers will increase in conjunction with operating expenditure increases.

Salaries and benefits other than medical insurance are anticipated to increase by 3% annually. The consumer price index (CPI) increase in the San Francisco-Oakland-San Jose area averaged around 3% in the last ten years. The projection for salary and benefits is based on historical increase of the CPI. It is also assumed that employer contribution rates to the California Public Employees Retirement System will remain stable. Medical insurance premiums will increase faster than CPI and is estimated to be 8% annually. Beginning in FY 06-07, the City will contribute towards the unfunded retiree medical benefits liability pursuant to GASB 45. Based on an actuarial study conducted in April 2005, the normal cost of the contribution is approximately 5% of the annual payroll. The Five-Year General Fund forecasts include the funding requirement in the benefits category.

Services and Supplies costs are anticipated to increase by 3% annually, assuming an average CPI increase of 3%.

Capital Outlay is negligible, as majority of the equipment replacement will come from the Equipment Replacement Fund. The City established equipment replacement for capital assets over \$5,000 and the replacements costs are charged to the user departments as equipment amortization expenditures.

Debt Service for the only General Fund debt will mature in FY 08-09. The debt was issued to fund the City's technological equipment and system needs. In-lieu of issuing another debt, staff will recommend to the Council to set-aside \$250,000 annually beginning in FY 09-10 to address future technological needs and replacement.

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 06-07 Budget continues its commitment to excellence in citizen services and prudent financial management.

Respectfully submitted,


Charles Lawson
City Manager


Emma C. Karlen, CPA
Director of Financial Services

BUDGET GUIDELINES

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

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

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

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

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

SUMMARY OF BUDGET GUIDELINES

1. General

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

2. Budget Calendar

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

- a. Review of service level priorities by the City Council at an annual City Council and City Management Planning Workshop.
- b. Presentation of the City Manager's proposed budget to the City Council, which shall be no later than the second week in June.

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

- a. The City Manager's proposed budget, the Preliminary Budget and Financial Plan, shall be presented in a form which is sufficient to allow the City Council to determine and review:
Provision of City Council priorities as established at the annual City Council and City Management Planning Workshop;
 - Provision of City Council priorities as established at the annual City Council and City Management Planning Workshop;
 - Projected revenues by major category;
 - Operating expenditures by department or program, and by fund;
 - Historical Staffing by Division;
 - Service levels;
 - Statements of objectives and accomplishments;
 - Recommendations for policy changes and impact;
 - Capital improvement appropriations by project.
- b. Comparison with the preceding year's actual results and current year's projected results will be provided for each category of revenue and expenditure shown in the budget.
- c. A description of the service levels to be provided under the proposed budget will be included.
- d. A statement of the services reduced or eliminated and the services improved or added, as compared to the current year, will be included.
- e. A schedule showing General Fund Revenue and Expenditure projection for the next five years.

4. Adoption of the Budget

The City Council will adopt the budget by resolution no later than June 30th of the previous fiscal year, setting forth the amount of appropriations and authority of the City Manager to administer the adopted budget.

5. Budget Authority of the City Manager

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

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

6. Budget Amendments by the City Council

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

7. Budget Transfers and Modification Procedures

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

8. Automatic Adjustments and Reappropriations

- a. Outstanding encumbrances at prior fiscal year-end will automatically be carried over to current year's budgets.
- b. Unspent appropriations that are authorized and funded by grant revenues from prior fiscal year will automatically be carried over to current year's budgets.
- c. Incomplete multiple year project balances will automatically be reappropriated.

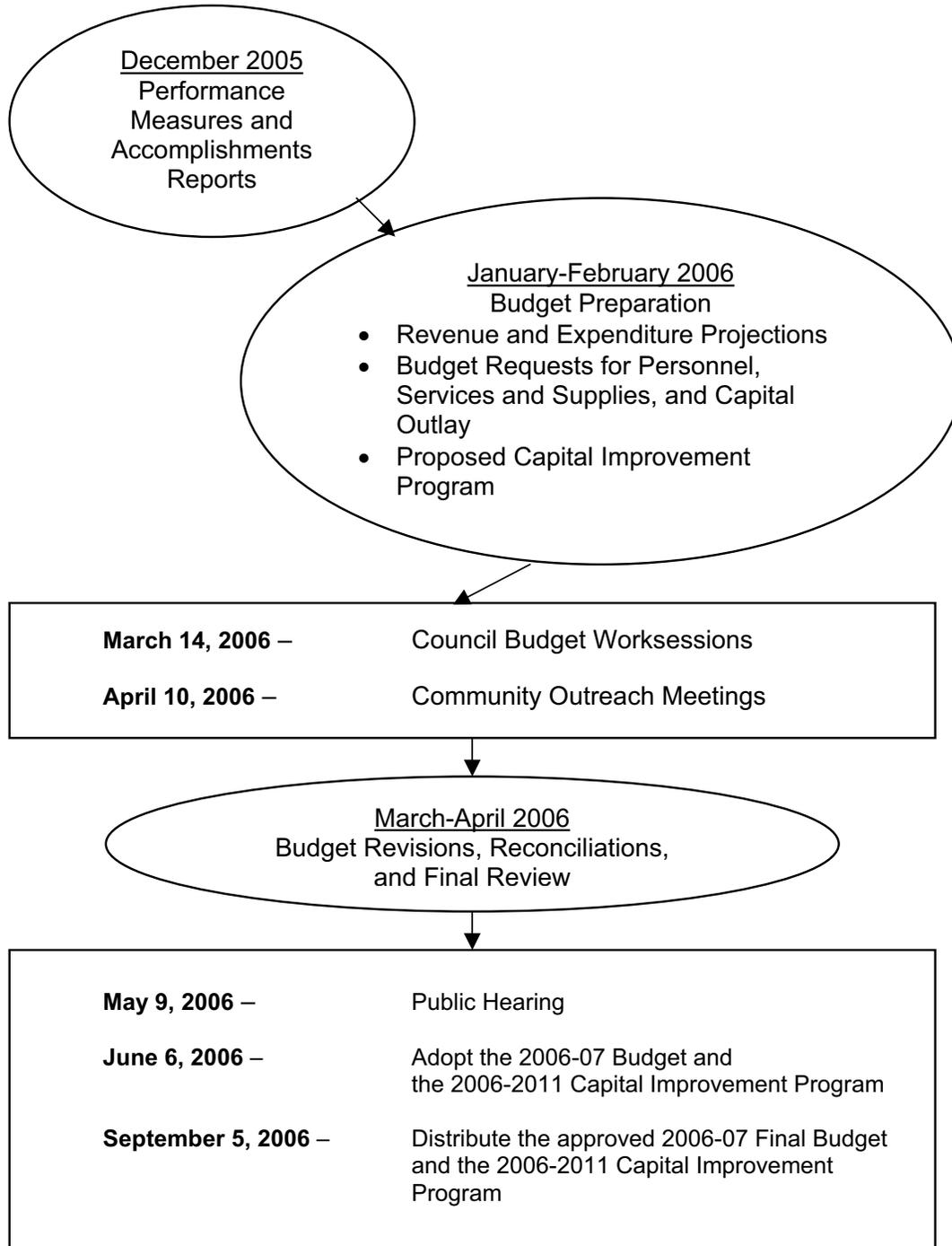
9. Budget Monitoring and Reporting

- a. General Monthly Reports - The Director of Financial Services will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads, to facilitate monitoring of the budget.
- b. Periodic Budget Reports - The Director of Financial Services will periodically prepare a budget status report for presentation to the City Council. At the minimum, the report shall include the status of the General Fund revenues and expenditures, Water and Sewer utility fund revenues, and Redevelopment Project fund revenues.

10. Reserves

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

**City of Milpitas
2006-2007 Budget Process**



**BUDGET PREPARATION TIMELINE
2006-2007 FINANCIAL PLAN**

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
1	12/01/05	Issue request for Capital Improvement Program (CIP) projects.	CIP Project Team, CIP Staff
2	12/06/05 or 01/03/06	Meetings with Senior Staff to discuss programs, service levels (Accomplishments and Performance Measures), position requests, capital outlay requests, and budget process. Request information for mid-year budget adjustments.	City Manager, Director of Financial Services Senior Staff
3	12/30/05	New Capital Improvement Program (CIP) projects requests are due.	Budget Unit Heads
4	01/09/06	2006-07 Budget Preparation "Kick-Off" meeting with Budget Liaisons.	Director of Financial Services, Finance Budget Team, Budget Liaisons
5	01/09/06- 01/27/06	<ul style="list-style-type: none"> Budget data entry in BRASS providing detail for temporary staff and benefits, supplies, contractual services, meetings and memberships, training and capital outlay. Commission Staff Liaisons advise Board and Commissions of Budget Preparation Guidelines. 	Budget Liaisons
6	01/12/06	Review the new CIP requests and consider the financial impact.	City Manager, Director of Financial Services, Accounting Manager, Economic Development Manager, CIP Team
7	01/13/06	<ul style="list-style-type: none"> Position Summary Corrections due to Finance. Equipment Fund Inventory changes due to Accounting (Elena Chin). 	Budget Liaisons

2006-2007 FINANCIAL PLAN

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
8	01/17/06- 01/23/06	Conduct Revenue discussions with budget units (Department/Divisions) and Special Fund expenditure projections and fund balance.	Director of Financial Services, Admin Analysts
9	01/19/05	CIP Subcommittee: review requests for new and proposed projects.	CIP Project Team Director of Financial Services
10	01/20/06	<ul style="list-style-type: none"> • Requests for new positions, reclassifications and reallocation of existing positions due to Finance, with the City Manager's initials. • Capital Outlay Requests due to Finance. 	Budget Unit Heads
11	01/23/06- 02/17/06	Review Personnel Requests.	HR Director
12	01/27/06	Provide fund balance numbers.	Accounting Manager
13	01/27/06	<ul style="list-style-type: none"> • Data entry in the BRASS is complete. • Explanation of enhancements or new programs on one sheet is due to Finance. • Temporary Position Forms (one form per function) are due to Finance. 	Budget Liaisons
14	01/27/06	Complete Non-Department Budget BRASS entry.	Admin Analyst
15	01/30/06	Non-Department Budget Review.	Director of Financial Services, Admin Analyst
16	02/02/06	Meeting to discuss Capital Outlay Requests.	Accounting Services Mgr, Purchasing Agent, Veh Maint Suprv, Admin Analyst
17	02/03/06	Print and distribute Budget Proformas to Budget Units for review.	Finance Budget Team

2006-2007 FINANCIAL PLAN

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
18	02/07/06	<ul style="list-style-type: none"> • Mid-year financial Status Report to Council. • Mid-year budget adjustments. • Set Budget Hearing Dates. 	Director of Financial Services Admin Analyst
19	02/09/06	All budget preparation information due to Finance: narratives, org charts, and mission statements. Any changes on BRASS Proformas are due.	Budget Liaisons
20	02/10/06-02/17/06	Narratives, org charts, mission statements and changes on BRASS Budget Proformas entry by Finance	Finance Budget Team
21	02/17/06	HR completes desk audit of new personnel requests and provides those results to Finance.	HR Director
22	02/20/06-02/24/06	Review Draft CIP document.	CIP Staff, Finance
23	02/21/06-02/24/06	Narratives, org charts, and mission statements review by Finance.	Finance Budget Team
24	02/27/06-03/03/06	Prepare budget reports and distribute to Council, City Manager and Budget Units.	Finance Budget Team
25	03/01/06	No further changes to the amounts in the CIP document by CIP Team.	CIP Project Team
26	03/06/06	Review Draft Parks projects in the CIP Budget	PRCRC

2006-2007 FINANCIAL PLAN

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
27	03/06/06- 03/10/06	Budget Unit Worksessions - Review Operating Budget requests with the respective budget unit staff <ul style="list-style-type: none"> • City Council/City Manager/ • RDA-Econ Dev • City Clerk • Building • Recreation • Information Services • Human Resources • City Attorney • Finance • Public Works • Engineering • Planning and Neigh Services • Police • Fire 	Budget Unit Heads, City Manager, Director of Financial Services
28	03/06/06- 03/17/06	Review of Proposed CIP document by Finance.	Director of Financial Services, Accounting Manager, CIP Accountant
29	03/13/06- 03/17/06	Utility Rates Subcommittee meeting.	City Engineer, Director of Financial Services, Utility Princ. Civil Engineer
30	03/13/06- 03/17/06	Follow-up meetings with Senior Staff, as needed, to discuss feedback from Budget Unit Worksession.	City Manager Director of Financial Services, Budget Unit Heads
31	03/14/06	Council Budget Worksession for direction.	Council
32	03/17/06	Distribute budget reports to Budget Units for final review.	Finance Admin Staff
33	03/20/06- 03/24/06	Final review of budget unit operating budget. No further changes for reconciliation process.	Budget Unit Heads, Budget Liaisons

2006-2007 FINANCIAL PLAN

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
34	03/27/06-04/07/06	Budget Reconciliation: <ul style="list-style-type: none"> • Finance: Operating budget and CIP • Utility Engineering: Water Rate Analysis 	Finance Budget Team, Utility Engineering Team
35	03/28/06	Publish Draft 2006-2011 Capital Improvement Program and distribute (Due: April 4, 2006)	CIP Program Manager CIP Staff
36	04/06/06	Review proposed CIP document by CIP Subcommittee.	CIP Project Team, Director of Financial Services
37	04/10/06	Community outreach meetings.	City Manager, Director of Financial Services
38	04/10/06-04/14/06	Final review of proposed budget.	City Manager, Director of Financial Services, Finance Budget Team
39	04/12/06	Review Draft CIP for information and General Plan conformance findings.	Planning Commission, CIP Program Manager
40	04/13/06-04/17/06	Update PowerPoint slides on budget and staffing changes. Distribute one presentation slide per section (budget changes, accomplishments and objectives) to the Budget Units.	Finance Budget Team
41	04/18/06	Review the Draft 2006-2011 Capital Improvement Program.	City Council
42	04/18/06-04/24/06	Budget Units update the presentation slides (accomplishments and objectives) and review the budget changes.	Budget Unit Heads, Budget Liaisons
43	04/19/06	Publish notice of public hearings regarding the Operating Budget and Capital Improvement Program.	City Clerk

2006-2007 FINANCIAL PLAN

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
44	04/24/06	PowerPoint slides due to Finance.	Budget Liaisons
45	04/25/06- 05/01/06	Incorporate the accomplishments and objectives to the PowerPoint slides for all Budget Units.	Finance Budget Team
46	04/28/06	Distribute the Proposed 2006-07 Operating Budget and Financial Plan.	Director of Financial Services
47	May	Hold public hearing on the recommended water, recycled water and sewer rates (Sept. 6, 2005 utility rates approved for 2 years).	City Council
48	05/04/06 and 05/08/06	Presentation practice (rehearsal) on the 2006-2007 Proposed Budget and Financial Plan and the 2006-2011 Capital Improvement Program.	Budget Unit Heads
49	05/09/06 and 05/11/06	Public hearing on the recommended 2006-2007 Proposed Budget and Financial Plan and the 2006-2011 Capital Improvement Program.	City Council, Budget Unit Heads
50	06/06/06	<ul style="list-style-type: none"> • Adopt the 2006-07 Budget and the 2006-2011 Capital Improvement Program. • (Note: Water, recycled water and sewer rates were approved on Sept. 6, 2005 for two years). 	City Council
51	06/30/06	Load Approved Budget.	Finance Budget Team
52	08/05/06	Receive final numbers from Finance and Publish Final 2006-2011 Capital Improvement Program.	Accounting Manager, CIP Project Team
53	09/05/06	Distribute the approved 2006-07 Final Budget and 2006-2011 Capital Improvement Program.	Director of Financial Services

CITY OF MILPITAS 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 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.

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 has not been secured or legally authorized and is therefore subject to change.
26. Each CIP project will be assigned to a Project Manager whose responsibilities are to monitor all phases of the project to ensure timely completion of the project and compliance with the project budget and all regulations and laws.

DEBT POLICIES

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

RESERVE POLICIES

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

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

INVESTMENT POLICIES

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

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

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

RESOLUTION NO. 7593

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADOPTING THE APPROPRIATIONS LIMIT FOR THE CITY OF MILPITAS FOR FISCAL YEAR 2006-2007

WHEREAS, Article XIII B, section 1 of the Constitution of the State of California requires that total annual appropriations subject to limitation of the City of Milpitas shall not exceed the appropriations limit of the City for the prior year adjusted for changes in the cost of living and population except as otherwise provided; and

WHEREAS, this article became effective July 1, 1980, as amended, which requires the City to establish its appropriations limit by resolution each year at a regularly scheduled meeting or a noticed special meeting, commencing after the beginning of each fiscal year; and

WHEREAS, the appropriations base for 1978-79 had been determined and adjusted by the changes in population, cost of living, and transfers of financial responsibility, establishing an appropriations limit for fiscal year 2006-2007 of \$56,673,996.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Milpitas hereby adopts the appropriations limit for fiscal year 2006-2007, that amount as set forth herein.

PASSED AND ADOPTED this 6TH day of June 2006, by the following vote:

AYES: (3) Vice Mayor Gomez and Councilmembers Giordano and Livengood

NOES: (2) Mayor Esteves and Councilmember Polanski

ABSENT: (0) None

ABSTAIN: (0) None

ATTEST:



Mary Lavelle, City Clerk

APPROVED:



Jose S. Esteves, Mayor

APPROVED AS TO FORM:



Steven T. Mattas, City Attorney

Resolution No. 7593

RESOLUTION NO. 7594 / RA254

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AND THE MILPITAS REDEVELOPMENT AGENCY APPROVING THE FINAL BUDGET FOR THE CITY OF MILPITAS FOR THE FISCAL YEAR 2006-2007

WHEREAS, the City Manager submitted a 2006-2007 Proposed Budget and Financial Plan; and

WHEREAS, public hearings were held on the proposed Plan where all interested persons were heard; and

WHEREAS, the City Council and the Redevelopment Agency reviewed and modified the City Manager's 2006-2007 Proposed Budget and Financial Plan; and

WHEREAS, on May 9, 2006, the City Council and the Redevelopment Agency approved the 2006-2007 Financial Plan, as amended, and on May 16, 2006, approved the 2006-2007 Capital Budget.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The annual budget for the City of Milpitas for fiscal 2006-2007 is hereby reaffirmed and adopted totaling \$164,137,690 for all appropriated funds.

SECTION 2. Appropriations and estimated fund balances are hereby made for the various purposes designated in the 2006-2007 Final Budget.

SECTION 3. The budgets for all departments for the period July 1, 2006 through June 30, 2007, inclusively contained in the 2006-2007 Final Budget Resolution, are approved as the operating budget for those departments for fiscal 2006-2007.

SECTION 3.5. The part-time positions of Police Assistant and Property Clerk in the Police Department shall be eliminated from the fiscal year 2006-2007 Police Department budget, and the position of Crime Analyst shall be retained the fiscal year 2006-2007 Police Department budget.

SECTION 4. Any unused non-salary and benefits related appropriations, subject to the approval of the City Manager, at the end of fiscal 2006-2007 may be reappropriated for continued use in fiscal 2007-2008.

SECTION 5. No office, department, or agency shall expend any amount or incur any liability or enter into any contract, which by its terms involves expenditures of money for any purpose in excess of the amounts appropriated for the classification of expenditures pursuant to this resolution. Budgetary control shall be at the department level.

SECTION 6. The City Manager may authorize, when in his or her judgment such action is consistent with the purposes and intent of the Budget as adopted, budget revisions subject to the following conditions:

1. Prior Council/Agency Approval Not Required. Prior approval of the City Council and/or Redevelopment Agency is not required under the following circumstances:
 - a. When revisions which involve transfers from appropriated contingency reserves are less than the aggregate amount of 1% of General Fund appropriations, or \$683,000 during fiscal 2006-2007, provided that the Council/Agency is notified in writing of

Resolution No. 7594 / RA254

the revision, giving the reason, the amount of the revision and the year-to-date total amount of revisions.

- b. When revisions involve transfers within various departments or projects within the same fund provided that the amount of transfer in any single instance does not exceed \$20,000.
 - c. For Police goods and services to be purchased from Asset Seizure funds, the City Manager or his designee, has the authority to purchase such goods or services if the expenditures of such goods and services do not exceed the amount designated from Asset Seizure funds as approved by the City Council/Redevelopment Agency during the fiscal 2006-2007 Budget hearing.
2. Prior Council/Agency Approval Required. Prior approval of the City Council and/or Redevelopment Agency is required if any of the following are involved:
- a. Changes providing for increases in permanent personnel or changes in classification for personnel from the number of classes or personnel approved in the adopted Budget.
 - b. Contract change orders in excess of \$10,000.
 - c. Changes when in his or her judgment such action would be inconsistent with the purposes and intent of the Budget as adopted.
 - d. Transfers from contingent reserves which would cause the aggregate amount of 1% of General Fund appropriations, or \$683,000 during fiscal 2006-2007, to be exceeded.

PASSED AND ADOPTED this 6TH day of June 2006, by the following vote:

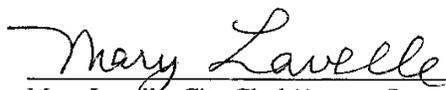
AYES: (3) Vice Mayor/Vice Chair Gomez and Councilmembers/Agency Members Giordano and Livengood

NOES: 2(0) Mayor/Chair Esteves and Councilmember/Agency Member Polanski

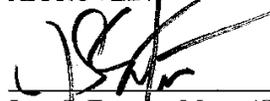
ABSENT: (0) None

ABSTAIN: (0) None

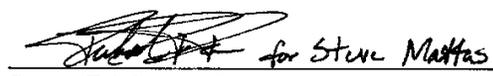
ATTEST:


Mary Lavelle, City Clerk/Agency Secretary

APPROVED:


Jose S. Esteves, Mayor/Chair

APPROVED AS TO FORM:


Steven T. Mattas, City Attorney/Agency Counsel

RESOLUTION NO. RA255 / 7595

A JOINT RESOLUTION OF THE MILPITAS REDEVELOPMENT AGENCY AND THE CITY COUNCIL OF THE CITY OF MILPITAS MAKING FINDINGS FOLLOWING A PUBLIC HEARING FOR USE OF REDEVELOPMENT FUNDS

WHEREAS, the Milpitas Redevelopment Agency and the City Council of the City of Milpitas seek to acquire, construct, and improve certain public facilities of benefit to the Redevelopment Area and to the community; and

WHEREAS, the 2006-2011 Capital Improvement Program enumerates the capital projects that the Agency and the City of Milpitas wishes to undertake, setting forth the desired timing and financing resources for the projects that is available to undertake said projects; and

WHEREAS, notice was given of a joint public hearing before the Milpitas Redevelopment Agency and the City Council of the City of Milpitas at 6:00 p.m. on May 9, 2006, at the Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, California; and

WHEREAS, prior to said hearing the 2006-2011 Capital Improvement Program was prepared and made available for public inspection and copying, and the 2006-2007 Capital Budget of the 2006-2011 Capital Improvement Program is hereby referred to and made a part hereof as though fully set forth herein; and

WHEREAS, a joint hearing was held at said time and place. Opportunity was given to any member of the public to comment, and to inquire. The hearing was closed, and following the close thereof the 2006-2011 Capital Budget was approved, as amended; and

WHEREAS, evidence was offered by the Agency/City staff in support of the findings hereafter made.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. Each of the statements contained in the above recitals are true and correct, and incorporated herein by reference and are approved and confirmed.

SECTION 2. The evidence offered by the Agency/City staff and contained in the 2006-2011 Capital Improvement Program set forth the facts supporting the determinations required to be made pursuant to Section 33445 of the Health and Safety Code and set forth the redevelopment purpose for which redevelopment funds are being used to pay for the acquisition, construction, and improvements of publicly owned facilities.

SECTION 3. The land and facilities to be acquired, constructed, and improvements that are to be made thereon are within the Project Area of the Agency or adjacent to the Project Area.

Resolution No. RA255 / 7595

SECTION 4. The acquisition of land, facilities, buildings, structures, and other improvements to be acquired or constructed as set forth in the 2006-2011 Capital Improvement Program are of benefit to the Project Area and will assist in eliminating blighting conditions within the Project Area.

SECTION 5. No other reasonable means of financing such buildings, land, facilities, structures or other improvements are available to the community.

PASSED AND ADOPTED this 6TH day of June 2006, by the following:

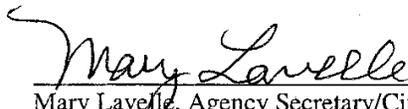
AYES: (5) Chair/Mayor Esteves, Vice Chair/Vice Mayor, and Agency Members/Councilmembers Giordano, Livengood and Polanski

NOES: (0) None

ABSENT: (0) None

ABSTAIN: (0) None

ATTEST:



Mary Lavelle, Agency Secretary/City Clerk

APPROVED:



Jose S. Esteves, Chair/Mayor

APPROVED AS TO FORM:

 for Steven Mattas

Steven T. Mattas, Agency Counsel/City Attorney

RESOLUTION NO. RA257

A RESOLUTION OF THE MILPITAS REDEVELOPMENT AGENCY DETERMINING THAT THE PLANNING AND ADMINISTRATION EXPENSES TO BE FUNDED IN FISCAL YEAR 2006-2007 BY THE HOUSING RESERVE FUND ARE NECESSARY FOR THE PRODUCTION, IMPROVEMENT AND/OR PRESERVATION OF AFFORDABLE HOUSING FOR THE LOW AND MODERATE INCOME HOUSEHOLDS

WHEREAS, on September 21, 1976, by Ordinance No. 192, the City Council of the City of Milpitas adopted the redevelopment plan ("Redevelopment Plan") for the Milpitas Redevelopment Project Area No. 1 ("Original Project Area"); and

WHEREAS, the Redevelopment Plan has been amended a total of eight (8) times to, among other things, add area to the Original Project Area, increase the tax increment and bonded indebtedness limits, and extend the dates to incur debt, repay debt and collect tax increment; and

WHEREAS, pursuant to Section 33334.2(a) of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) not less than 20% of all taxes which are allocated to the Milpitas Redevelopment Agency ("Agency") shall be set aside by the Agency in a Housing Reserve Fund and used by the Agency for the purpose of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing costs to people and families of low and moderate income; and

WHEREAS, pursuant to Section 33334.3(d) of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) it is the intent of the California State Legislature that the amount of money spent for planning and general administration from the Housing Reserve Fund not be disproportionate to the amount actually spent for the cost of production.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Agency hereby determines that it is necessary to allocate \$694,714 of the estimated \$5,471,000 Housing Reserve Fund Budget for the planning and administrative expenses necessary for the production, improvement, and/or preservation of low and moderate housing during the 2006-2007 fiscal year.

PASSED AND ADOPTED this 6TH day of June 2006, by the following vote:

- AYES: (5) Chair Esteves, Vice Chair Gomez, and Agency Members Giordano, Livengood and Polanski
- NOES: (0) None
- ABSENT: (0) None
- ABSTAIN: (0) None

ATTEST:


Mary Lavelle, Agency Secretary

APPROVED:


Jose S. Esteves, Chair

APPROVED AS TO FORM:


Steven T. Mattas, Agency Counsel

RESOLUTION NO. RA256

A RESOLUTION OF THE MILPITAS REDEVELOPMENT AGENCY AUTHORIZING PAYMENTS TO THE CITY OF MILPITAS PURSUANT TO THE SECOND AMENDED AND RESTATED PUBLIC WORKS AGREEMENT

WHEREAS, on September 21, 1976, by Ordinance No. 192, the City Council of the City of Milpitas ("City") adopted the redevelopment plan ("Redevelopment Plan") for the Milpitas Redevelopment Project No. 1, which the City has subsequently amended a total of eight times (as amended, the "Project"); and

WHEREAS, pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*) and its general city powers, the City desires to assist the Milpitas Redevelopment Agency ("Agency") in the implementation of the Project; and

WHEREAS, on June 3, 2003, the City and the Agency entered into a Second Amended and Restated Public Works Agreement ("Agreement") for the construction of Public Improvements; and

WHEREAS, under the Agreement, the City is required to cause the acquisition and construction of certain public improvements and the performance of certain programs and activities as identified in the Redevelopment Agency Financing pages of the Five Year Capital Improvement Program, attached hereto as Attachment No. 1 (the "Public Improvements") to serve and benefit the Project; and

WHEREAS, the Agency and the City have determined that the Public Improvements are of benefit to the Project, and that no other reasonable means of financing such Public Improvements are available to the community.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

In return for the City's obligation to acquire, construct and perform such Public Improvements, the Agency shall pay to the City full cost of the Public Improvements as set forth in Attachment No. 1, or any portion thereof as demanded by the City.

PASSED AND ADOPTED this 6TH day of June 2006, by the following vote:

AYES: (5) Chair Esteves, Vice Chair Gomez, and Agency Members Giordano, Livengood and Polanski

NOES: (0) None

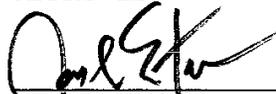
ABSENT: (0) None

ABSTAIN: (0) None

ATTEST:


Mary Lavelle, Agency Secretary

APPROVED:


Jose S. Esteves, Chair

APPROVED AS TO FORM:


Steven T. Mattas, Agency Counsel

Resolution No. RA256

Attachment No. 1

**City of Milpitas
2006-11 CAPITAL IMPROVEMENT PROGRAM
REDEVELOPMENT AGENCY FINANCING**

RDA Tax Increment

Summary	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
Community Improvement	1,000,000	600,000	500,000	0	180,000	2,280,000
Park Improvement	(175,000)	0	0	0	0	(175,000)
Sewer Improvement	(140,000)	0	0	0	0	(140,000)
Storm Drain Improvement	0	0	800,000	0	0	800,000
Streets	273,014	285,000	85,000	2,106,000	0	2,749,014
Water	0	0	0	0	0	0
RDA Tax Increment Totals	958,014	885,000	1,385,000	2,106,000	180,000	5,514,014

RDA Bond (1997, 2000, and 2003)

Summary	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
Community Improvement	33,950,000	0	8,700,000	0	0	42,650,000
Sewer Improvement	0	0	0	0	0	0
Streets	4,350,000	0	0	0	0	4,350,000
RDA Bond Totals	38,300,000	0	8,700,000	0	0	47,000,000

Community Improvement

	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
8160 Sports Center Large Gym Improvements	1,250,000	0	0	0	0	1,250,000
8162 Library Project	33,700,000	0	0	0	0	33,700,000
8176 Senior Center	0	0	8,700,000	0	0	8,700,000
<i>New Community Center HVAC</i>	0	0	500,000	0	0	500,000
<i>New Corporation Yard Canopies</i>	0	450,000	0	0	0	450,000
<i>New In-ground Water Clarifiers</i>	0	150,000	0	0	180,000	330,000
Total:	34,950,000	600,000	9,200,000	0	180,000	44,930,000

Park Improvement

	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
5064 Ball Park Fence Field Extension	(175,000)	0	0	0	0	(175,000)
Total:	(175,000)	0	0	0	0	(175,000)

Streets

	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
4202 Calaveras Blvd. R/R Overcrossing Sidewalk Improvements	0	200,000	0	0	0	200,000
4232 Milpitas Communication Enhancements	170,000	0	0	0	0	170,000
8164 Bart Extension Coordination and Planning	85,000	85,000	85,000	0	0	255,000
8165 N. Main St. Midtown Streetscape Improvements	4,350,000	0	0	0	0	4,350,000
<i>New Light Rail Median Landscaping</i>	0	0	0	1,416,000	0	1,416,000
<i>New North Milpitas Blvd. Soundwall Renovation</i>	0	0	0	150,000	0	150,000
<i>New Singley Area Phase 4</i>	18,014	0	0	540,000	0	558,014
Total:	4,623,014	285,000	85,000	2,106,000	0	7,099,014

Sewer Improvement

	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
8167 S. Main St. Sewer Replacement	(140,000)	0	0	0	0	(140,000)
Total:	(140,000)	0	0	0	0	(140,000)

Storm Drain Improvement

	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
8140 Oakcreek Pump Station Improvement	0	0	800,000	0	0	800,000
Total:	0	0	800,000	0	0	800,000

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 Higuera, 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.



Alviso Adobe



Higuera Adobe

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

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

Following the computer firm boom of the 1980s and the opening of one of the nation's largest malls in 1994, the city is now home to 62,698 residents.

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

A Demographic Profile of Milpitas

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 62,698 are family-centered communities that embrace cultural diversity, comprehensive schooling and preservation of the hills.

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

Milpitas' neighborhoods are dotted with close to 18,082 households and well-placed parks. Milpitas' average household income is \$93,300. The percentage of households with incomes more than \$75,000 is close to 68 percent. About 42% of the households earn more than \$100,000 annually.

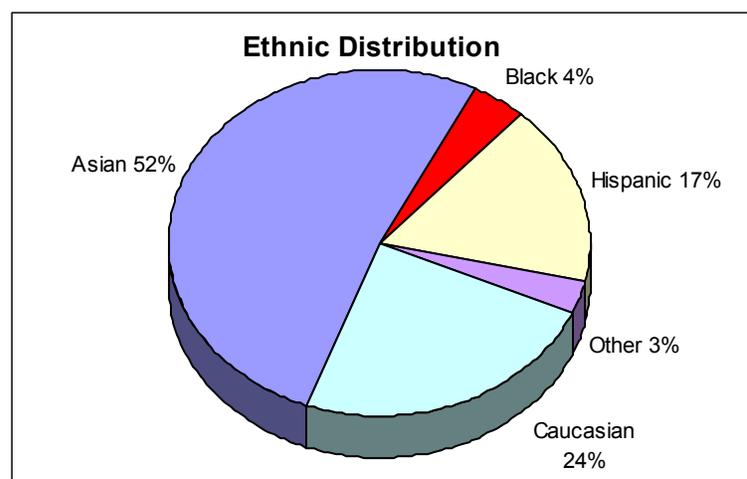
Close to 70 percent of Milpitanians own their own home. Rental prices vary from \$1,085 to \$1,615 per month for renters with one and two bedroom apartments and duplexes. Rent for two and three bedroom houses typically run \$1,405 to \$2,585. The median price of a home in Milpitas is \$695,000. There are 20 suburban residential areas.

About 7 percent of the city's population are 5 years old or younger, the lowest in the county. About 18 percent are between 5 and 18 years old. About 68 percent of the population are between 18 and 64 years old. About 7 percent of residents are over 65, also the lowest in the county.

Milpitas 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 4 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.



General Information Demographic Profile

The City Council makes the ultimate planning and policy decisions for residents, and oversees the city's \$164 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 14 advisory commissions on which residents can participate - the Planning Commission, Arts Commission, Youth Advisory Commission, Bicycle Transportation Advisory Commission and Senior Advisory Commission, to name a few.

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

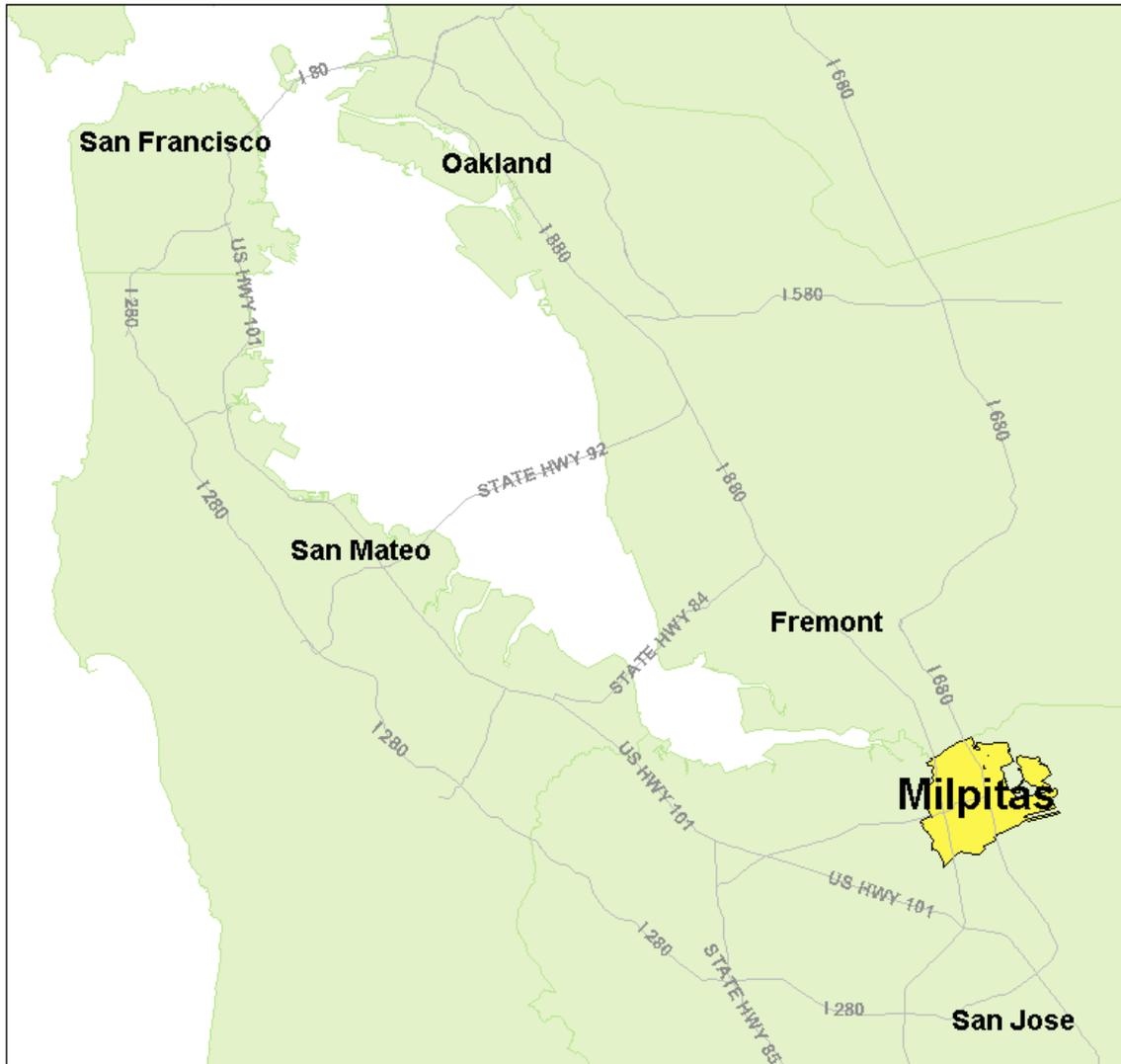
The City of Milpitas employs 495 permanent workers who earn salaries that are competitive with any city of our size nationwide.

City of Milpitas at a Glance			
Date of Incorporation	January 26, 1954	Water Utility	
Form of Government	Council-Manager	Number of Customers:	
		Residential	13,720
		Commercial	2,070
Population (estimated 2005)	64,700	Recycled Water	141
Land Area (Square Miles)	13.56	Average Daily Consumption	
Miles of Streets	138	(in gallons)	11,120,000
Number of Street Lights	4,350	Miles of Water Mains	203
Fire Protection		Sewer Utility	
Number of Stations	4	Miles of Sanitary Sewers	172.5
Number of Firefighters	78	Miles of Storm Drains	99
Fire Apparatus	13		
Number of Fire Hydrants	1,755	Public Schools Serving the Community	
Police Protection		Elementary Schools	9
Number of Stations	2	Middle Schools	2
Number of Sworn Officers	95	High Schools	2
Crossing Guard Posts	38		
Number of Patrol Vehicles	30	Parks and Recreation	
Employees		Acres of Parkland	171.6
Permanent	495	Number of Parks	24
Temporary (FTE)	71.25	Number of Swimming Pools	3
		Number of Tennis Courts	18

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 13.56 square miles of land situated between two major freeways (I-880 and I-680), State Route 237, and a county expressway. The light rail line opened for service in 2004 and an extension of BART, with a major multi-modal station, is in the planning stages.

City Council

Mayor	Jose S. Esteves
Vice Mayor	Armando Gomez, Jr.
Councilmember	Robert Livengood
Councilmember	Althea Polanski
Councilmember	Debra Giordano

Board, Commissions, and Committee

Arts Commission

Archana Aragon
Juniel Butler
Donine Ettinger
Bill Foulk
Robin Hays
Harriet McGuire
Mariele-Angy Ogle
Linda L Rabe

Public Art Committee

Julie Cherry
Elena Lawson
Carla Ann Moss
Larry Voellger

(Plus all Arts Commission Members)

**Bicycle Transportation Advisory
Commission**

Rene Briones
Cheryl Bunnell
Miljon Buquing
Kayci Nguyen
Bill Reisinger
Nawal Stanojevic
Fred Zeise

**Citizen's Emergency Preparedness
Advisory Commission**

Clifford Baughn
Michael Berryhill
Lori Bersabe
Teresa Chaves
Russ Cherry
Tim Howard
Nancy Martinez
William Nolan
John Pilger
Brian Shreve
Donna Wynne

Community Advisory Commission

Joselito Abelardo
Reena Choudhury
Danny Fang
Chris Lee
Jenifer Lind
Nestor R. Luna, Sr.
Syed Mohsin
Heidi Han T. Pham
Marie Pham
Michael Queenan
Craig Ranker
Nelson Villegas
Oliver Wan

Economic Development Commission

Anastasia Sen Beals
Dhaval J. Brahmhatt
Frank DeSmidt
Ray Maglalang
Zeya Mohsin
Minh Nguyen
Tomo Tuong Nguyen
Donald Peoples
Barbara Santos
Vince Songcayawon
Charlene Tsao

Library Advisory Commission

Trinidad Aoalin
Linda Arbaugh
Melinda Cervantes
Yu-Lan Chou
Lynne Estandarte
Elpidio Estioko
Ha Phan
Marilyn Hay
Carmen Montano
Margie Stephens
Sonny S. Wang

Board, Commissions, and Committee

Mobile Home Park Rental Review Board

Sandeep Chahal
Milan Dobro
Florence Romito

Open Government Commission

Dinnah Casibang
Jim Rabe

**Parks, Recreation and Cultural
Resources Commission**

Robert Burrill
Kathryn Gray
Frances Krommenhock
Henry Ku
Robert McGuire
Steve Munzel
Gurdev Sandhu
Raymond Serena
Edward Tuason

Planning Commission

Gunawan Ali-Santosa
Norman Azevedo
Lawrence Ciardella
Dr. Alexander Galang
Sudhir Mandal
Noella Tabladillo
Cliff Williams

**Recycling and Source Reduction
Advisory Commission**

Ed Blake, Jr.
Hong Chen
Romy Dizon
Donald Downey
John Ebnetter
Eulalio Mercado
Keith Walker
Patrick Yung
Steve Ybarra

Senior Advisory Commission

Mary Banick
Ed Connor
Bal Daquigan
Joyce Dovlet
Barbara Ebright
Florentino Menor
Amanda Santos
Albert Wang
Joanne Wood
Denny Weisgerber

Sister Cities Commission

Massoud Arefi
Echo Arthur
Satnam Singh Chahal
Debra Garcia
Dennis Grilli
Beverly McCarter
Roselda Mateo
Arlyn W. Swiger

Telecommunications Commission

Albert Alcorn
Satish Kumar Bansal
Syed Afaq Ali Bilgrami
Aaron Ettinger
Dinesh Gupta
Niranjan Gupta
William Lam
Vishnu Mathur
M. Idrees Munir
Paul Peterson
Roger Shaw

Youth Advisory Commission

Nida Asif
Lorden Fok
Josephine Fong
Joseph Hall
Jay Kumar
Ha La
Roxane Lachance
Larry Lee
Jason Nguyen
Sareen Sandhu
Alex Tran
Aditya Ullal
Danielle Yee

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DIRECTORY OF OFFICIALS

Fiscal Year 2006 – 2007

City Manager
Charles Lawson

Police Chief
Thomas Nishisaka

Director of Financial Services
Emma Karlen, CPA

Fire Chief
Clare Frank

City Clerk
Mary Lavelle

City Attorney
Myers, Nave, Riback, Wilson and Silver

Chief Information Officer
William Marion

Human Resources Director
Carmen Valdez

Public Works Director/City Engineer
Greg Armendariz

Planning & Neighborhd Svc Director
Tom Williams

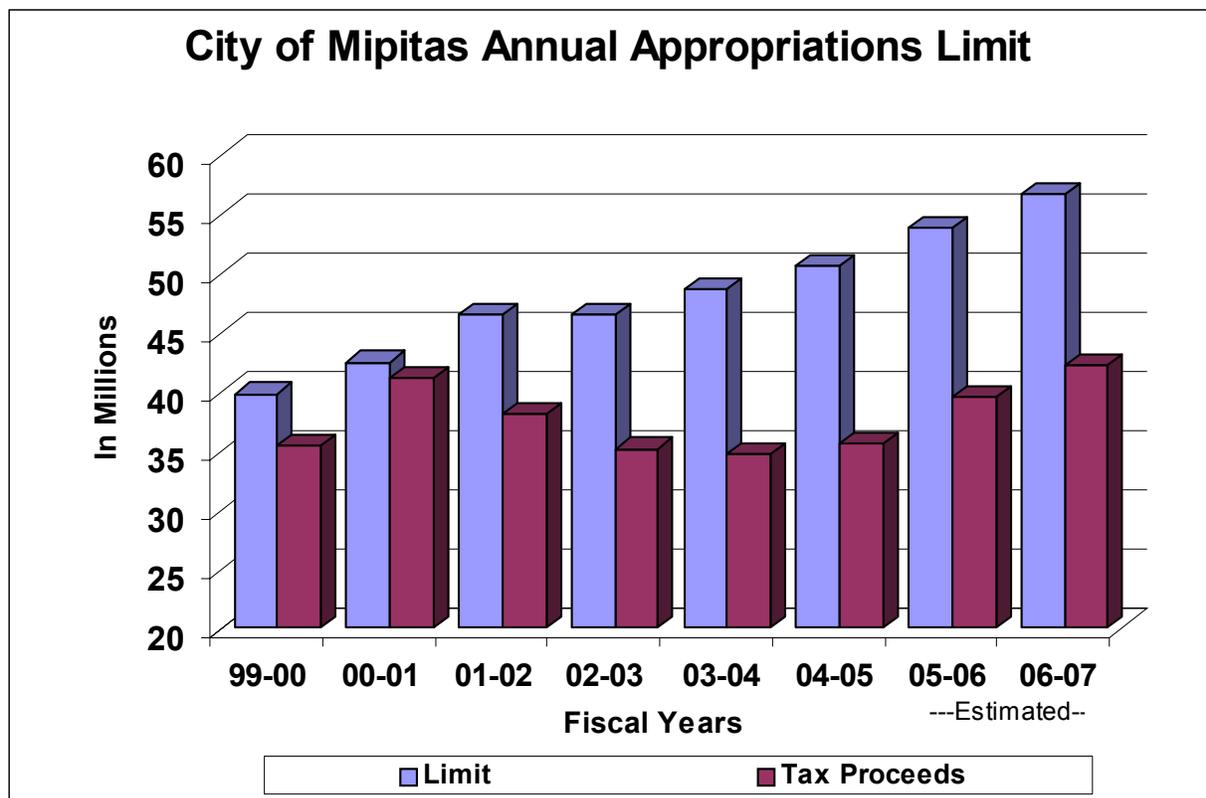
Chief Building Officer
Keyvan Irannejad

GANN LIMIT ANALYSIS

Article XIIB 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 FY2006-07 has been computed to be \$56,673,996. Appropriations subject to the limitation in FY2006-07 budget total \$42,212,251 that is \$14,461,745 less than the computed limit.

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



City of Milpitas
Computation of Legal Bonded Debt Margin
June 30, 2006

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$9,960,540,427</u>
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$373,520,266</u>
--	----------------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$193,786,000
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Less: Tax Allocation Bonds and Certificates of Participation, not subject to limit	193,786,000
---	-------------

Amount of debt subject to limit	<u>-0-</u>
---------------------------------	------------

LEGAL BONDED DEBT MARGIN	<u>\$373,520,266</u>
--------------------------	----------------------

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

Historical Staffing by Division

	03 - 04		04 - 05		05-06		Change		06 - 07	
	Approved		Approved		Approved				Approved	
	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	5.00	0.00	5.25	0.00	5.00	0.00	(1.00)	0.00	4.00	0.00
114 City Clerk	10.00	0.00	10.00	0.00	10.00	0.50	0.00	(0.50)	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
410 Engineering	38.00	6.75	44.00	11.00	44.00	9.00	2.00	(3.00)	46.00	6.00
530 Building and Safety	23.00	0.00	23.00	0.00	23.00	1.00	0.00	0.00	23.00	1.00
450 Recreation	29.00	47.50	29.00	44.00	29.00	45.50	0.00	(3.75)	29.00	41.75
City Manager	<u>111.00</u>	<u>54.25</u>	<u>117.25</u>	<u>55.00</u>	<u>117.00</u>	<u>56.00</u>	<u>1.00</u>	<u>(7.25)</u>	<u>118.00</u>	<u>48.75</u>
112 Information Services	20.00	1.00	20.00	1.00	20.00	1.00	0.00	(0.50)	20.00	0.50
Information Systems	<u>20.00</u>	<u>1.00</u>	<u>20.00</u>	<u>1.00</u>	<u>20.00</u>	<u>1.00</u>	<u>0.00</u>	<u>(0.50)</u>	<u>20.00</u>	<u>0.50</u>
115 Human Resources	7.00	0.00	7.00	0.00	7.00	0.00	0.00	0.00	7.00	0.00
Human Resources	<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>0.00</u>	<u>0.00</u>	<u>7.00</u>	<u>0.00</u>
300 Finance Administration	7.00	0.50	7.00	0.50	7.00	0.25	0.00	(0.25)	7.00	0.00
310 Accounting Services	12.00	0.75	12.00	0.75	12.00	1.00	0.00	(0.50)	12.00	0.50
320 Fiscal Services	10.00	1.00	10.00	1.00	10.00	1.00	0.00	(0.75)	10.00	0.25
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>2.25</u>	<u>34.00</u>	<u>2.25</u>	<u>34.00</u>	<u>2.25</u>	<u>0.00</u>	<u>(1.50)</u>	<u>34.00</u>	<u>0.75</u>
420 Public Works	95.00	9.75	94.75	9.25	95.00	9.00	0.00	(3.75)	95.00	5.25
Public Works	<u>95.00</u>	<u>9.75</u>	<u>94.75</u>	<u>9.25</u>	<u>95.00</u>	<u>9.00</u>	<u>0.00</u>	<u>(3.75)</u>	<u>95.00</u>	<u>5.25</u>
510 Planning & Nghbrhd	17.50	1.50	17.50	2.00	17.50	2.00	(1.00)	0.00	16.50	2.00
Planning & Neighborhood Srves	<u>17.50</u>	<u>1.50</u>	<u>17.50</u>	<u>2.00</u>	<u>17.50</u>	<u>2.00</u>	<u>(1.00)</u>	<u>0.00</u>	<u>16.50</u>	<u>2.00</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	31.50	2.50	31.50	2.50	0.00	(2.50)	31.50	0.00
720 Police Field Services	73.00	13.00	73.00	13.00	73.00	13.00	0.00	0.00	73.00	13.00
730 Special Operations	17.00	0.00	17.00	0.00	17.00	0.00	0.00	0.00	17.00	0.00
Police	<u>124.50</u>	<u>15.50</u>	<u>124.50</u>	<u>15.50</u>	<u>124.50</u>	<u>15.50</u>	<u>0.00</u>	<u>(2.50)</u>	<u>124.50</u>	<u>13.00</u>
800 Fire Administration	3.00	0.00	3.00	0.00	3.00	1.00	(1.00)	0.00	2.00	1.00
810 Response Division	66.00	1.00	66.00	1.00	66.00	1.00	0.00	(1.00)	66.00	0.00
820 Prevention Division	11.00	0.50	11.00	0.50	11.00	0.50	1.00	(0.50)	12.00	0.00
Fire	<u>80.00</u>	<u>1.50</u>	<u>80.00</u>	<u>1.50</u>	<u>80.00</u>	<u>2.50</u>	<u>0.00</u>	<u>(1.50)</u>	<u>80.00</u>	<u>1.00</u>
TOTAL	<u>489.00</u>	<u>85.75</u>	<u>495.00</u>	<u>86.50</u>	<u>495.00</u>	<u>88.25</u>	<u>0.00</u>	<u>(17.00)</u>	<u>495.00</u>	<u>71.25</u>



Financial Information Budget Summary

	Grand Total	General Fund (1)	Library Fund
ESTIMATED REVENUES			
PROPERTY TAXES	43,846,000	15,609,000	0
TAXES OTHER THAN PROPERTY	25,829,750	24,207,000	1,082,750
LICENSES AND PERMITS	4,278,000	4,278,000	0
FINES AND FORFEITS	812,000	812,000	0
USE OF MONEY AND PROPERTY	6,364,000	993,000	176,000
INTERGOVERNMENTAL	3,723,078	689,000	0
CHARGES FOR CURRENT SERVICES	28,097,000	3,556,000	0
OTHER REVENUE	13,255,800	63,000	0
sub-total	<u>126,205,628</u>	<u>50,207,000</u>	<u>1,258,750</u>
OTHER FINANCING SOURCES			
(INCREASE) DECREASE IN FUND BALANCE	44,762,335	(22,552)	(913,750)
(INCREASE) DECREASE IN CIP RSRV	(1,499,675)	0	0
(INCREASE) DECREASE IN HOUSING RSRV	(5,330,598)	0	0
OPERATING TRANSFERS IN	20,575,582	18,115,582	0
OPERATING TRANSFERS OUT	(20,575,582)	0	0
sub-total	<u>37,932,062</u>	<u>18,093,030</u>	<u>(913,750)</u>
TOTAL	<u><u>164,137,690</u></u>	<u><u>68,300,030</u></u>	<u><u>345,000</u></u>
BUDGETED APPROPRIATIONS			
PERSONNEL SERVICES	60,886,955	54,973,871	0
SUPPLIES & CONTRAC SVCS	30,072,691	12,045,759	345,000
CAPITAL OUTLAY	550,750	24,400	0
sub-total	<u>91,510,396</u>	<u>67,044,030</u>	<u>345,000</u>
CAPITAL IMPROVEMENTS	54,651,294	0	0
DEBT SERVICE	17,976,000	1,256,000	0
sub-total	<u>72,627,294</u>	<u>1,256,000</u>	<u>0</u>
TOTAL	<u><u>164,137,690</u></u>	<u><u>68,300,030</u></u>	<u><u>345,000</u></u>
FUND BALANCE			
FUND BALANCE 7/1/06	230,143,472	24,543,926	6,208,945
NET CHANGES IN FUND BALANCE	<u>(37,932,062)</u>	<u>22,552</u>	<u>913,750</u>
FUND BALANCE 6/30/07	<u>192,211,410</u>	<u>24,566,478</u>	<u>7,122,695</u>
RESERVED	46,895,593	1,200,000	0
UNRESERVED - DESIGNATED	14,080,578	6,957,883	7,122,695
UNRESERVED, DESIGNATED FOR CIP	56,074,867	0	0
UNRESERVED, DESIGNATED FOR PERS	5,400,000	5,400,000	0
UNRESERVED, DESIGNATED FOR HOUSING	31,036,678	0	0
UNRESERVED, UNDESIGNATED	38,723,694	11,008,595	0
TOTAL	<u><u>192,211,410</u></u>	<u><u>24,566,478</u></u>	<u><u>7,122,695</u></u>

(1) General Fund balance includes accrued leave, and insurance liability accounts.

(2) Special Revenue Funds include Public Art Fund, Gas Tax Fund, Light & Landscape Maintenance District Funds, Housing and Community Development Fund, Law Enforcement Block Grant Funds, Abandon Vehicle Abatement Funds, Solid Waste Services Fund and Equipment Replacement Funds.

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

Financial Information Budget Summary

<u>Special Revenue (2)</u>	<u>Capital Projects (3)</u>	<u>Redevelopment (4)</u>	<u>Water Fund (5)</u>	<u>Sewer Fund (6)</u>
0	0	28,237,000	0	0
540,000	0	0	0	0
0	0	0	0	0
0	0	0	0	0
274,000	534,000	3,488,000	256,000	643,000
1,906,000	996,092	131,986	0	0
42,000	0	0	15,068,000	9,431,000
294,000	380,000	2,035,800	408,000	10,075,000
<u>3,056,000</u>	<u>1,910,092</u>	<u>33,892,786</u>	<u>15,732,000</u>	<u>20,149,000</u>
2,287,288	0	44,302,438	(904,926)	13,837
0	(420,675)	0	(431,000)	(648,000)
0	0	(5,330,598)	0	0
0	2,270,000	190,000	0	0
(1,537,613)	(1,054,178)	(12,920,125)	(2,949,529)	(2,114,137)
<u>749,675</u>	<u>795,147</u>	<u>26,241,715</u>	<u>(4,285,455)</u>	<u>(2,748,300)</u>
<u>3,805,675</u>	<u>2,705,239</u>	<u>60,134,501</u>	<u>11,446,545</u>	<u>17,400,700</u>
1,178,765	0	1,457,821	2,103,828	1,172,670
2,212,960	138,945	1,146,680	7,670,317	6,513,030
413,950	0	0	112,400	0
<u>3,805,675</u>	<u>138,945</u>	<u>2,604,501</u>	<u>9,886,545</u>	<u>7,685,700</u>
0	2,566,294	40,810,000	1,560,000	9,715,000
0	0	16,720,000	0	0
<u>0</u>	<u>2,566,294</u>	<u>57,530,000</u>	<u>1,560,000</u>	<u>9,715,000</u>
<u>3,805,675</u>	<u>2,705,239</u>	<u>60,134,501</u>	<u>11,446,545</u>	<u>17,400,700</u>
10,696,539	16,358,180	142,070,160	8,700,017	21,565,705
(2,287,288)	420,675	(38,971,840)	1,335,926	634,163
<u>8,409,251</u>	<u>16,778,855</u>	<u>103,098,320</u>	<u>10,035,943</u>	<u>22,199,868</u>
8,409,251	0	36,842,791	200,000	243,551
0	0	0	0	0
0	16,778,855	14,795,300	4,639,597	19,861,115
0	0	0	0	0
0	0	31,036,678	0	0
0	0	20,423,551	5,196,346	2,095,202
<u>8,409,251</u>	<u>16,778,855</u>	<u>103,098,320</u>	<u>10,035,943</u>	<u>22,199,868</u>

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

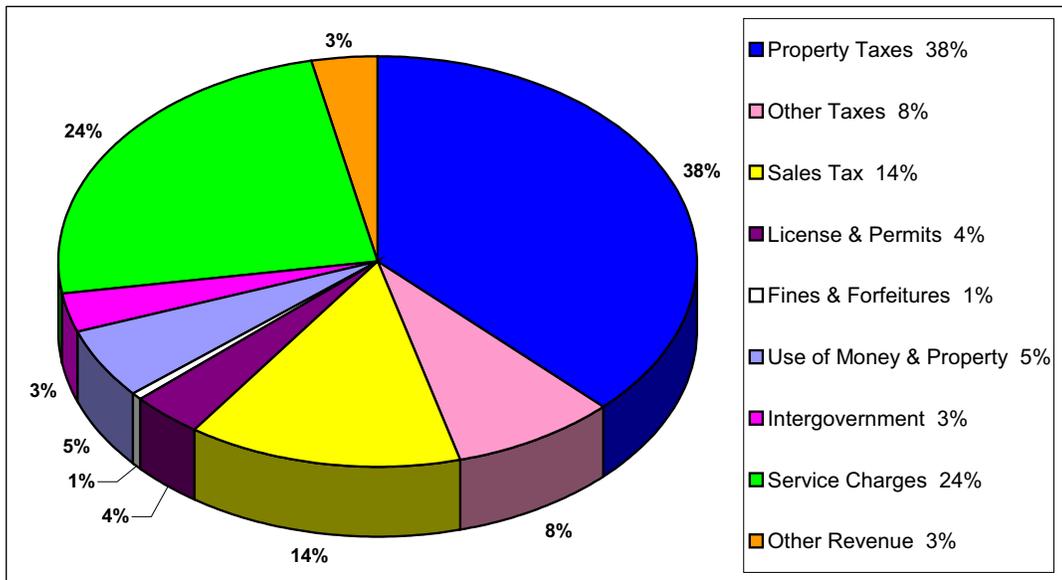
(5) Water Fund balances are working capital and include Water Fund, Water Fund CIP, Water Line Extension Fund and Recycled Water Fund.

(6) Sewer Fund balances are working capital and include Sewer Fund, Sewer Fund CIP, Treatment Plant Construction Fund and South Bay Water Recycling Program Fund.

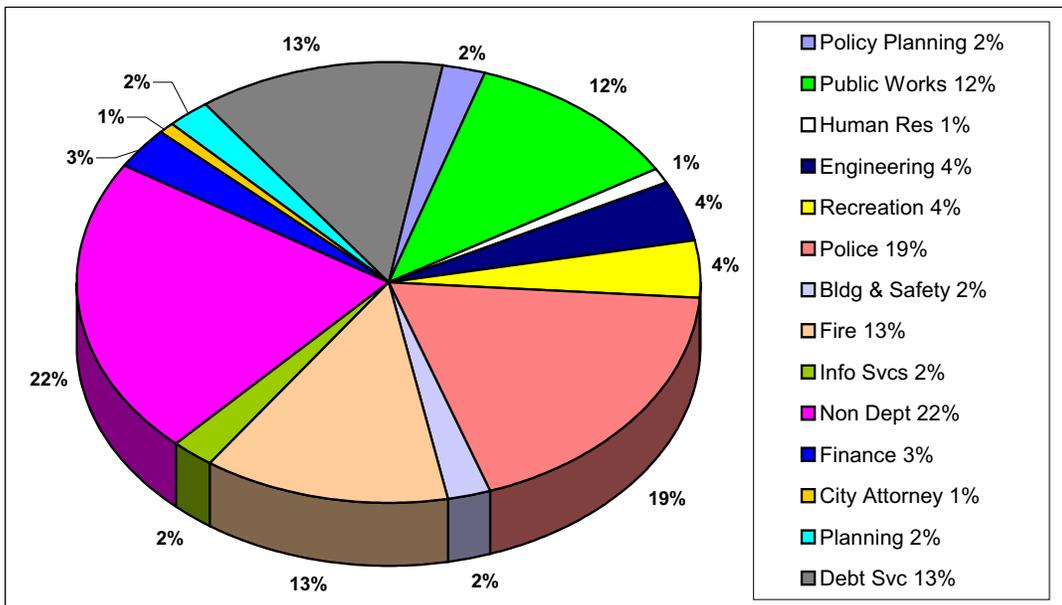
General Fund
Five Year Forecast - FY 2006-07 to FY 2010-11

	<u>FY06-07</u>	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>FY10-11</u>
Estimated Revenues					
Property Taxes	15,609,000	16,389,450	17,045,028	17,726,829	18,435,902
Sales & Use Tax	16,245,000	18,057,250	19,460,113	20,738,517	21,568,058
Hotel/Motel Tax	4,331,000	4,504,240	4,684,410	4,871,786	5,066,657
Other Taxes	3,631,000	3,812,550	3,965,052	4,103,829	4,247,463
License & Permits	4,278,000	4,491,900	4,716,495	4,881,572	5,052,427
Fine & Forfeitures	812,000	828,240	844,805	861,701	878,935
Rents and Concessions	292,000	294,920	297,869	300,848	303,856
Interest Income	993,000	893,700	813,267	748,206	688,349
Motor Veh, in-lieu fees	404,000	412,080	424,442	437,176	450,291
Charges for Services	3,264,000	3,410,880	3,564,370	3,671,301	3,781,440
Other Revenues	348,000	358,440	369,193	380,269	391,677
Operating Transfers	<u>18,115,582</u>	<u>13,803,674</u>	<u>14,259,195</u>	<u>14,729,748</u>	<u>15,230,560</u>
Total Estimated Revenues and Other Financing Sources	<u>68,322,582</u>	<u>67,257,324</u>	<u>70,444,238</u>	<u>73,451,781</u>	<u>76,095,616</u>
Estimated Expenditures					
Subtotal	54,973,871	58,825,831	60,879,699	63,019,506	65,249,774
Services & Supplies	12,045,759	12,407,132	12,779,346	13,162,726	13,557,608
Capital Outlay	24,400	-	-	250,000	250,000
Debt Service	<u>1,256,000</u>	<u>1,260,000</u>	<u>1,260,000</u>	-	-
Subtotal	<u>13,326,159</u>	<u>13,667,132</u>	<u>14,039,346</u>	<u>13,412,726</u>	<u>13,807,608</u>
Total Estimated Expenditures	<u>68,300,030</u>	<u>72,492,962</u>	<u>74,919,045</u>	<u>76,432,232</u>	<u>79,057,381</u>
(Deficit)	22,552	(5,235,639)	(4,474,807)	(2,980,451)	(2,961,766)

DISTRIBUTION OF REVENUES 2006-2007 (All Funds)



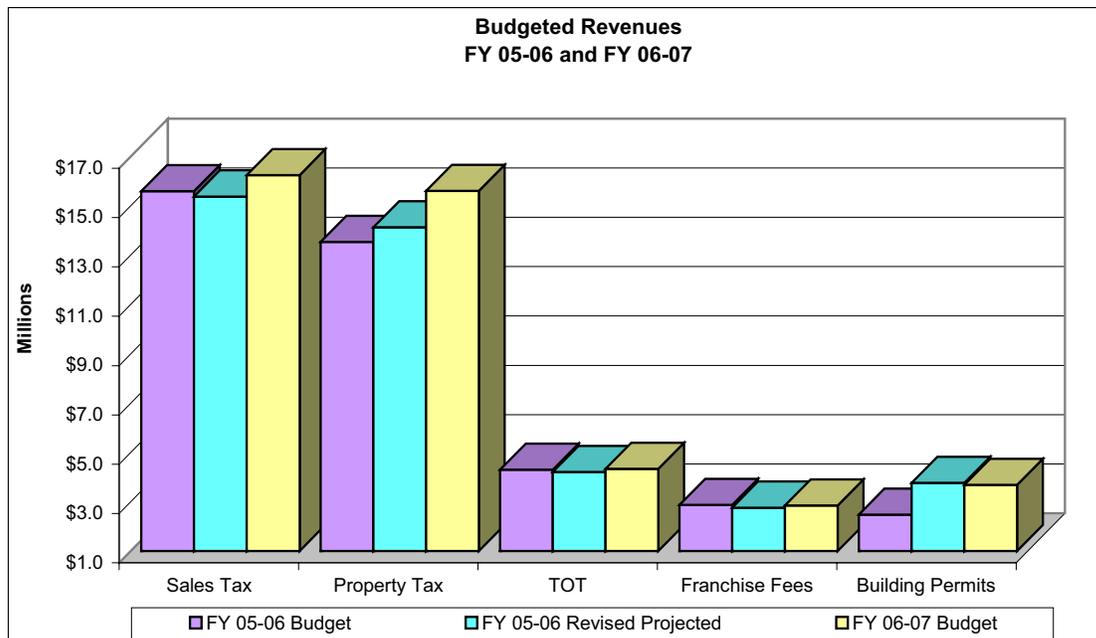
DISTRIBUTION OF EXPENDITURES 2006-2007 (All Funds)



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FY 06-07 General Fund Revenue Assumptions

Sales Tax	Sales tax revenues for FY 05-06 are projected to be \$0.2 million (1.4%) less than budget. FY 05-06 sales tax revenue is projected to increase by 5.6% over FY 05-06 revised estimate based on continued economic recovery and increased sales in the food products and general retail economic segments. The Great Mall of the Bay Area added new anchor stores which increased sales. The City also anticipates sales tax revenue increase due to opening of a major car dealership in late FY 06-07.
Property Tax	FY 05-06 property tax revenues are estimated to be \$0.6 million more than budget due to addition of new residential developments on tax roll and re-assessment of properties due to sales. For FY 06-07, it is anticipated that property tax revenue will increase by 10.5% based on report of assessed valuation growth of 6% provided by the County Assessor. The 10.5% increase next year also includes the restoration of property tax revenue that was shifted to the Education Augmentation Revenue Fund of about \$1 million.
Transient Occupancy Tax (TOT)	It is projected that that FY 05-06 TOT will increase by a modest 2% over FY 04-05 revised revenue, in anticipation of more business travel as the economy in this region continues to recover. The projection for TOT revenue is more conservative because of the ability of teleconferencing for many high-tech companies.
Franchise Fees	Franchise fee is based on an agreed upon percentage of the gross revenue generated by the gas and electric utility, garbage, and cable TV service providers in the City. The projection for franchise fees take into consideration of rate increases and consumption changes. Electric, gas franchise fees are projected to increase by 3% due to rate increase while cable franchise fees are projected to increase by 6% next fiscal year over FY 05-06 budget. Garbage franchise fee is projected to increase by 2%.
Building Permits	FY 06-07 building permit revenues are projected to be approximately \$3.7 million based on the number of anticipated applications and the size of the projects. It is anticipated KB Homes will continue with their development activities and other residential development projects such as Centria, Oak Springs and Town Center will commence.



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Revenues by Source (Summary)

	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
100 General Fund	50,899,919	59,071,483	65,843,892	68,322,582
102 Library Fund	1,073,858	1,129,644	1,212,250	1,258,750
211 H-Hetch Ground Lease	0	1,510,217	0	52,000
212 Public Art Fund	0	0	0	5,000
221 Gas Tax Fund	(54,672)	(81,413)	90,000	(300,000)
235 95-1 Lighting/Lscape Dist	237,443	251,885	243,000	265,000
236 98-1 Lighting/Lscape Dist	32,792	30,855	38,000	32,000
250 HCD Fund	1,106,182	568,903	724,000	631,000
251 HCD Loan	252,941	286,241	363,000	7,000
261 Supplemental Law Enforcement	109,949	99,761	36,000	3,000
262 State Asset Seizure	6,983	24,611	4,000	3,000
263 Federal Asset Seizure	484	446	0	0
264 Local Law Enforcmnt Block Grant	29,528	40,895	40,000	0
266 COPS in School	12,174	(493)	0	0
275 Abandon Veh Abatemnt	83,201	65,134	73,000	78,000
280 Solid Waste Services	230,352	283,946	324,410	262,387
281 Solid Waste Reduction	65,351	253,516	264,124	310,000
290 Housing Reserve Fund	5,525,284	4,440,961	4,923,624	5,267,054
291 Housing Reserve 97 TABS	6,171,243	8,556	179,000	185,000
310 Street Fund	(2,915,223)	908,951	(1,314,000)	(279,380)
311 Street CIP	8,893,585	3,543,376	2,218,713	2,351,294
320 Park Improvement Fund	(749,857)	452,344	(633,000)	406,000
321 Park Improvement CIP	1,325,997	567,917	144,000	195,000
322 Midtown Park Fund	0	942,947	27,000	28,000
330 General Government	51,387	42,441	45,000	22,000
331 General Government CIP	646,513	550,731	10,000	20,000
332 Technology Certificates of Participation	(1,085,848)	(824,297)	4,000	2,000
340 Storm Drain Development CIP	39,076	1,197	321,000	381,000
390 RDA Project Fund	110,588,136	73,499,688	7,290,267	11,559,607
391 Redevelopment CIP	122,409	5,383,500	17,835,000	40,810,000
392 97 RDA TABs CIP	(5,870,873)	(187,937)	127,000	(4,465,000)
393 2000 RDA TABs CIP	(166,796)	2,015	2,000	2,000
395 2003 RDA TABs CIP	115,729,580	(4,243,797)	(11,965,000)	(32,196,000)
400 Water M & O Fund	8,809,106	9,240,982	10,268,799	10,011,315
401 Water CIP	(118,975)	662,951	1,160,000	1,560,000
402 Water Line Extension Fund	16,240	55,987	698,000	431,000
406 Recycled Water Fund	529,317	719,224	634,858	780,156
450 Sewer M & O Fund	5,362,928	6,114,338	4,555,826	7,643,863
451 Sewer CIP	(1,444,329)	1,042,901	12,035,000	9,715,000
452 Treatment Plant Construction F	1,709,468	606,349	(4,779,500)	887,000
455 Sewer Infrastrtrure Replmnt	173,535	168,077	(116,000)	(239,000)
456 South Bay Water Recycling Prgm	32,495	25,632	28,000	28,000
500 Equipment Mgnt Fund	(199,018)	2,684,676	1,734,976	170,000
TOTAL	307,261,866	169,945,343	114,690,239	126,205,628

Financial Information Revenues by Source (Detail)

Description	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
GENERAL FUND (100)				
PROPERTY TAXES				
3010 Property Taxes, Current	9,549,605	12,377,455	12,827,000	14,881,000
3030 Property Taxes, Supplement	465,634	744,312	707,000	728,000
sub-total	10,015,238	13,121,767	13,534,000	15,609,000
TAXES OTHER THAN PROPERTY				
3110 Sales and Use Tax	10,635,247	14,270,542	15,595,000	16,245,000
3120 Real Estate Transfer Tax	601,153	575,786	430,000	505,000
3131 Electric Franchise	1,098,431	1,045,522	1,130,000	1,115,000
3132 Gas Franchise	176,599	170,951	177,000	179,000
3133 Garbage Franchise-Commercial	618,761	766,705	758,000	729,000
3134 Garbage Franchise-NonCommercial	419,826	437,736	447,000	438,000
3137 Nitrogen Gas Franchise	31,057	34,522	33,000	35,000
3138 CATV Franchise	305,146	316,031	322,000	353,000
3140 Business License Tax	272,269	274,461	262,000	277,000
3150 Hotel/Motel Tax	3,773,974	3,986,016	4,301,000	4,331,000
sub-total	17,932,461	21,878,273	23,455,000	24,207,000
LICENSES AND PERMITS				
3210 Building Permits	1,460,360	2,876,211	2,475,000	3,688,000
3220 Fire Permits	356,307	445,882	282,000	408,000
3240 Life Safety Annual Permits	200,361	178,932	216,000	182,000
3250 Fire Inspections	574	982	0	0
sub-total	2,017,602	3,502,007	2,973,000	4,278,000
FINES AND FORFEITS				
3301 Vehicle Code Fines	234,604	253,519	226,000	229,000
3302 Other Court Fines	598,323	405,915	400,000	428,000
3305 Booking Fees	26,657	36,679	30,000	24,000
3306 NBO Violation Fees	5,980	8,860	10,000	10,000
3307 Impound Fees	58,110	49,267	50,000	61,000
3308 Animal Violations	13,935	14,215	23,000	11,000
3309 False Alarm Fee	61,400	53,800	65,000	49,000
3310 Fire Administrative Citations	2,200	903	1,000	0
3311 Building Admin Citation	602	0	0	0
3312 Planning Admin Citation	200	2,500	1,000	0
sub-total	1,002,011	825,659	806,000	812,000
USE OF MONEY AND PROPERTY				
3431 Pooled Investment-Interest	1,843,765	938,984	1,079,000	953,000
3432 Cash with Fiscal Agents	7,421	(7,421)	0	0
3433 Other Interest Income	(3,814,397)	(10,359)	58,000	40,000
sub-total	(1,963,211)	921,204	1,137,000	993,000
INTERGOVERNMENTAL				
3511 Motor Vehicle In Lieu Tax	2,969,225	420,823	534,000	404,000
3521 Homeowners Property Tax Relief	136,009	131,066	140,000	130,000
3532 Off-Highway Tax	2,126	859	1,000	2,000
3555 Federal Contributions-Eng & Planning	40,000	0	0	0
3556 Federal Contributions-Recreation	22,140	22,094	20,000	13,000
3557 Federal Contributions-Police	0	18,833	0	0
3558 Federal Contributions-Fire	26,857	70,296	44,000	0

Financial Information Revenues by Source (Detail)

Description	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
3562 POST Grant	14,461	23,649	5,000	18,000
3565 State Contributions-Eng & Planning	3,000	0	0	0
3567 State Contributions-Police	0	1,921	0	0
3576 County Contributions-Recreation	55,207	61,111	35,000	72,000
3582 SB90 Grant	361	20,242	0	50,000
3585 Other Restricted Grants-Eng & Planning	15,817	0	0	0
3586 Other Restricted Grants-Recreation	0	2,639	0	0
3591 Misc Unrestricted Intergovernmental	198,194	198,194	198,000	0
sub-total	3,483,396	971,726	977,000	689,000
CHARGES FOR CURRENT SERVICES				
3601 General Government Service Charges	362,958	428,639	150,000	137,000
3602 Sales of Maps and Documents-Gen Gov't	490	895	1,000	0
3603 Rents, Leases and Concessions-Gen Gov't	120,900	123,558	120,000	140,000
3611 PJ Overhead Charges	430,464	722,304	500,000	731,000
3612 PJ Labor Reimbursement	196,123	327,090	225,000	328,000
3613 PJ Vendor Reimbursement	102,201	31,267	32,000	73,000
3615 Engineering & Planning Services	41,499	19,243	21,000	14,000
3616 Engineering Plan Check Fee	0	3,374	0	5,000
3617 Planning Fees	26,762	17,265	15,000	15,000
3618 Sales of Maps & Documents-Eng & Pla	14,861	14,481	14,000	9,000
3619 Rents, Leases & Concessions-Eng & Pla	0	18,080	29,000	9,000
3633 Fire Cost Recovery	1,575	388	1,000	0
3634 Unwanted Alarms-Fire	300	1,700	2,000	0
3635 Fire Enforcement-Penalties	0	1,248	0	0
3636 Fire Enforcement-Training	0	2,742	1,000	0
3637 Fire Service Charges	205,374	256,248	200,000	200,000
3638 Sale of Maps & Documents-Fire	35	3	0	0
3641 Police Service Charges	237,325	266,088	278,000	284,000
3643 Fingerprints	22,410	6,222	5,000	2,000
3644 Sales of Maps & Documents-Police	13,919	14,105	14,000	12,000
3645 Police Cost Recovery	672	3,961	6,000	0
3646 Rents, Leases & Concessions-Police	7,280	2,010	3,000	0
3647 DUI-Police Cost Recovery	6,706	9,327	0	5,000
3651 Rents, Leases & Concessions-Recreation	148,804	112,004	148,000	143,000
3652 Recreation Fees	1,232,049	1,354,963	1,380,000	1,356,000
3653 Senior Nutrition Fees	10,001	12,726	10,000	13,000
3655 Sales of Merchandise Recreation	25	2,775	3,000	1,000
3661 Sales of Maps & Documents-Building	225	82	0	0
3662 Records Retention Fee	9,741	20,229	11,000	31,000
3663 Building Service Charges	6,300	1,350	2,000	12,000
3671 Public Works Service Charges	0	150	0	0
3672 Public Works Cost Recovery	39,338	30,282	40,000	36,000
sub-total	3,238,339	3,804,800	3,211,000	3,556,000
OTHER REVENUE				
3710 Development	10,510	5,772	9,000	5,000
3740 Reimbursements	2,880	2,139	2,000	1,000
3750 Donations	12,900	24,760	0	0
3770 Sale of Property, Plant and Equipment	10,226	15,037	0	0
3790 Miscellaneous Other Revenue	49,860	115,528	50,000	57,000

Financial Information Revenues by Source (Detail)

Description	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
sub-total	86,375	163,236	61,000	63,000
OPERATING TRANSFERS IN				
3806 Op Trfs in from Solid Waste Service	0	0	8,590	37,613
3807 Op Trfs in from Solid Waste Reduction	4,000	4,000	11,876	0
3808 Op Transfers in from Housing R	509,285	702,868	764,576	694,746
3809 Op Transfers in from Street Fu	780,000	780,000	1,000,000	844,178
3811 Op Transfers in from Redevelop	5,264,523	6,245,452	12,474,333	11,455,379
3812 Op Transfers in from Water M&O	2,782,909	2,990,241	3,114,201	2,913,685
3814 Op Transfers in from Recycled	50,181	51,680	54,142	30,844
3815 Op Transfers in from Sewer M&O	1,797,537	2,190,471	2,262,174	2,109,137
3817 Op Transfers in from Equipment	750,000	0	0	0
3819 Other Operating Transfers In	910	0	0	0
3821 Op Tfr in from RDA-Sales Tax	982,096	138,813	0	0
3822 Op Tfr in from General Gov't Fund	0	0	0	30,000
3841 Appn Transfers in from Redevel	1,230,000	713,000	0	0
3842 Appn Transfers in from Water M	0	26,000	0	0
3845 Appn Transfers in from Sewer M	0	26,000	0	0
3849 Other Appn Transfers In	292	1,166	0	0
3850 Appn Tfr in from Debt Pr	952,382	0	0	0
sub-total	15,104,115	13,869,691	19,689,892	18,115,582
OPERATING TRANSFERS OUT				
3911 Op Trfs Out To the RDA Project Fund	0	(3,324)	0	0
3934 Appn Transfers out to H/CD Fun	(620)	0	0	0
3949 Other Appn Transfers Out	(15,786)	(1,557)	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	18,000	0	0
sub-total	(16,406)	13,119	0	0
TOTAL (100)	50,899,919	59,071,483	65,843,892	68,322,582
LIBRARY FUND (102)				
3150 Hotel/Motel Tax	942,667	999,838	1,075,250	1,082,750
3431 Pooled Investment-Interest	131,191	147,806	137,000	176,000
3999 Op Trfs Out To Subsidiary CIP fund	0	(18,000)	0	0
TOTAL (102)	1,073,858	1,129,644	1,212,250	1,258,750
H-HETCH GROUND LEASE (211)				
3431 Pooled Investment-Interest	0	10,217	0	52,000
3760 Developer Contribution	0	1,500,000	0	0
TOTAL (211)	0	1,510,217	0	52,000
PUBLIC ART FUND (212)				
3431 Pooled Investment-Interest	0	0	0	5,000
TOTAL (212)	0	0	0	5,000
GAS TAX FUND (221)				
3431 Pooled Investment-Interest	21,648	(1,885)	0	0
3545 Sec 2105-Gas Tax	403,364	404,570	428,000	400,000
3546 Sec 2106-Gas Tax	275,145	270,900	294,000	260,000
3547 Sec 2107-Gas Tax	537,671	537,502	568,000	540,000
3548 Sec 2107.5-Gas Tax	7,500	7,500	0	0
3909 Op Trfs Out To the Street Improvement Fund	(1,300,000)	(1,300,000)	(1,200,000)	(1,500,000)

Financial Information Revenues by Source (Detail)

Description	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
TOTAL (221)	<u>(54,672)</u>	<u>(81,413)</u>	<u>90,000</u>	<u>(300,000)</u>
95-1 LIGHTING/LSCAPE DIST (235)				
3431 Pooled Investment-Interest	1,020	1,701	3,000	3,000
3433 Other Interest Income	597	463	0	0
3720 Special Assessments	235,826	249,721	240,000	262,000
TOTAL (235)	<u>237,443</u>	<u>251,885</u>	<u>243,000</u>	<u>265,000</u>
98-1 LIGHTING/LSCAPE DIST (236)				
3431 Pooled Investment-Interest	1,415	(205)	0	0
3433 Other Interest Income	80	62	0	0
3720 Special Assessments	31,297	30,998	38,000	32,000
TOTAL (236)	<u>32,792</u>	<u>30,855</u>	<u>38,000</u>	<u>32,000</u>
HCD FUND (250)				
3555 Federal Contributions-Eng & Planning	606,282	408,988	724,000	631,000
3556 Federal Contributions-Recreation	499,900	159,915	0	0
TOTAL (250)	<u>1,106,182</u>	<u>568,903</u>	<u>724,000</u>	<u>631,000</u>
HCD LOAN (251)				
3431 Pooled Investment-Interest	0	0	0	7,000
3433 Other Interest Income	1,427	1,223	0	0
3555 Federal Contributions-Eng & Planning	250,895	285,017	363,000	0
3831 Appn Transfers in from General	620	0	0	0
TOTAL (251)	<u>252,941</u>	<u>286,241</u>	<u>363,000</u>	<u>7,000</u>
SUPPLEMENTAL LAW ENFORCEMENT (261)				
3431 Pooled Investment-Interest	3,016	1,743	3,000	3,000
3567 State Contributions-Police	106,933	98,018	33,000	0
TOTAL (261)	<u>109,949</u>	<u>99,761</u>	<u>36,000</u>	<u>3,000</u>
STATE ASSET SEIZURE (262)				
3431 Pooled Investment-Interest	6,046	4,611	4,000	3,000
3567 State Contributions-Police	(24,063)	20,000	0	0
3577 County Contributions-Police	25,000	0	0	0
TOTAL (262)	<u>6,983</u>	<u>24,611</u>	<u>4,000</u>	<u>3,000</u>
FEDERAL ASSET SEIZURE (263)				
3431 Pooled Investment-Interest	484	446	0	0
TOTAL (263)	<u>484</u>	<u>446</u>	<u>0</u>	<u>0</u>
LOCAL LAW ENFORCMNT BLOCK GRANT (264)				
3431 Pooled Investment-Interest	1,122	684	1,000	0
3557 Federal Contributions-Police	25,704	38,654	39,000	0
3831 Appn Transfers in from General	3,612	1,557	0	0
3901 Op Trfs Out To the General Fund	(910)	0	0	0
TOTAL (264)	<u>29,528</u>	<u>40,895</u>	<u>40,000</u>	<u>0</u>
COPS IN SCHOOL (266)				
3431 Pooled Investment-Interest	0	3	0	0
3831 Appn Transfers in from General	12,174	0	0	0
3931 Appn Transfers out to General	0	(496)	0	0
TOTAL (266)	<u>12,174</u>	<u>(493)</u>	<u>0</u>	<u>0</u>

Financial Information Revenues by Source (Detail)

Description	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
ABANDON VEH ABATEMNT (275)				
3431 Pooled Investment-Interest	4,552	3,353	3,000	3,000
3577 County Contributions-Police	78,649	61,781	70,000	75,000
TOTAL (275)	83,201	65,134	73,000	78,000
SOLID WASTE SERVICES (280)				
3136 Solid Waste-HHW-Contract & Public	0	60,610	1,000	140,000
3139 County-wide AB 939 Fee	164,377	171,937	140,000	100,000
3431 Pooled Investment-Interest	11,075	13,624	13,000	18,000
3615 Engineering & Planning Services	37,900	37,526	179,000	42,000
3790 Miscellaneous Other Revenue	25,000	250	0	0
3901 Op Trfs Out To the General Fund	0	0	(8,590)	(37,613)
3911 Op Trfs Out To the RDA Project Fund	(8,000)	0	0	0
TOTAL (280)	230,352	283,946	324,410	262,387
SOLID WASTE REDUCTION (281)				
3135 Solid Waste-Community Relations	123,935	141,120	116,000	142,000
3136 Solid Waste-HHW-Contract & Public	27,007	85,036	13,000	158,000
3431 Pooled Investment-Interest	9,901	7,634	7,000	10,000
3565 State Contributions-Eng & Planning	17,977	18,052	140,000	0
3790 Miscellaneous Other Revenue	5,531	5,675	0	0
3901 Op Trfs Out To the General Fund	(4,000)	(4,000)	(11,876)	0
3910 Op Trfs Out To the Park Improvement Fund	(65,000)	0	0	0
3911 Op Trfs Out To the RDA Project Fund	(50,000)	0	0	0
TOTAL (281)	65,351	253,516	264,124	310,000
HOUSING RESERVE FUND (290)				
3431 Pooled Investment-Interest	280,518	372,815	327,000	453,000
3433 Other Interest Income	(241,328)	21,256	0	2,000
3740 Reimbursements	895,000	0	0	0
3770 Sale of Property, Plant and Equipment	206	0	0	0
3790 Miscellaneous Other Revenue	0	0	35,800	35,800
3811 Op Transfers in from Redevelop	5,315,246	5,160,555	5,325,400	5,471,000
3901 Op Trfs Out To the General Fund	(509,285)	(702,868)	(764,576)	(694,746)
3941 Appn Transfers out to Redevelo	(215,073)	(410,797)	0	0
TOTAL (290)	5,525,284	4,440,961	4,923,624	5,267,054
HOUSING RESERVE 97 TABS (291)				
3431 Pooled Investment-Interest	183,121	188,917	179,000	185,000
3818 Op Transfers in from Tax Alloc	5,988,122	0	0	0
3911 Op Trfs Out To the RDA Project Fund	0	(180,361)	0	0
TOTAL (291)	6,171,243	8,556	179,000	185,000
STREET FUND (310)				
3431 Pooled Investment-Interest	315,839	361,704	360,000	305,000
3433 Other Interest Income	(121,762)	(9,300)	5,000	0
3575 County Contributions-Eng & Plan	0	25,791	26,000	0
3760 Developer Contribution	385,697	0	0	0
3802 Op Transfers in from Gas Tax F	1,300,000	1,300,000	1,200,000	1,500,000
3811 Op Transfers in from Redevelop	63,369	0	0	0
3839 Appn Transfers in from Street	100,824	0	0	0
3899 Op Trfs in from Subsidiary CIP fund	0	0	0	370,000

Financial Information Revenues by Source (Detail)

Description	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
3901 Op Trfs Out To the General Fund	(780,000)	(780,000)	(1,000,000)	(844,178)
3909 Op Trfs Out To the Street Improvement Fund	(2,226,681)	0	0	0
3911 Op Trfs Out To the RDA Project Fund	(1,921,824)	(139,348)	(255,000)	(5,000)
3922 Op Trfs Out To the General Government Fund	(10,000)	0	(10,000)	0
3939 Appn Transfers out to Street F	(20,686)	0	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	150,105	(1,640,000)	(1,605,202)
TOTAL (310)	(2,915,223)	908,951	(1,314,000)	(279,380)
STREET CIP (311)				
3555 Federal Contributions-Eng & Planning	244,539	0	249,000	946,092
3564 State Contributions-Public Works	0	391,000	0	0
3565 State Contributions-Eng & Planning	646,258	246,853	0	0
3575 County Contributions-Eng & Plan	2,186,048	411,272	0	0
3710 Development	0	0	329,713	0
3760 Developer Contribution	3,066,198	1,439,356	0	0
3809 Op Transfers in from Street Fu	2,226,681	0	0	0
3811 Op Transfers in from Redevelop	729,000	980,000	0	170,000
3839 Appn Transfers in from Street	324,732	0	0	0
3850 Appn Tfr in from Debt Pr	0	325,000	0	0
3899 Op Trfs in from Subsidiary CIP fund	0	0	0	1,605,202
3911 Op Trfs Out To the RDA Project Fund	(125,000)	(100,000)	0	0
3939 Appn Transfers out to Street F	(404,870)	0	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	(150,105)	1,640,000	(370,000)
TOTAL (311)	8,893,585	3,543,376	2,218,713	2,351,294
PARK IMPROVEMENT FUND (320)				
3431 Pooled Investment-Interest	234,085	224,334	211,000	176,000
3433 Other Interest Income	0	65	0	0
3710 Development	0	477,945	0	0
3811 Op Transfers in from Redevelop	0	0	0	600,000
3910 Op Trfs Out To the Park Improvement Fund	(457,023)	0	0	0
3911 Op Trfs Out To the RDA Project Fund	(248,919)	0	(700,000)	0
3940 Appn Transfers out to Park Imp	(278,000)	0	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	(250,000)	(144,000)	(370,000)
TOTAL (320)	(749,857)	452,344	(633,000)	406,000
PARK IMPROVEMENT CIP (321)				
3554 Federal Contributions-Public Works	(1,063)	31,917	0	0
3555 Federal Contributions-Eng & Planning	172,222	0	0	0
3564 State Contributions-Public Works	701,837	0	0	0
3574 County Contributions-Public Works	0	81,000	0	0
3750 Donations	0	1,044	0	0
3807 Op Trfs in from Solid Waste Reduction	65,000	0	0	0
3810 Op Transfers in from Park Impr	579,023	0	0	0
3811 Op Transfers in from Redevelop	0	163,956	0	0
3840 Appn Transfers in from Park Im	156,000	0	0	0
3842 Appn Transfers in from Water M	10,000	0	0	0
3899 Op Trfs in from Subsidiary CIP fund	0	0	0	370,000
3911 Op Trfs Out To the RDA Project Fund	(357,023)	0	0	(175,000)
3999 Op Trfs Out To Subsidiary CIP fund	0	290,000	144,000	0
TOTAL (321)	1,325,997	567,917	144,000	195,000

Financial Information Revenues by Source (Detail)

Description	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
MIDTOWN PARK FUND (322)				
3431 Pooled Investment-Interest	0	25,068	27,000	28,000
3710 Development	0	957,879	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	(40,000)	0	0
TOTAL (322)	0	942,947	27,000	28,000
GENERAL GOVERNMENT (330)				
3431 Pooled Investment-Interest	51,387	42,441	45,000	22,000
TOTAL (330)	51,387	42,441	45,000	22,000
GENERAL GOVERNMENT CIP (331)				
3561 State Contributions-General Gov't	75,000	0	0	0
3571 County Contributions-General Gov't	218,328	169,646	0	0
3581 Other Restricted Grants-General Gov't	0	0	0	50,000
3809 Op Transfers in from Street Fu	10,000	0	10,000	0
3820 Oper Transfer in from Debt Pro	343,185	0	0	0
3839 Appn Transfers in from Street	80,000	0	0	0
3901 Op Trfs Out To the General Fund	0	0	0	(30,000)
3939 Appn Transfers out to Street F	(80,000)	0	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	381,085	0	0
TOTAL (331)	646,513	550,731	10,000	20,000
TECHNOLOGY CERTIFICATES OF PARTICIPATION (332)				
3431 Pooled Investment-Interest	25,625	14,338	4,000	2,000
3432 Cash with Fiscal Agents	268	755	0	0
3433 Other Interest Income	1,550	(7,363)	0	0
3911 Op Trfs Out To the RDA Project Fund	(769,815)	(450,271)	0	0
3922 Op Trfs Out To the General Government Fund	(343,185)	0	0	0
3931 Appn Transfers out to General	(292)	(670)	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	(381,085)	0	0
TOTAL (332)	(1,085,848)	(824,297)	4,000	2,000
STORM DRAIN DEVELOPMENT CIP (340)				
3321 Urban Runoff Fines	600	0	0	0
3431 Pooled Investment-Interest	476	1,197	1,000	1,000
3710 Development	38,000	0	320,000	380,000
TOTAL (340)	39,076	1,197	321,000	381,000
RDA PROJECT FUND (390)				
3010 Property Taxes, Current	25,835,189	24,716,829	26,284,000	27,647,000
3030 Property Taxes, Supplement	335,957	498,578	343,000	590,000
3110 Sales and Use Tax	2,020,066	138,813	0	0
3431 Pooled Investment-Interest	1,556,496	1,284,583	1,218,000	1,128,000
3432 Cash with Fiscal Agents	(105,747)	7,133	0	11,000
3433 Other Interest Income	(816,755)	(304,169)	0	68,000
3601 General Government Service Charges	100,000	74,009	0	0
3603 Rents, Leases and Concessions-Gen Gov't	0	2,036	0	0
3770 Sale of Property, Plant and Equipment	0	57,751,500	0	0
3790 Miscellaneous Other Revenue	0	168,125	0	0
3809 Op Transfers in from Street Fu	2,046,824	204,348	0	0
3810 Op Transfers in from Park Impr	605,942	0	0	175,000

Financial Information Revenues by Source (Detail)

Description	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
3811 Op Transfers in from Redevelop	8,507,541	0	0	0
3812 Op Transfers in from Water M&O	2,055,647	0	0	0
3815 Op Transfers in from Sewer M&O	108,750	0	0	0
3819 Other Operating Transfers In	67,164,529	0	0	0
3831 Appn Transfers in from General	0	3,324	0	0
3838 Appn Transfers in from Housing	215,073	410,797	0	0
3841 Appn Transfers in from Redevel	30,471,958	0	0	0
3845 Appn Transfers in from Sewer M	1,500,000	0	0	0
3848 Appn Transfers in from Tax All	13,789,266	0	0	0
3899 Op Trfs in from Subsidiary CIP fund	0	0	0	140,000
3901 Op Trfs Out To the General Fund	(5,264,523)	(6,245,452)	(12,474,333)	(11,455,379)
3908 Op Trfs Out To the Housing Reserve Fund	(5,315,246)	(5,160,555)	(5,325,400)	(5,471,000)
3909 Op Trfs Out To the Street Improvement Fund	(792,369)	(980,000)	0	(170,000)
3910 Op Trfs Out To the Park Improvement Fund	0	(163,956)	0	0
3911 Op Trfs Out To the RDA Project Fund	(3,242,868)	0	0	0
3913 Op Trfs Out To the Water Line Extension Fund	(140,000)	0	0	0
3918 Op Trfs Out To the Tax Allocation Fund	(4,098,565)	0	0	0
3919 Op Trfs Out To Other Miscellaneous Funds	(115)	0	0	0
3921 Op Trfs Out To the General Fund Sales Tax	(956,610)	(138,813)	0	0
3931 Appn Transfers out to General	(1,180,000)	(713,000)	0	0
3941 Appn Transfers out to Redevelo	(13,894,266)	0	0	0
3949 Other Appn Transfers Out	(6,471,958)	0	0	0
3983 Payment to Refunded Bond Escrow Account	(3,446,078)	0	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	1,945,558	(2,755,000)	(1,103,014)
TOTAL (390)	110,588,136	73,499,688	7,290,267	11,559,607
REDEVELOPMENT CIP (391)				
3556 Federal Contributions-Recreation	499,900	159,915	0	0
3565 State Contributions-Eng & Planning	0	0	0	131,986
3575 County Contributions-Eng & Plan	86,585	113,415	0	0
3750 Donations	1,956	0	0	0
3760 Developer Contribution	273,500	464,910	1,000,000	2,000,000
3806 Op Trfs in from Solid Waste Service	8,000	0	0	0
3807 Op Trfs in from Solid Waste Reduction	50,000	0	0	0
3809 Op Transfers in from Street Fu	0	35,000	255,000	5,000
3810 Op Transfers in from Park Impr	0	0	700,000	0
3811 Op Transfers in from Redevelop	2,265,000	0	0	0
3812 Op Transfers in from Water M&O	0	5,000	30,000	5,000
3815 Op Transfers in from Sewer M&O	0	5,000	30,000	5,000
3818 Op Transfers in from Tax Alloc	0	0	0	38,300,000
3820 Oper Transfer in from Debt Pro	1,241,443	630,633	0	0
3841 Appn Transfers in from Redevel	105,000	0	0	0
3899 Op Trfs in from Subsidiary CIP fund	0	0	0	1,103,014
3910 Op Trfs Out To the Park Improvement Fund	0	0	0	(600,000)
3911 Op Trfs Out To the RDA Project Fund	(4,408,976)	0	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	3,969,628	15,820,000	(140,000)
TOTAL (391)	122,409	5,383,500	17,835,000	40,810,000
97 RDA TABS CIP (392)				
3431 Pooled Investment-Interest	165,236	137,063	127,000	135,000
3908 Op Trfs Out To the Housing Reserve Fund	(5,988,122)	0	0	0

Financial Information Revenues by Source (Detail)

Description	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
3909 Op Trfs Out To the Street Improvement Fund	0	(325,000)	0	0
3911 Op Trfs Out To the RDA Project Fund	(46,324)	0	0	(4,600,000)
3915 Op Trfs Out To the Sewer Fund	(1,664)	0	0	0
TOTAL (392)	(5,870,873)	(187,937)	127,000	(4,465,000)
2000 RDA TABS CIP (393)				
3431 Pooled Investment-Interest	(1,074)	2,015	2,000	2,000
3911 Op Trfs Out To the RDA Project Fund	(165,722)	0	0	0
TOTAL (393)	(166,796)	2,015	2,000	2,000
2003 RDA TABS CIP (395)				
3431 Pooled Investment-Interest	1,781,166	2,668,038	2,100,000	1,504,000
3432 Cash with Fiscal Agents	161	0	0	0
3433 Other Interest Income	0	3,350	0	0
3819 Other Operating Transfers In	115	0	0	0
3911 Op Trfs Out To the RDA Project Fund	(259,582)	0	0	(33,700,000)
3915 Op Trfs Out To the Sewer Fund	0	(1,000,000)	(1,000,000)	0
3919 Op Trfs Out To Other Miscellaneous Funds	(67,164,529)	0	0	0
3941 Appn Transfers out to Redevelo	(24,000,000)	0	0	0
3970 Bond Proceeds	205,372,249	0	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	(5,915,186)	(13,065,000)	0
TOTAL (395)	115,729,580	(4,243,797)	(11,965,000)	(32,196,000)
WATER M & O FUND (400)				
3431 Pooled Investment-Interest	222,586	175,756	178,000	174,000
3433 Other Interest Income	(42,496)	(8,741)	0	0
3601 General Government Service Charges	0	17,575	25,000	0
3622 Water Service Agreements	14,700	22,861	30,000	5,000
3623 Metered Water Sales	12,101,420	12,213,166	13,900,000	13,871,000
3672 Public Works Cost Recovery	153	0	0	0
3790 Miscellaneous Other Revenue	0	129,556	0	0
3814 Op Transfers in from Recycled	350,000	360,000	440,000	440,000
3815 Op Transfers in from Sewer M&O	4,639	0	0	0
3901 Op Trfs Out To the General Fund	(2,782,909)	(2,990,241)	(3,114,201)	(2,913,685)
3911 Op Trfs Out To the RDA Project Fund	(858,833)	(5,000)	(30,000)	(5,000)
3912 Op Trfs Out To the Water Fund	(444,514)	0	0	0
3931 Appn Transfers out to General	(50,000)	(26,000)	0	0
3942 Appn Transfers out to Water M&	(363,325)	0	0	0
3981 Contributions-Proprietary Fund	657,684	15,000	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	(662,951)	(1,160,000)	(1,560,000)
TOTAL (400)	8,809,106	9,240,982	10,268,799	10,011,315
WATER CIP (401)				
3575 County Contributions-Eng & Plan	140,000	0	0	0
3811 Op Transfers in from Redevelop	140,000	0	0	0
3812 Op Transfers in from Water M&O	444,514	0	0	0
3842 Appn Transfers in from Water M	363,325	0	0	0
3899 Op Trfs in from Subsidiary CIP fund	0	0	0	1,560,000
3911 Op Trfs Out To the RDA Project Fund	(1,196,814)	0	0	0
3940 Appn Transfers out to Park Imp	(10,000)	0	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	662,951	1,160,000	0

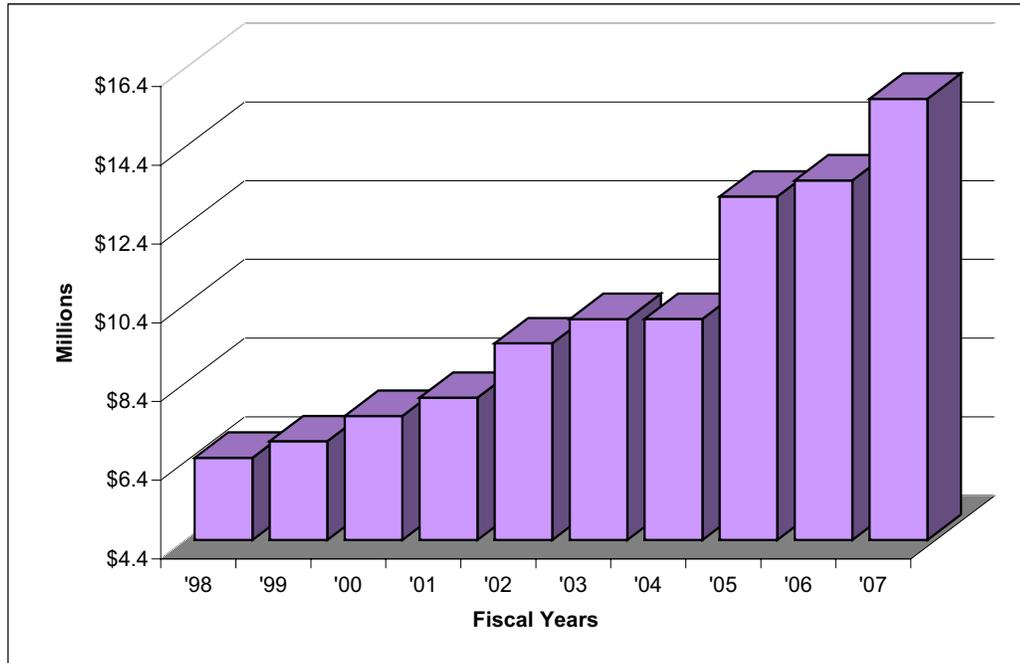
Financial Information Revenues by Source (Detail)

Description	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
TOTAL (401)	<u>(118,975)</u>	<u>662,951</u>	<u>1,160,000</u>	<u>1,560,000</u>
WATER LINE EXTENSION FUND (402)				
3431 Pooled Investment-Interest	7,840	9,066	8,000	23,000
3710 Development	8,400	46,921	690,000	408,000
TOTAL (402)	<u>16,240</u>	<u>55,987</u>	<u>698,000</u>	<u>431,000</u>
RECYCLED WATER FUND (406)				
3431 Pooled Investment-Interest	38,220	46,970	45,000	59,000
3433 Other Interest Income	(12,544)	(2,081)	0	0
3585 Other Restricted Grants-Eng & Planning	(2,658)	60,159	0	0
3623 Metered Water Sales	878,371	1,016,890	1,084,000	1,192,000
3790 Miscellaneous Other Revenue	0	8,967	0	0
3901 Op Trfs Out To the General Fund	(50,181)	(51,680)	(54,142)	(30,844)
3912 Op Trfs Out To the Water Fund	(350,000)	(360,000)	(440,000)	(440,000)
3981 Contributions-Proprietary Fund	28,110	0	0	0
TOTAL (406)	<u>529,317</u>	<u>719,224</u>	<u>634,858</u>	<u>780,156</u>
SEWER M & O FUND (450)				
3010 Property Taxes, Current	(1,705)	0	0	0
3030 Property Taxes, Supplement	31,586	551	0	0
3431 Pooled Investment-Interest	319,111	203,413	188,000	442,000
3433 Other Interest Income	160,372	(185,575)	0	0
3601 General Government Service Charges	0	3,371	0	0
3628 Sewer Service Charges	7,472,165	8,249,391	8,720,000	9,431,000
3790 Miscellaneous Other Revenue	0	54,674	0	0
3845 Appn Transfers in from Sewer M	1,807,448	0	0	0
3846 Appn Transfers in from Treatme	437,000	0	0	0
3901 Op Trfs Out To the General Fund	(1,797,537)	(2,190,471)	(2,262,174)	(2,109,137)
3911 Op Trfs Out To the RDA Project Fund	0	(5,000)	(30,000)	(5,000)
3912 Op Trfs Out To the Water Fund	(4,639)	0	0	0
3915 Op Trfs Out To the Sewer Fund	(142,000)	0	0	0
3916 Op Trfs Out To the Treatment Plant Fund	(1,503,189)	0	0	0
3931 Appn Transfers out to General	0	(26,000)	0	0
3945 Appn Transfers out to Sewer M&	(2,064,554)	0	0	0
3980 Other Financing Sources	0	0	0	9,200,000
3981 Contributions-Proprietary Fund	648,870	31,675	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	(21,690)	(2,060,000)	(9,315,000)
TOTAL (450)	<u>5,362,928</u>	<u>6,114,338</u>	<u>4,555,826</u>	<u>7,643,863</u>
SEWER CIP (451)				
3572 So Bay Water Recycling Program	163,651	107,708	0	0
3585 Other Restricted Grants-Eng & Planning	0	0	2,000,000	0
3760 Developer Contribution	0	0	466,500	0
3815 Op Transfers in from Sewer M&O	142,000	0	0	0
3818 Op Transfers in from Tax Alloc	0	1,000,000	1,000,000	0
3820 Oper Transfer in from Debt Pro	1,664	0	0	0
3845 Appn Transfers in from Sewer M	1,664,554	0	0	0
3899 Op Trfs in from Subsidiary CIP fund	0	0	0	9,715,000
3911 Op Trfs Out To the RDA Project Fund	(108,750)	0	0	0
3941 Appn Transfers out to Redevelo	(1,500,000)	0	0	0
3945 Appn Transfers out to Sewer M&	(1,807,448)	0	0	0

Financial Information Revenues by Source (Detail)

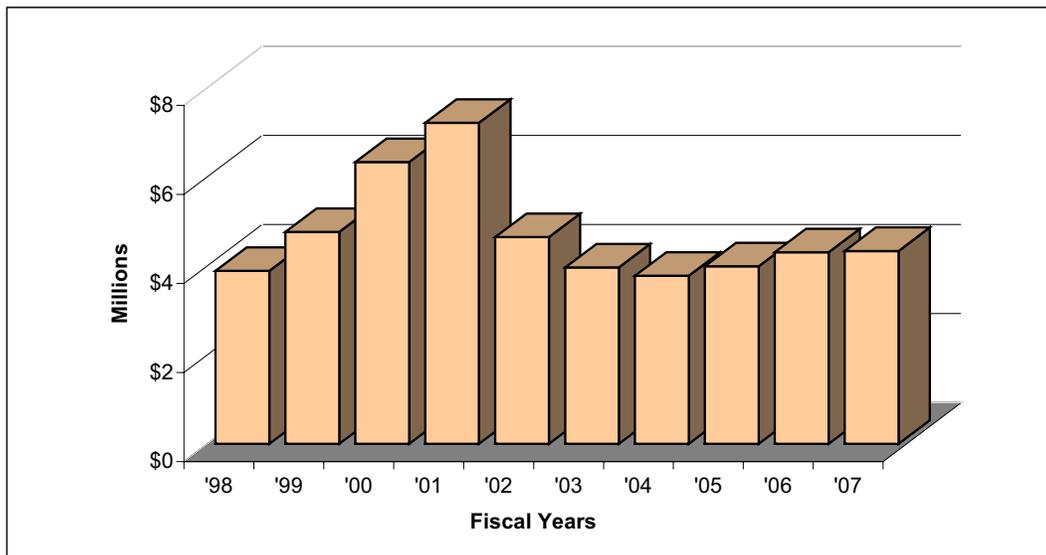
Description	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
3999 Op Trfs Out To Subsidiary CIP fund	0	(64,808)	8,568,500	0
TOTAL (451)	(1,444,329)	1,042,901	12,035,000	9,715,000
TREATMENT PLANT CONSTRUCTION F (452)				
3431 Pooled Investment-Interest	169,288	193,700	189,000	12,000
3433 Other Interest Income	0	385	0	0
3710 Development	73,991	325,766	1,265,000	875,000
3815 Op Transfers in from Sewer M&O	1,503,189	0	0	0
3845 Appn Transfers in from Sewer M	400,000	0	0	0
3945 Appn Transfers out to Sewer M&	(437,000)	0	0	0
3999 Op Trfs Out To Subsidiary CIP fund	0	86,498	(6,233,500)	0
TOTAL (452)	1,709,468	606,349	(4,779,500)	887,000
SEWER INFRASTRTURE REPLMNT (455)				
3431 Pooled Investment-Interest	173,535	168,077	159,000	161,000
3999 Op Trfs Out To Subsidiary CIP fund	0	0	(275,000)	(400,000)
TOTAL (455)	173,535	168,077	(116,000)	(239,000)
SOUTH BAY WATER RECYCLING PRGM (456)				
3431 Pooled Investment-Interest	32,495	25,632	28,000	28,000
TOTAL (456)	32,495	25,632	28,000	28,000
EQUIPMENT MGNT FUND (500)				
3431 Pooled Investment-Interest	0	0	0	170,000
3671 Public Works Service Charges	204,012	1,575,717	1,724,976	0
3750 Donations	5,000	0	0	0
3770 Sale of Property, Plant and Equipment	9,986	28,374	10,000	0
3790 Miscellaneous Other Revenue	0	2,378	0	0
3901 Op Trfs Out To the General Fund	(750,000)	0	0	0
3981 Contributions-Proprietary Fund	331,983	1,078,207	0	0
TOTAL (500)	(199,018)	2,684,676	1,734,976	170,000
TOTAL	307,261,866	169,945,343	114,690,239	126,205,628

**General Fund
History of Property Tax Revenue
1998 through 2007**



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

**General Fund
History of Transient Occupancy Tax Revenue
1998 through 2007**

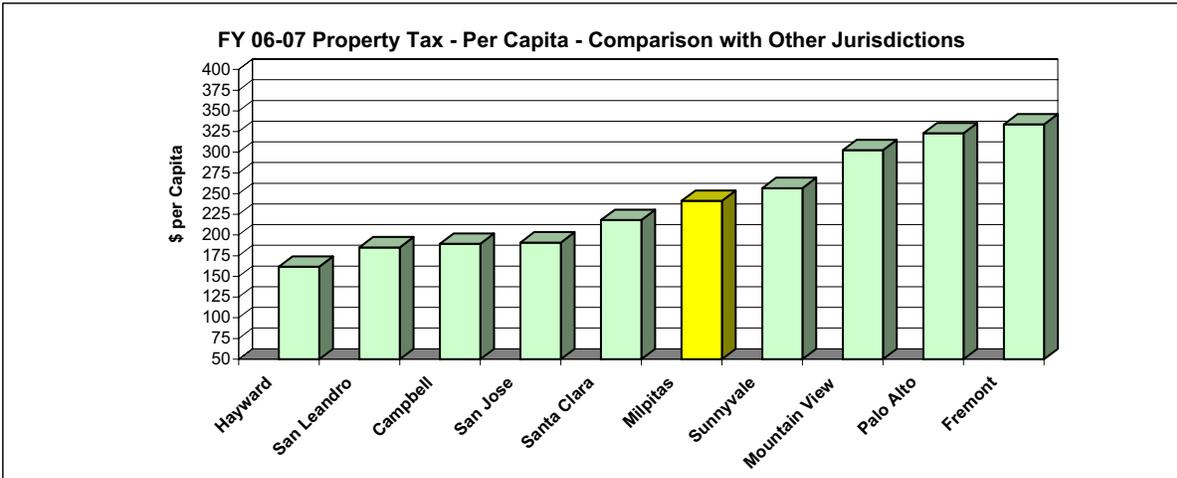


The City of Milpitas Transient Occupancy Rate is currently 10%

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**Property Tax
Comparison With Other Jurisdictions
FY 02-03 through FY 06-07**

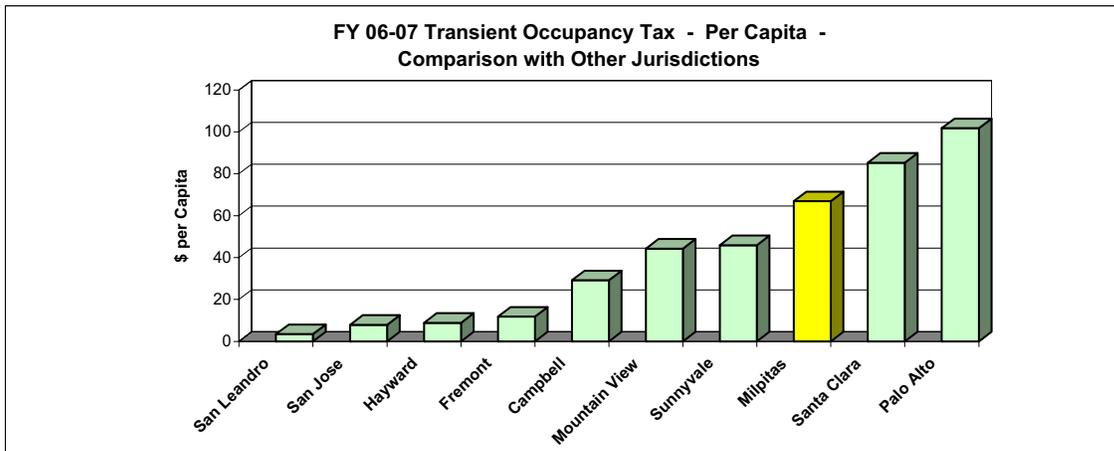
City	Actual 2002-03	Actual 2003-04	Actual 2004-05	Budgeted 2005-06	Budgeted 2006-07
Milpitas	\$10,008,699	\$10,015,239	\$13,121,767	\$13,534,000	\$15,609,000
% of General Fund	19%	20%	22%	21%	23%
Per Capita	157.68	158.92	209.29	211.47	241.25
Campbell	\$3,770,090	\$3,798,505	\$5,657,676	\$5,940,000	\$7,269,000
% of General Fund	15%	14%	20%	21%	24%
Per Capita	98.69	98.92	147.72	155.09	189.26
Fremont	\$33,036,823	\$35,264,364	\$61,790,662	\$68,792,000	\$70,225,000
% of General Fund	34%	36%	33%	37%	35%
Per Capita	158.07	168.66	293.62	326.89	333.70
Hayward	\$18,728,438	\$19,577,000	\$18,860,000	\$20,500,000	\$23,680,000
% of General Fund	23%	24%	20%	21%	24%
Per Capita	130.19	136.09	130.49	141.07	161.75
Mountain View	\$15,110,347	\$15,015,950	\$15,502,000	\$19,750,000	\$21,770,000
% of General Fund	21%	21%	21%	27%	27%
Per Capita	211.01	208.55	216.51	274.18	302.38
Palo Alto	\$13,821,000	\$13,740,000	\$16,699,942	\$18,173,800	\$20,300,000
% of General Fund	11%	14%	14%	14%	16%
Per Capita	228.45	226.73	271.85	292.43	322.91
San Jose	\$95,108,000	\$95,649,000	\$146,942,000	\$143,996,000	\$183,914,000
% of General Fund	18%	18%	26%	25%	29%
Per Capita	102.82	103.27	155.49	150.94	190.98
San Leandro	\$7,522,013	\$8,101,391	\$11,694,631	\$12,380,442	\$15,010,728
% of General Fund	11%	13%	17%	18%	20%
Per Capita	92.41	99.93	144.30	152.71	185.08
Santa Clara	\$17,228,401	\$16,369,266	\$19,934,513	\$20,115,000	\$24,164,651
% of General Fund	15%	13%	16%	16%	18%
Per Capita	162.84	154.67	184.97	184.36	218.15
Sunnyvale	\$23,868,187	\$23,580,170	\$31,561,137	\$33,069,572	\$34,150,296
% of General Fund	28%	24%	30%	30%	30%
Per Capita	181.12	177.29	237.15	248.48	256.60



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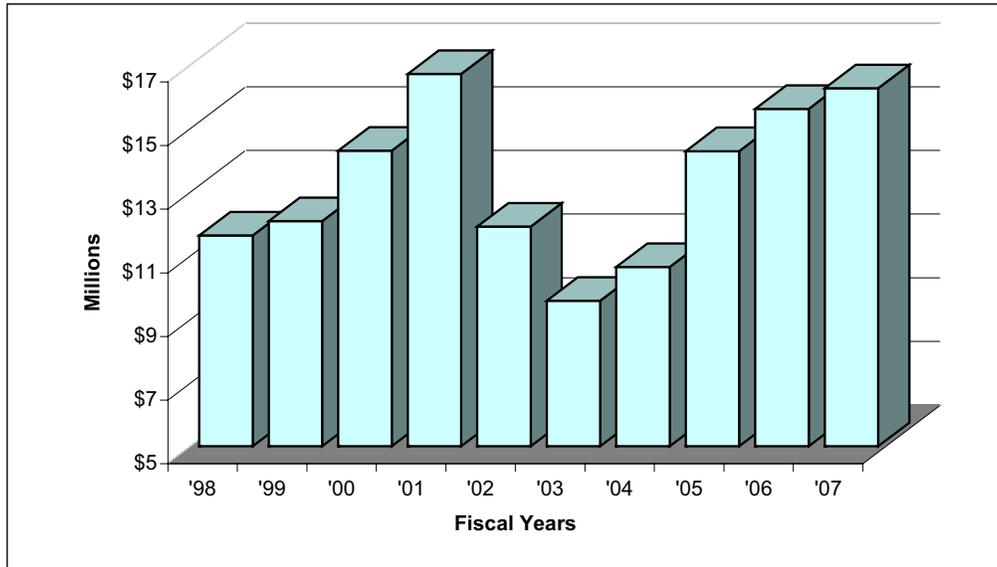
**Transient Occupancy Tax
Comparison With Other Jurisdictions
FY 02-03 through FY 06-07**

City	Actual 2002-03	Actual 2003-04	Actual 2004-05	Budgeted 2005-06	Budgeted 2006-07
Milpitas	\$3,960,704	\$3,773,974	\$3,986,016	\$4,301,000	\$4,331,000
% of General Fund	8%	7%	7%	7%	6%
Per Capita	62.40	59.89	63.57	67.20	66.94
Campbell	\$970,000	\$882,464	\$894,179	\$950,000	\$1,120,000
% of General Fund	4%	3%	3%	3%	4%
Per Capita	25.39	22.98	23.35	24.80	29.16
Fremont	\$1,798,758	\$1,830,630	\$2,017,604	\$2,121,000	\$2,486,000
% of General Fund	2%	2%	1%	1%	1%
Per Capita	8.61	8.76	9.59	10.08	11.81
Hayward	\$1,214,604	\$1,143,000	\$1,292,000	\$1,200,000	\$1,300,000
% of General Fund	2%	1%	1%	1%	1%
Per Capita	8.44	7.95	8.94	8.26	8.88
Mountain View	\$2,367,384	\$2,246,070	\$2,583,000	\$2,558,000	\$3,188,000
% of General Fund	3%	3%	4%	3%	4%
Per Capita	33.06	31.20	36.08	35.51	44.28
Palo Alto	\$5,333,000	\$5,489,000	\$5,685,748	\$6,173,000	\$6,400,000
% of General Fund	4%	6%	5%	5%	5%
Per Capita	88.15	90.58	92.56	99.33	101.81
San Jose	\$5,800,000	\$14,182,931	\$6,409,000	\$6,450,000	\$7,600,000
% of General Fund	1%	3%	1%	1%	1%
Per Capita	6.27	15.31	6.78	6.76	7.89
San Leandro	\$174,031	\$311,522	\$323,466	\$315,000	\$280,000
% of General Fund	0.26%	0.48%	0.47%	0.45%	0.38%
Per Capita	2.14	3.84	3.99	3.89	3.45
Santa Clara	\$7,889,562	\$7,159,622	\$7,795,616	\$7,904,000	\$9,450,000
% of General Fund	7%	6%	6%	6%	7%
Per Capita	74.57	67.65	72.33	72.44	85.31
Sunnyvale	\$5,093,149	\$4,751,669	\$5,073,824	\$5,461,025	\$6,109,305
% of General Fund	6%	5%	5%	5%	5%
Per Capita	38.65	35.73	38.12	41.03	45.90



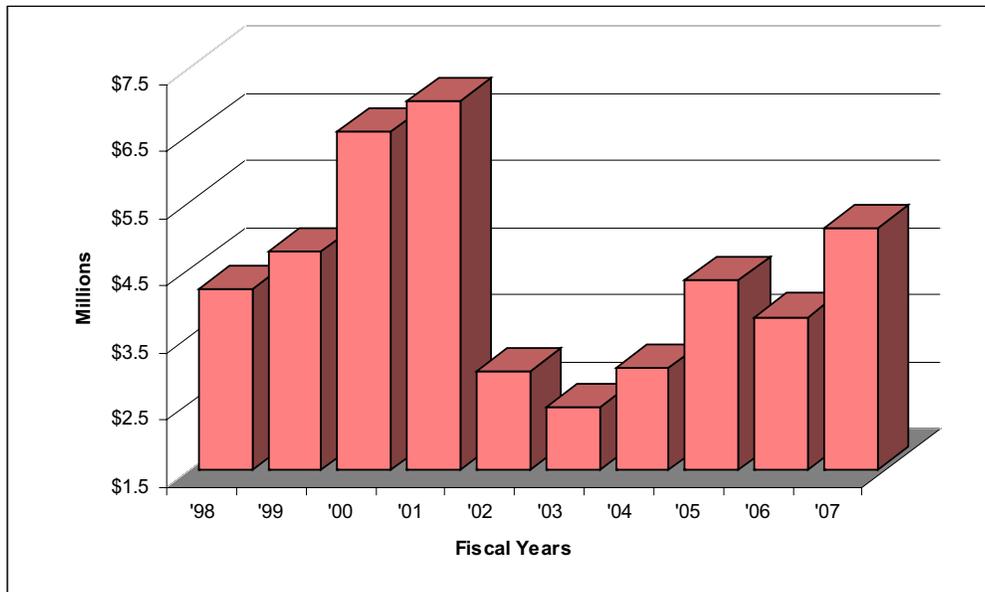
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**General Fund
History of Sales Tax Revenue
1998 through 2007**



Of the \$.0875 sales tax paid on every \$1.00 spent when shopping in Milpitas, \$.01 is returned to the City

**General Fund
History of License, Permit and Fine Revenue
1998 through 2007**

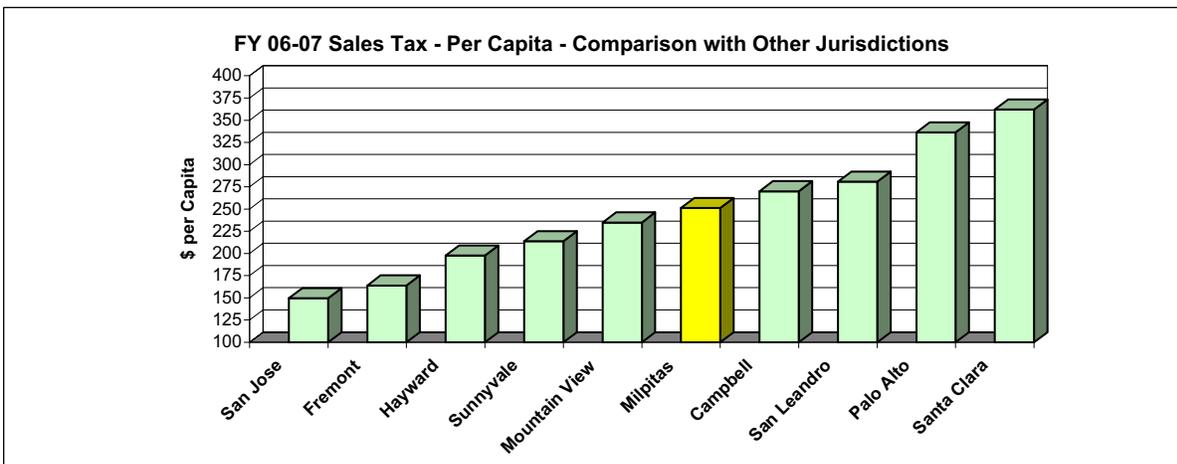


License, Permit and Fine Revenues include: Building Permits and Vehicle Code Fines

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**Sales Tax
Comparison With Other Jurisdictions
FY 02-03 through FY 06-07**

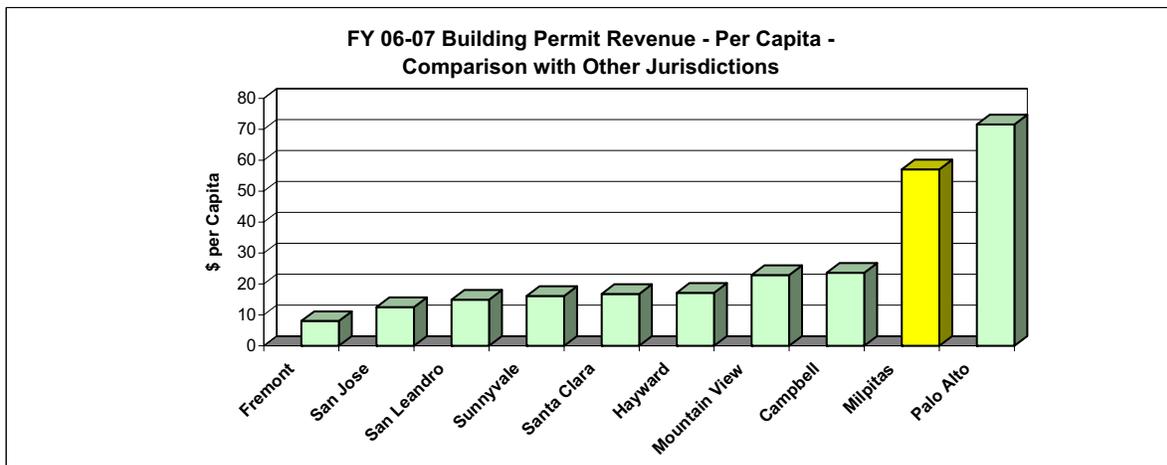
City	Actual 2002-03	Actual 2003-04	Actual 2004-05	Budgeted 2005-06	Budgeted 2006-07
Milpitas	\$9,568,227	\$10,635,247	\$14,270,542	\$15,595,000	\$16,245,000
% of General Fund	18%	21%	24%	24%	24%
Per Capita	150.74	168.76	227.61	243.67	251.08
Campbell	\$8,997,381	\$10,684,234	\$9,973,506	\$10,000,000	\$10,368,000
% of General Fund	35%	40%	35%	36%	34%
Per Capita	235.53	278.24	260.40	261.10	269.94
Fremont	\$28,202,974	\$26,796,489	\$30,619,014	\$30,121,000	\$34,263,000
% of General Fund	29%	28%	16%	16%	17%
Per Capita	134.94	128.16	146.50	144.12	163.88
Hayward	\$25,779,520	\$25,413,000	\$27,155,000	\$27,295,000	\$28,933,000
% of General Fund	32%	31%	29%	28%	29%
Per Capita	179.21	176.66	187.88	187.82	197.63
Mountain View	\$14,327,643	\$14,158,520	\$14,852,000	\$15,607,000	\$16,908,000
% of General Fund	20%	20%	20%	21%	21%
Per Capita	200.08	196.65	207.43	216.66	234.85
Palo Alto	\$18,041,000	\$18,151,000	\$19,308,290	\$20,020,000	\$21,133,000
% of General Fund	15%	19%	17%	16%	16%
Per Capita	298.20	299.52	314.31	322.13	336.16
San Jose	\$127,457,000	\$130,698,000	\$133,113,000	\$135,243,000	\$144,008,000
% of General Fund	24%	25%	24%	23%	22%
Per Capita	137.79	141.11	140.86	141.76	149.54
San Leandro	\$20,938,399	\$20,347,191	\$20,971,760	\$21,960,000	\$22,766,255
% of General Fund	31%	32%	31%	31%	31%
Per Capita	257.23	250.98	258.76	270.86	280.71
Santa Clara	\$33,814,782	\$35,976,144	\$37,076,578	\$37,053,000	\$40,110,000
% of General Fund	29%	30%	30%	30%	30%
Per Capita	319.61	339.94	344.02	339.61	362.10
Sunnyvale	\$22,766,997	\$24,599,057	\$24,917,237	\$27,436,523	\$28,446,552
% of General Fund	26%	26%	23%	25%	25%
Per Capita	172.76	184.96	187.23	206.16	213.75



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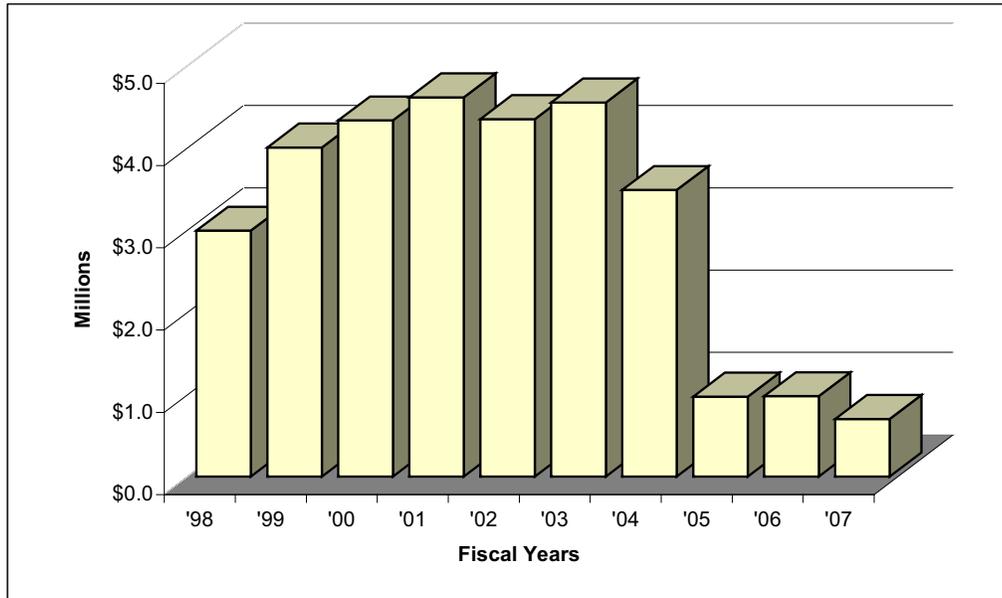
**Building Permits
Comparison With Other Jurisdictions
FY 02-03 through FY 06-07**

City	Actual 2002-03	Actual 2003-04	Actual 2004-05	Budgeted 2005-06	Budgeted 2006-07
Milpitas	\$1,270,407	\$1,460,360	\$2,876,211	\$2,475,000	\$3,688,000
% of General Fund	2%	3%	5%	4%	5%
Per Capita	20.01	23.17	45.87	38.67	57.00
Campbell	\$659,844	\$835,638	\$994,179	\$875,000	\$906,500
% of General Fund	3%	3%	3%	3%	3%
Per Capita	17.27	21.76	25.96	22.85	23.60
Fremont	\$1,379,409	\$1,784,607	\$1,844,078	\$1,990,322	\$1,686,000
% of General Fund	1%	2%	1%	1%	1%
Per Capita	6.60	8.54	8.76	9.46	8.01
Hayward	\$1,249,809	\$2,688,000	\$2,162,000	\$2,511,000	\$2,511,000
% of General Fund	2%	3%	2%	3%	3%
Per Capita	8.69	18.69	14.96	17.28	17.15
Mountain View	\$1,174,524	\$1,578,980	\$2,158,000	\$1,648,000	\$1,648,000
% of General Fund	2%	2%	3%	2%	2%
Per Capita	16.40	21.93	30.14	22.88	22.89
Palo Alto	\$4,429,000	\$2,758,000	\$3,668,342	\$4,244,860	\$4,496,892
% of General Fund	4%	3%	3%	3%	3%
Per Capita	73.21	45.51	59.71	68.30	71.53
San Jose	\$5,800,000	\$7,565,987	\$15,510,000	\$14,258,000	\$12,061,000
% of General Fund	1%	1%	3%	2%	2%
Per Capita	6.27	8.17	16.41	14.95	12.52
San Leandro	\$1,240,229	\$1,205,041	\$1,185,154	\$1,126,980	\$1,207,500
% of General Fund	2%	2%	2%	2%	2%
Per Capita	15.24	14.86	14.62	13.90	14.89
Santa Clara	\$1,715,812	\$1,605,240	\$2,157,045	\$1,900,000	\$1,858,000
% of General Fund	1%	1%	2%	2%	1%
Per Capita	16.22	15.17	20.01	17.41	16.77
Sunnyvale	\$940,146	\$1,549,278	\$1,813,403	\$1,950,000	\$2,144,706
% of General Fund	1%	2%	2%	2%	2%
Per Capita	7.13	11.65	13.63	14.65	16.12



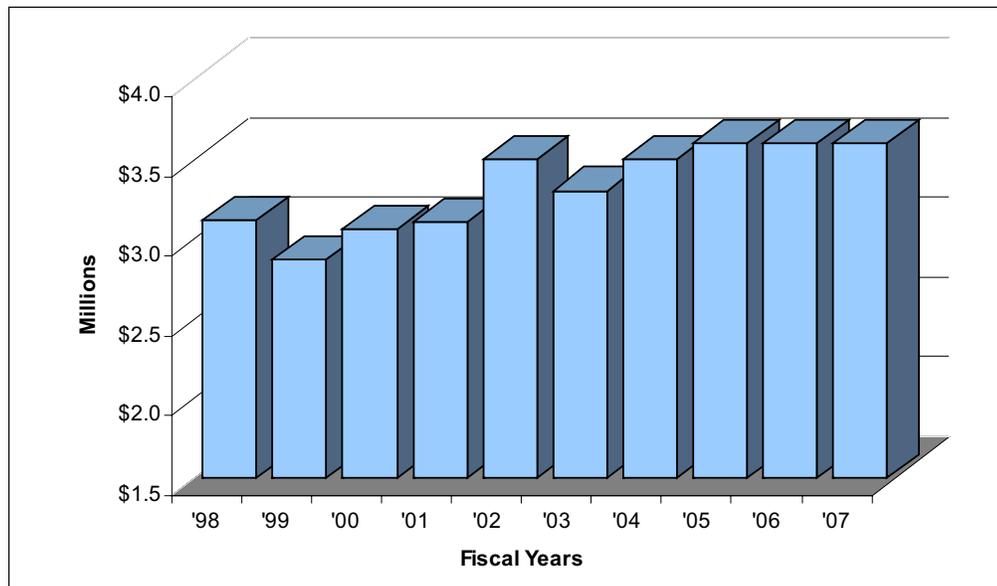
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General Fund History of Intergovernmental Revenue 1998 through 2007



Intergovernmental Revenues include: Motor Vehicle In-Lieu Tax and Miscellaneous Grants
(FY 99 includes a one-time reimbursement from FEMA for February 98 El Niño Storms)

General Fund History of "Other" Tax Revenue 1998 through 2007

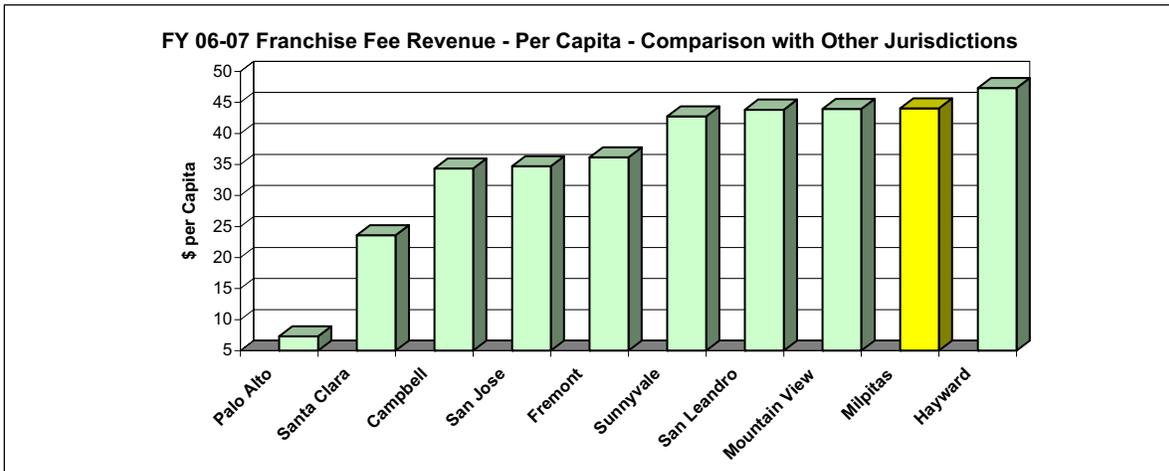


"Other" Tax Revenues include: Real Estate Transfer Tax, Franchise Fees
and Business License Tax

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**Franchise Fee Revenue
Comparison With Other Jurisdictions
FY 02-03 through FY 06-07**

City	Actual 2002-03	Actual 2003-04	Actual 2004-05	Budgeted 2005-06	Budgeted 2006-07
Milpitas	\$2,673,944	\$2,649,820	\$2,771,467	\$2,867,000	\$2,849,000
% of General Fund	5%	5%	5%	4%	4%
Per Capita	42.13	42.05	44.20	44.80	44.03
Campbell	\$1,199,010	\$1,237,222	\$1,262,319	\$1,265,000	\$1,320,000
% of General Fund	5%	5%	4%	4%	4%
Per Capita	31.39	32.22	32.96	33.03	34.37
Fremont	\$6,872,912	\$7,003,922	\$7,546,775	\$7,563,000	\$7,862,000
% of General Fund	7%	7%	4%	4%	4%
Per Capita	32.89	33.50	35.86	35.94	37.36
Hayward	\$5,393,572	\$5,588,000	\$6,624,000	\$6,883,000	\$6,927,000
% of General Fund	7%	7%	7%	7%	7%
Per Capita	37.49	38.84	45.83	47.36	47.32
Mountain View	\$2,764,649	\$2,816,470	\$2,992,000	\$3,166,000	\$3,284,000
% of General Fund	4%	4%	4%	4%	4%
Per Capita	38.61	39.12	41.79	43.95	45.61
Palo Alto	\$317,000	\$586,000	\$374,868	\$460,000	\$460,000
% of General Fund	0.26%	0.60%	0.32%	0.36%	0.36%
Per Capita	5.24	9.67	6.10	7.40	7.32
San Jose	\$32,093,000	\$31,763,435	\$33,722,000	\$33,138,000	\$36,904,000
% of General Fund	6%	6%	6%	6%	6%
Per Capita	34.70	34.29	35.68	34.74	38.32
San Leandro	\$3,329,375	\$3,605,260	\$3,597,465	\$3,570,500	\$4,150,400
% of General Fund	5%	6%	5%	5%	6%
Per Capita	40.90	44.47	44.39	44.04	51.18
Santa Clara	\$2,409,630	\$2,770,793	\$2,755,470	\$2,561,000	\$2,612,000
% of General Fund	2%	2%	2%	2%	2%
Per Capita	22.78	26.18	25.57	23.47	23.58
Sunnyvale	\$5,226,408	\$5,520,536	\$5,394,792	\$5,479,681	\$5,688,840
% of General Fund	6%	6%	5%	5%	5%
Per Capita	39.66	41.51	40.54	41.17	42.75



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Expenditures by Fund (Summary)

	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
100 General Fund	57,935,105	65,160,643	65,819,064	68,300,030
102 Library Fund	0	0	15,000	345,000
211 H-Hetch Ground Lease	0	10,119	0	26,000
235 95-1 Lighting/Lscape Dist	276,944	220,955	240,000	245,100
236 98-1 Lighting/Lscape Dist	87,630	26,105	32,000	27,000
250 HCD Fund	1,106,182	568,903	723,852	630,605
251 HCD Loan	25,812	(11,659)	0	88,518
261 Supplemental Law Enforcement	114,083	100,341	0	0
262 State Asset Seizure	5,716	13,170	25,000	45,000
263 Federal Asset Seizure	3,150	0	8,312	5,000
264 Local Law Enforcmnt Block Grant	34,029	39,619	0	0
275 Abandon Veh Abatemnt	65,789	126,794	76,000	75,000
280 Solid Waste Services	124,741	223,430	213,115	171,336
281 Solid Waste Reduction	288,376	172,094	331,193	286,426
290 Housing Reserve Fund	139,775	401,961	110,423	121,456
310 Street Fund	(821,892)	25,065	233,100	138,945
311 Street CIP	4,998,389	7,093,024	2,218,713	2,351,294
321 Park Improvement CIP	1,495,481	1,162,725	144,000	195,000
331 General Government CIP	1,065,772	803,986	10,000	20,000
390 RDA Project Fund	2,555,322	107,210,484	22,399,017	15,203,045
391 Redevelopment CIP	4,582,813	5,901,973	17,835,000	40,810,000
395 2003 RDA TABs CIP	4,286,587	20,039,441	0	4,000,000
400 Water M & O Fund	4,729,721	7,492,478	9,352,889	9,526,442
401 Water CIP	3,884,462	896,207	1,160,000	1,560,000
406 Recycled Water Fund	232,590	227,080	364,824	360,103
450 Sewer M & O Fund	4,535,100	3,492,119	7,244,064	7,685,700
451 Sewer CIP	668,039	1,579,459	12,035,000	9,715,000
500 Equipment Mgnt Fund	2,533,724	2,591,367	2,431,276	2,205,690
792 97 Tax Allocation Bonds Fund	35,914,166	0	0	0
793 00 Tax Allocation Bonds Fund	29,931,267	0	0	0
794 GMBA Sales Tax Revenue Bonds	8,218,207	0	0	0
795 2003 Tax Allocation Bond	2,586,581	0	0	0
TOTAL	171,603,661	225,567,883	143,021,842	164,137,690

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contract Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
GENERAL FUND						
City Council	165,688	155,988	0	0	0	321,676
City Manager	362,570	32,400	0	0	0	394,970
City Clerk	770,844	198,545	0	0	0	969,389
Building Inspection Services	1,092,771	38,790	0	0	0	1,131,561
Plan Checking	529,844	10,675	0	0	0	540,519
Building Administration	178,696	10,130	0	0	0	188,826
Permit Center	494,283	15,400	0	0	0	509,683
Recreation Administration	981,425	107,695	0	0	0	1,089,120
Senior Citizen Services	424,848	194,098	10,400	0	0	629,346
Preschool	220,957	40,850	0	0	0	261,807
Youth Camps and Programs	65,780	49,600	0	0	0	115,380
Stay & Play	297,547	12,500	0	0	0	310,047
Teens	201,313	10,000	0	0	0	211,313
Special Events	18,923	73,327	0	0	0	92,250
Cultural Arts	0	24,375	0	0	0	24,375
Rainbow Theatre	176,518	37,645	0	0	0	214,163
General Classes	0	294,209	0	0	0	294,209
Aquatics	588,183	56,300	0	0	0	644,483
Sports & Fitness Classes	378,925	50,030	0	0	0	428,955
Adult Sports	53,919	66,910	0	0	0	120,829
Volunteer Services	99,714	10,000	0	0	0	109,714
Information Services	1,886,669	551,360	0	0	0	2,438,029
Human Resources	666,544	560,537	0	0	0	1,227,081
City Attorney	0	788,460	0	0	0	788,460
Finance Administration	608,192	75,430	0	0	0	683,622
Accounting Services	1,149,818	30,070	0	0	0	1,179,888
Receivables	319,397	3,785	0	0	0	323,182
Purchasing	399,850	86,520	0	0	0	486,370
Public Works Administration	504,368	14,420	10,000	0	0	528,788
Street Maintenance	1,295,850	579,560	0	0	0	1,875,410
Parks Maintenance	1,908,142	420,960	0	0	0	2,329,102
Trees & Landscape Mnt	1,262,195	284,960	0	0	0	1,547,155
Facilities Maintenance	1,177,170	780,590	0	0	0	1,957,760
Engineering Administration	170,973	12,660	0	0	0	183,633
Design & Construction	409,687	12,470	0	0	0	422,157
Land Development	581,262	30,515	0	0	0	611,777
Traffic Engineering	523,373	157,750	4,000	0	0	685,123
Planning & Nighbhd Svcs Admin	314,954	4,180	0	0	0	319,134
Planning	699,575	114,030	0	0	0	813,605
Neighborhood Preservation	251,935	271,012	0	0	0	522,947
Housing	259,162	810	0	0	0	259,972
Police Administration	561,362	19,534	0	0	0	580,896
Records	1,396,268	181,792	0	0	0	1,578,060
Personnel & Training	196,588	107,212	0	0	0	303,800

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contrac Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Communications	2,201,069	147,080	0	0	0	2,348,149
Patrol Services	8,985,685	434,632	0	0	0	9,420,317
Traffic	2,577,704	147,211	0	0	0	2,724,915
Crossing Guards	314,104	6,030	0	0	0	320,134
Community Relations	1,029,822	70,826	0	0	0	1,100,648
Investigations	1,994,339	341,791	0	0	0	2,336,130
Fire Administration	395,631	73,830	0	0	0	469,461
Response Div Admin	194,738	56,070	0	0	0	250,808
A/B/C Platoon Operations	10,130,721	1,281,290	0	0	0	11,412,011
Disaster Prep & Medic Services	183,208	43,790	0	0	0	226,998
Prevention Div Admin	553,874	90,100	0	0	0	643,974
Fire Plan Check & Permits	280,956	4,840	0	0	0	285,796
General Prevention Information	500	39,940	0	0	0	40,440
Hazardous Materials Regulation	476,250	7,280	0	0	0	483,530
Inspection & Investigation	181,900	22,400	0	0	0	204,300
Non-Departmental	1,827,288	2,700,565	0	0	0	4,527,853
Debt Service	0	0	0	1,256,000	0	1,256,000
sub-total (100)	54,973,871	12,045,759	24,400	1,256,000	0	68,300,030
LIBRARY FUND						
City Manager	0	345,000	0	0	0	345,000
sub-total (102)	0	345,000	0	0	0	345,000
H-HETCH GROUND LEASE						
Non-Departmental	0	26,000	0	0	0	26,000
sub-total (211)	0	26,000	0	0	0	26,000
95-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	4,000	178,500	0	0	0	182,500
Engineering Administration	500	0	0	0	0	500
Land Development	5,000	57,100	0	0	0	62,100
sub-total (235)	9,500	235,600	0	0	0	245,100
98-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	5,800	17,600	0	0	0	23,400
Engineering Administration	500	0	0	0	0	500
Land Development	2,000	1,100	0	0	0	3,100
sub-total (236)	8,300	18,700	0	0	0	27,000
HCD FUND						
Building Inspection Services	60,606	0	0	0	0	60,606
Accounting Services	20,000	0	0	0	0	20,000
Housing	96,450	442,549	0	0	0	538,999
Non-Departmental	5,000	6,000	0	0	0	11,000
sub-total (250)	182,056	448,549	0	0	0	630,605
HCD LOAN						
Housing	0	88,518	0	0	0	88,518
sub-total (251)	0	88,518	0	0	0	88,518
STATE ASSET SEIZURE						
Investigations	0	0	45,000	0	0	45,000
sub-total (262)	0	0	45,000	0	0	45,000

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contrac Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
FEDERAL ASSET SEIZURE						
Investigations	0	0	5,000	0	0	5,000
sub-total (263)	0	0	5,000	0	0	5,000
ABANDON VEH ABATEMNT						
Neighborhood Preservation	36,600	900	0	0	0	37,500
Traffic	37,500	0	0	0	0	37,500
sub-total (275)	74,100	900	0	0	0	75,000
SOLID WASTE SERVICES						
Solid Waste	105,836	65,500	0	0	0	171,336
sub-total (280)	105,836	65,500	0	0	0	171,336
SOLID WASTE REDUCTION						
Utility Engineering	29,406	0	0	0	0	29,406
Solid Waste	77,060	179,960	0	0	0	257,020
sub-total (281)	106,466	179,960	0	0	0	286,426
HOUSING RESERVE FUND						
RDA & Economic Dvp	33,096	34,360	0	0	0	67,456
Housing	0	54,000	0	0	0	54,000
sub-total (290)	33,096	88,360	0	0	0	121,456
STREET FUND						
Non-Departmental	0	138,945	0	0	0	138,945
sub-total (310)	0	138,945	0	0	0	138,945
STREET CIP						
Capital Improvement Projects	0	0	0	0	2,351,294	2,351,294
sub-total (311)	0	0	0	0	2,351,294	2,351,294
PARK IMPROVEMENT CIP						
Capital Improvement Projects	0	0	0	0	195,000	195,000
sub-total (321)	0	0	0	0	195,000	195,000
GENERAL GOVERNMENT CIP						
Capital Improvement Projects	0	0	0	0	20,000	20,000
sub-total (331)	0	0	0	0	20,000	20,000
RDA PROJECT FUND						
RDA & Economic Dvp	132,354	80,400	0	0	0	212,754
Special Projects	1,012,363	16,140	0	0	0	1,028,503
Solid Waste	57,998	0	0	0	0	57,998
Non-Departmental	222,010	961,780	0	0	0	1,183,790
Debt Service	0	0	0	12,720,000	0	12,720,000
sub-total (390)	1,424,725	1,058,320	0	12,720,000	0	15,203,045
REDEVELOPMENT CIP						
Capital Improvement Projects	0	0	0	0	40,810,000	40,810,000
sub-total (391)	0	0	0	0	40,810,000	40,810,000
2003 RDA TABS CIP						
Non-Departmental	0	0	0	4,000,000	0	4,000,000
sub-total (395)	0	0	0	4,000,000	0	4,000,000
WATER M & O FUND						
Receivables	127,536	0	0	0	0	127,536
Utilities	212,164	87,518	0	0	0	299,682

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contrac Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Utility Maintenance	984,649	420,809	112,400	0	0	1,517,858
Utility Engineering	453,399	348,177	0	0	0	801,576
Non-Departmental	200,200	6,579,590	0	0	0	6,779,790
sub-total (400)	<u>1,977,948</u>	<u>7,436,094</u>	<u>112,400</u>	<u>0</u>	<u>0</u>	<u>9,526,442</u>
WATER CIP						
Capital Improvement Projects	0	0	0	0	1,560,000	1,560,000
sub-total (401)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,560,000</u>	<u>1,560,000</u>
RECYCLED WATER FUND						
Receivables	4,982	0	0	0	0	4,982
Utilities	8,062	279	0	0	0	8,341
Utility Maintenance	68,076	15,067	0	0	0	83,143
Land Development	8,000	0	0	0	0	8,000
Utility Engineering	33,760	2,557	0	0	0	36,317
Non-Departmental	3,000	216,320	0	0	0	219,320
sub-total (406)	<u>125,880</u>	<u>234,223</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>360,103</u>
SEWER M & O FUND						
Receivables	33,128	0	0	0	0	33,128
Utilities	55,064	82,223	0	0	0	137,287
Utility Maintenance	647,701	318,631	0	0	0	966,332
Utility Engineering	313,772	159,656	0	0	0	473,428
Non-Departmental	123,005	5,952,520	0	0	0	6,075,525
sub-total (450)	<u>1,172,670</u>	<u>6,513,030</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,685,700</u>
SEWER CIP						
Capital Improvement Projects	0	0	0	0	9,715,000	9,715,000
sub-total (451)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,715,000</u>	<u>9,715,000</u>
EQUIPMENT MGNT FUND						
Fleet Maintenance	674,507	1,120,233	7,763	0	0	1,802,503
Non-Departmental	18,000	29,000	0	0	0	47,000
Equipment to be Depreciated	0	0	356,187	0	0	356,187
sub-total (500)	<u>692,507</u>	<u>1,149,233</u>	<u>363,950</u>	<u>0</u>	<u>0</u>	<u>2,205,690</u>
TOTAL	<u><u>60,886,955</u></u>	<u><u>30,072,691</u></u>	<u><u>550,750</u></u>	<u><u>17,976,000</u></u>	<u><u>54,651,294</u></u>	<u><u>164,137,690</u></u>

Financial Information Expenditures by Function

Function	Personnel Services	Supplies & Contract Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
City Council	165,688	155,988	0	0	0	321,676
City Manager	362,570	377,400	0	0	0	739,970
City Clerk	770,844	198,545	0	0	0	969,389
RDA & Economic Dvp	165,450	114,760	0	0	0	280,210
Building Inspection Services	1,153,377	38,790	0	0	0	1,192,167
Plan Checking	529,844	10,675	0	0	0	540,519
Building Administration	178,696	10,130	0	0	0	188,826
Permit Center	494,283	15,400	0	0	0	509,683
Recreation Administration	981,425	107,695	0	0	0	1,089,120
Senior Citizen Services	424,848	194,098	10,400	0	0	629,346
Preschool	220,957	40,850	0	0	0	261,807
Youth Camps and Programs	65,780	49,600	0	0	0	115,380
Stay & Play	297,547	12,500	0	0	0	310,047
Teens	201,313	10,000	0	0	0	211,313
Special Events	18,923	73,327	0	0	0	92,250
Cultural Arts	0	24,375	0	0	0	24,375
Rainbow Theatre	176,518	37,645	0	0	0	214,163
General Classes	0	294,209	0	0	0	294,209
Aquatics	588,183	56,300	0	0	0	644,483
Sports & Fitness Classes	378,925	50,030	0	0	0	428,955
Adult Sports	53,919	66,910	0	0	0	120,829
Volunteer Services	99,714	10,000	0	0	0	109,714
Information Services	1,886,669	551,360	0	0	0	2,438,029
Human Resources	666,544	560,537	0	0	0	1,227,081
City Attorney	0	788,460	0	0	0	788,460
Finance Administration	608,192	75,430	0	0	0	683,622
Accounting Services	1,169,818	30,070	0	0	0	1,199,888
Receivables	485,043	3,785	0	0	0	488,828
Utilities	275,290	170,020	0	0	0	445,310
Purchasing	399,850	86,520	0	0	0	486,370
Public Works Administration	504,368	14,420	10,000	0	0	528,788
Street Maintenance	1,295,850	579,560	0	0	0	1,875,410
Utility Maintenance	1,700,426	754,507	112,400	0	0	2,567,333
Parks Maintenance	1,908,142	420,960	0	0	0	2,329,102

Financial Information Expenditures by Function

Function	Personnel Services	Supplies & Contrac Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Trees & Landscape Mnt	1,271,995	481,060	0	0	0	1,753,055
Fleet Maintenance	674,507	1,120,233	7,763	0	0	1,802,503
Facilities Maintenance	1,177,170	780,590	0	0	0	1,957,760
Engineering Administration	171,973	12,660	0	0	0	184,633
Design & Construction	409,687	12,470	0	0	0	422,157
Land Development	596,262	88,715	0	0	0	684,977
Traffic Engineering	523,373	157,750	4,000	0	0	685,123
Utility Engineering	830,337	510,390	0	0	0	1,340,727
Special Projects	1,012,363	16,140	0	0	0	1,028,503
Solid Waste	240,894	245,460	0	0	0	486,354
Planning & Nghbhd Svcs Ad	314,954	4,180	0	0	0	319,134
Planning	699,575	114,030	0	0	0	813,605
Neighborhood Preservation	288,535	271,912	0	0	0	560,447
Housing	355,612	585,877	0	0	0	941,489
Police Administration	561,362	19,534	0	0	0	580,896
Records	1,396,268	181,792	0	0	0	1,578,060
Personnel & Training	196,588	107,212	0	0	0	303,800
Communications	2,201,069	147,080	0	0	0	2,348,149
Community Relations	1,029,822	70,826	0	0	0	1,100,648
Patrol Services	8,985,685	434,632	0	0	0	9,420,317
Traffic	2,615,204	147,211	0	0	0	2,762,415
Crossing Guards	314,104	6,030	0	0	0	320,134
Investigations	1,994,339	341,791	50,000	0	0	2,386,130
Fire Administration	395,631	73,830	0	0	0	469,461
Response Div Admin	194,738	56,070	0	0	0	250,808
A/B/C Platoon Operations	10,130,721	1,281,290	0	0	0	11,412,011
Prevention Div Admin	553,874	90,100	0	0	0	643,974
Inspection & Investigation	181,900	22,400	0	0	0	204,300
Haz Materials Regulation	476,250	7,280	0	0	0	483,530
Fire Plan Check & Permits	280,956	4,840	0	0	0	285,796
General Prevention Infor	500	39,940	0	0	0	40,440
Disaster Prep & Medic Svcs	183,208	43,790	0	0	0	226,998
Non-Departmental	2,398,503	16,610,720	0	4,000,000	0	23,009,223
Debt Service	0	0	0	13,976,000	0	13,976,000
Equip to be Depreciated	0	0	356,187	0	0	356,187
Capital Improvement Proj	0	0	0	0	54,651,294	54,651,294
TOTAL	60,886,955	30,072,691	550,750	17,976,000	54,651,294	164,137,690

Financial Information Internal Cost Allocation Schedule

Function	100/102	211	235	236	250	262	263	275
	General	HH Lease	LLMD 95-1	LLMD 98-1	HCD	St Asset	Fd Asset	AVASA
100 City Council	128,671	0	0	0	0	0	0	0
111 City Manager	502,987	0	0	0	0	0	0	0
114 City Clerk	387,756	0	0	0	0	0	0	0
116 RDA & Eco Development	0	0	0	0	0	0	0	0
450 Recreation	4,545,991	0	0	0	0	0	0	0
530 Building Inspection	627,021	0	0	0	60,606	0	0	0
112 Information Services	1,219,016	0	0	0	0	0	0	0
115 Human Resources	908,039	0	0	0	0	0	0	0
120 City Attorney	157,692	0	0	0	0	0	0	0
300 Finance Admin	136,725	0	0	0	0	0	0	0
310 Accounting Services	342,168	0	0	0	20,000	0	0	0
320 Fiscal Services	106,651	0	0	0	0	0	0	0
330 Purchasing	243,184	0	0	0	0	0	0	0
410 Engineering	400,464	0	62,600	3,600	0	0	0	0
420 Public Works	5,975,822	0	182,500	23,400	0	0	0	0
510 Planning & Neigh Presv	915,012	0	0	0	627,517	0	0	37,500
700 Police Admin	551,851	0	0	0	0	0	0	0
710 Technical Services	3,877,788	0	0	0	0	0	0	0
720 Field Services	12,465,366	0	0	0	0	0	0	37,500
730 Special Operations	3,436,778	0	0	0	0	45,000	5,000	0
800 Fire Admin	422,515	0	0	0	0	0	0	0
810 Response Division	11,609,971	0	0	0	0	0	0	0
820 Prevention Division	914,127	0	0	0	0	0	0	0
910 Non-Departmental	4,527,853	26,000	0	0	11,000	0	0	0
930 Equipment to be Depreciated	0	0	0	0	0	0	0	0
TOTAL OP BUDGET	54,403,448	26,000	245,100	27,000	719,123	45,000	5,000	75,000
920 Debt Service	1,256,000	0	0	0	0	0	0	0
950 C I P Projects	0	0	0	0	0	0	0	0
Total	55,659,448	26,000	245,100	27,000	719,123	45,000	5,000	75,000
Op Cost Reimb	12,985,582	0	0	0	0	0	0	0
Total By Fund	68,645,030	26,000	245,100	27,000	719,123	45,000	5,000	75,000

Financial Information Internal Cost Allocation Schedule

280	281	310/311	320/321	330/331	290/390's	400/401	406	450/451	500	TOTAL
Slid Wst SV	Slid Wst Rd	Street	Park	Gen Gov	RDA	Water	Recycled	Sewer	Equip	
0	0	0	0	0	96,503	48,251	0	48,251	0	321,676
0	0	0	0	0	118,491	59,246	0	59,246	0	739,970
0	0	0	0	0	290,817	145,408	0	145,408	0	969,389
0	0	0	0	0	280,210	0	0	0	0	280,210
0	0	0	0	0	0	0	0	0	0	4,545,991
0	0	0	0	0	1,185,296	279,136	0	279,136	0	2,431,195
0	0	0	0	0	707,028	365,704	24,380	121,901	0	2,438,029
0	0	0	0	0	147,250	85,896	0	85,896	0	1,227,081
0	0	0	0	0	473,076	78,846	0	78,846	0	788,460
0	0	0	0	0	341,811	102,543	0	102,543	0	683,622
0	0	11,799	0	0	471,955	176,983	0	176,983	0	1,199,888
16,159	0	0	0	0	64,636	491,854	19,787	235,051	0	934,138
0	0	0	0	0	97,274	72,956	0	72,956	0	486,370
171,336	286,426	82,215	0	0	2,122,876	993,394	44,317	665,246	0	4,832,474
0	0	750,164	0	0	309,403	2,235,726	83,143	1,451,290	1,802,503	12,813,951
8,136	0	0	0	0	1,046,510	0	0	0	0	2,634,675
0	0	0	0	0	29,045	0	0	0	0	580,896
0	0	0	0	0	117,407	117,407	0	117,407	0	4,230,009
0	0	0	0	0	0	0	0	0	0	12,502,866
0	0	0	0	0	0	0	0	0	0	3,486,778
0	0	0	0	0	46,946	0	0	0	0	469,461
0	0	0	0	0	35,240	240,066	0	4,540	0	11,889,817
13,318	0	0	0	0	489,062	166,921	0	74,612	0	1,658,040
0	0	138,945	0	0	5,183,790	6,779,790	219,320	6,075,525	47,000	23,009,223
0	0	0	0	0	0	0	0	0	356,187	356,187
208,949	286,426	983,123	0	0	13,654,626	12,440,127	390,947	9,794,837	2,205,690	95,510,396
0	0	0	0	0	12,720,000	0	0	0	0	13,976,000
0	0	2,351,294	195,000	20,000	40,810,000	1,560,000	0	9,715,000	0	54,651,294
208,949	286,426	3,334,417	195,000	20,000	67,184,626	14,000,127	390,947	19,509,837	2,205,690	164,137,690
(37,613)	0	(844,178)	0	0	(7,050,125)	(2,913,685)	(30,844)	(2,109,137)	0	0
171,336	286,426	2,490,239	195,000	20,000	60,134,501	11,086,442	360,103	17,400,700	2,205,690	164,137,690

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>		<u>Transfer Distribution</u>
From the Gas Tax Fund	To the Street Improvement Fund for: Various Street CIP Projects	1,500,000
	sub-total	1,500,000
From the Solid Waste Services	To the General Fund for: Operating Cost Reimbursement	37,613
	sub-total	37,613
From the Housing Reserve Fund	To the General Fund for: Operating Cost Reimbursement	694,746
	sub-total	694,746
* From the Street Fund	To Subsidiary CIP fund for: Milpitas Communication Enhancements (4232) Minor Traffic Improvements 2007 (4234) Sidewalk Replacement 2007 (4235) Street Resurfacing Project 2007 (4236) Traffic Management Enhancement 2007 (4237) Traffic Signal Modifications 2007 (4238) Minor Storm Drain Projects 2007 (4239) S. Park Victoria Dr Phase 1 (4225)	170,000 50,000 300,000 750,000 100,000 95,000 10,000 130,202
	sub-total	1,605,202
From the Street Fund	To the General Fund for: Operating Cost Reimbursement	844,178
	sub-total	844,178
From the Street Fund	To the RDA Project Fund for: Bart Extension Coordination and Planning (8164)	5,000
	sub-total	5,000
* From the Street CIP	To Subsidiary CIP fund for: Defunding of Annual Street Resurfacing 2006	300,000
	sub-total	300,000
* From the Park Improvement Fund	To Subsidiary CIP fund for: Ball Park Fence Field Extension (5064) Park Renovation Project 2007 (5082) Park Master Plan (5083)	175,000 20,000 175,000
	sub-total	370,000
From the Park Improvement CIP	To the RDA Project Fund for: Defunding of Ball Park Fence Field (5064)	175,000
	sub-total	175,000
From the General Government CIP	To the General Fund for: Defunding of Abbott Pump Replacement (3391)	30,000
	sub-total	30,000
* From the RDA Project Fund	To Subsidiary CIP fund for: Sports Center Large Gym Improvements (8160) Bart Extension Coordination and Planning (8164) Singley Area Phase 4 (8181)	1,000,000 85,000 18,014
	sub-total	1,103,014
From the RDA Project Fund	To the General Fund for: Operating Cost Reimbursement Public Improvement Purchase	6,355,379 5,100,000

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>		<u>Transfer Distribution</u>
	sub-total	11,455,379
* From the RDA Project Fund	To the Housing Reserve Fund for: 20% Housing Set Aside	5,471,000
	sub-total	5,471,000
From the RDA Project Fund	To the Street Improvement Fund for: Milpitas Communication Enhancements (4232)	170,000
	sub-total	170,000
* From the Redevelopment CIP	To Subsidiary CIP fund for: Defunding of Main/Great Mall Sewer Rplmnt (8167)	140,000
	sub-total	140,000
From the Redevelopment CIP	To the Park Improvement Fund for: Defunding of Sports Center Parking Lot (8149)	600,000
	sub-total	600,000
* From the 97 RDA TABs CIP	To the RDA Project Fund for: Sports Center Large Gym Improvements (8160) N. Main St Midtown Streetscape Imp (8165)	250,000 4,350,000
	sub-total	4,600,000
* From the 2003 RDA TABs CIP	To the RDA Project Fund for: Library Project (8162)	33,700,000
	sub-total	33,700,000
* From the Water M & O Fund	To Subsidiary CIP fund for: Well Upgrade Project (7076) Gibraltar Reservoir & Pump Station (7101) Minor Water Projects 2007 (7103) Water Main Replacement Study (7104)	725,000 700,000 35,000 100,000
	sub-total	1,560,000
From the Water M & O Fund	To the General Fund for: Operating Cost Reimbursement	2,913,685
	sub-total	2,913,685
From the Water M & O Fund	To the RDA Project Fund for: Bart Extension Coordination and Planning (8164)	5,000
	sub-total	5,000
From the Recycled Water Fund	To the General Fund for: Operating Cost Reimbursement	30,844
	sub-total	30,844
* From the Recycled Water Fund	To the Water Fund for: To Maintain Support for Lost Sales	440,000
	sub-total	440,000
* From the Sewer M & O Fund	To Subsidiary CIP fund for: Main Sewer Pump Station Improvement (6103) Minor Sewer Projects 2007 (6105) Sewer Replacement Study (6106)	9,200,000 35,000 80,000
	sub-total	9,315,000
From the Sewer M & O Fund	To the General Fund for: Operating Cost Reimbursement	2,109,137
	sub-total	2,109,137

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>	<u>Transfer Distribution</u>
From the Sewer M & O Fund	
To the RDA Project Fund for:	
Bart Extension Coordination and Planning (8164)	5,000
sub-total	5,000
* From the Sewer Infrastructure Replmnt	
To Subsidiary CIP fund for:	
Sewer Deficiency Program(6073)	400,000
sub-total	400,000
TOTAL TRANSFERS:	79,579,798

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

City Council

FUNCTION: City Council

CITY MANAGER: Charles Lawson

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
2005-2006 Accomplishments					
1. Provided comprehensive policy direction for the City's operation.		X		X	X
2. Provided oversight for fiscal policies through the Finance Subcommittee.	X	X		X	X
3. Established citywide priorities for administrative and financial management for fiscal year 2006-07.	X	X	X	X	X
4. Reviewed and adopted policies to increase productivity, efficiency and accountability.	X	X	X	X	X
5. Provided oversight on the development and design for the new library and the design of the east and west Midtown parking garages.		X			
6. Established Open Government Ordinance.	X			X	
7. Provided guidance with roadmap for service improvement.	X	X	X	X	X
2006-2007 Goals					
1. Provide policy direction for the City's operation.		X		X	X
2. Establish citywide priorities for fiscal year 2006-07.	X	X	X	X	X
3. Place emphasis on citywide economic recovery focusing on Midtown and Town Center areas.	X	X		X	X
4. Review and adopt policies to maximize employee efficiency and accountability while increasing productivity.	X	X	X	X	X

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
City Council Meetings	28	27	23	23
Commission Meetings	140	126	125	121
Subcommittee Meetings	70	70	70	78
County/Regional Agency/Association Meetings	270	270	270	260

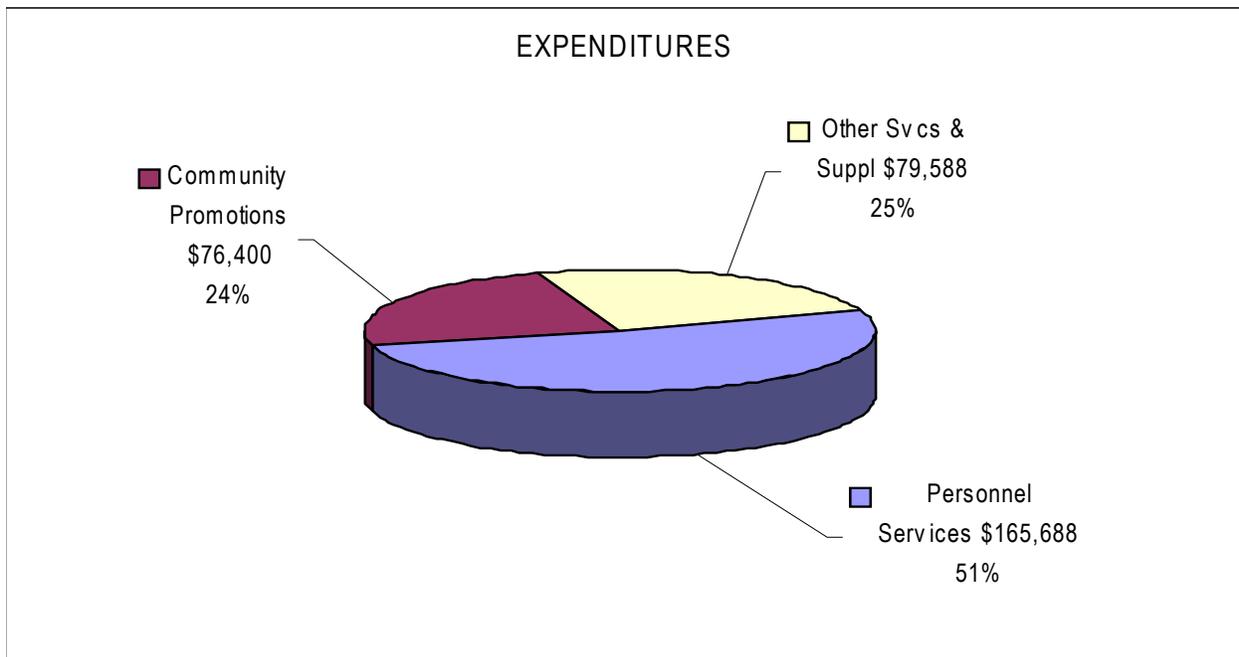
Personnel Allotment of 5 FTE

Position	FTE	Vacant			
Council Members	5	0			

Staff Change(s): None

Expenditure Analysis

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



Budgets Narrative and Summary City Council

	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	58,678	58,288	59,691	59,676
4112 Temporary Salaries	3,035	2,725	0	3,000
4121 Allowances	36,405	37,727	38,700	38,700
4131 PERS	2,516	3,716	9,166	8,710
4132 Group Insurance	25,592	32,493	53,750	53,900
4133 Medicare	1,484	1,485	1,426	1,420
4135 Worker's Compensation	299	299	299	282
4139 PARS	576	674	0	0
sub-total	<u>128,584</u>	<u>137,407</u>	<u>163,032</u>	<u>165,688</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	86,699	46,468	76,400	76,400
4220 Supplies	3,195	1,525	4,000	4,000
4230 Services	0	19,522	0	0
4410 Communications	604	589	1,000	1,000
4501 Memberships and Dues	56,875	40,916	43,929	44,993
4503 Training	1,870	1,519	13,000	13,000
4520 Commissions and Boards	8,825	8,045	16,595	16,595
sub-total	<u>158,068</u>	<u>118,584</u>	<u>154,924</u>	<u>155,988</u>
CAPITAL OUTLAY				
TOTAL	<u><u>286,653</u></u>	<u><u>255,991</u></u>	<u><u>317,956</u></u>	<u><u>321,676</u></u>

City Manager

FUNCTION:	City Manager	CITY MANAGER: Charles Lawson
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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.
- 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
2005-2006 Accomplishments					
1. Implemented City Council priorities for fiscal year 05-06.	x	x		x	x
2. Provided leadership to the municipal organization.	x	x	x	x	x
3. Increased emphasis on implementing economic development strategies.		x	x	x	x
4. Implemented financial and personnel strategies to mitigate the loss of revenues due to slow economic recovery without any noticeable reduction of City services.	x	x	x	x	x
2006-2007 Goals					
1. Implement City Council priorities for fiscal year 06-07.	x	x		x	x
2. Provide leadership to municipal organization.		x		x	x
3. Continue showing fiscal management that limits department s' budget expenditures to 2004-05 levels.	x	x		x	x
4. Continue to reorganize City departments and divisions to increase efficiency, accountability and at a savings to the City.	x	x	x	x	x

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
City Council Meetings	28	27	23	23
Capital Improvement Program Projects Completed	18	13	12	12

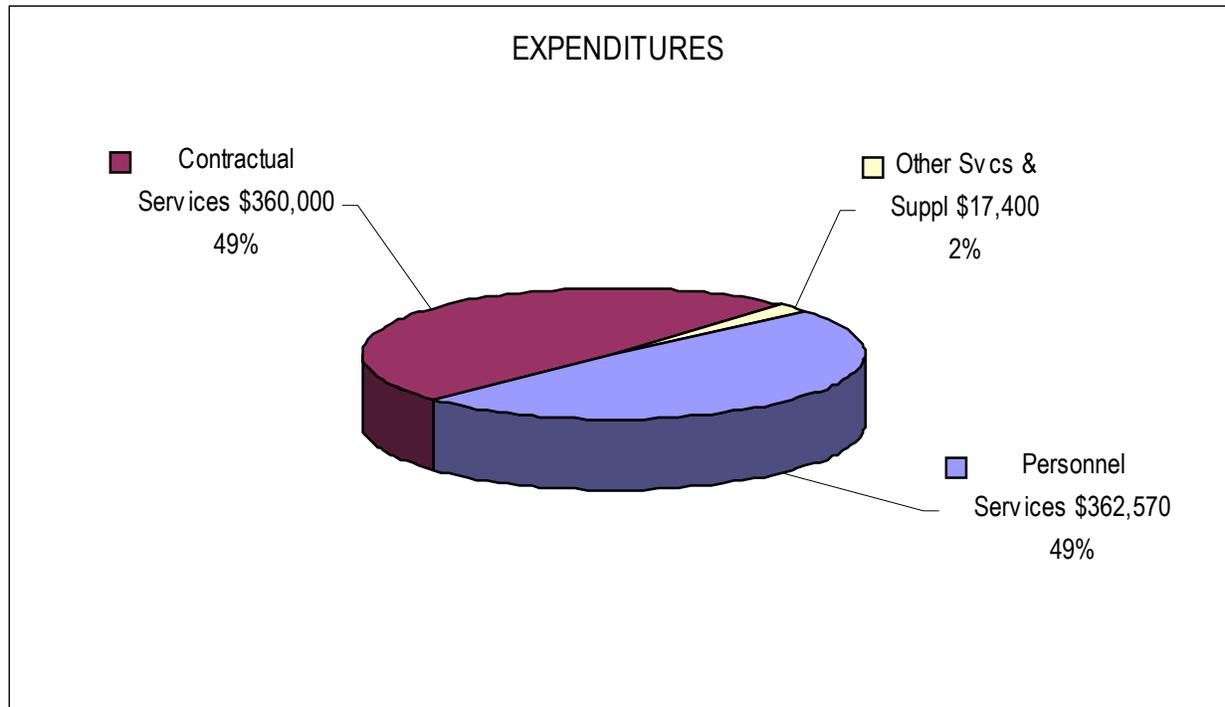
Personnel Allotment of 4 FTE

Position	FTE	Vacant	Position	FTE	Vacant
City Manager	1		Executive Secretary	2	1
Assistant City Manager	1	1			

Staff Change(s): None

Expenditure Analysis

Personnel Services	Reduced due to transfer of Principal Analyst to Planning & Neighborhood Services Department.
Services and Supplies	Increase due to funding of extended Library hours.
Capital Outlay	None.



	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	549,111	640,526	399,702	287,540
4112 Temporary Salaries	0	3,432	0	0
4113 Overtime	175	910	0	0
4121 Allowances	0	594	6,600	0
4124 Leave Cashout	4,913	78,068	0	0
4131 PERS	38,760	57,826	60,600	41,486
4132 Group Insurance	37,016	47,265	32,027	26,124
4133 Medicare	6,575	8,697	4,291	4,192
4135 Worker's Compensation	3,078	3,273	1,999	1,428
4138 Deferred Comp-Employer	4,614	3,783	2,700	1,800
4139 PARS	0	51	0	0
sub-total	<u>644,243</u>	<u>844,426</u>	<u>507,919</u>	<u>362,570</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	72	0	1,000	1,000
4220 Supplies	2,653	4,005	5,500	5,500
4230 Services	106	11,178	30,000	360,000
4410 Communications	1,190	1,150	500	500
4501 Memberships and Dues	1,995	2,099	4,600	4,600
4503 Training	1,786	1,248	5,800	5,800
sub-total	<u>7,802</u>	<u>19,680</u>	<u>47,400</u>	<u>377,400</u>
CAPITAL OUTLAY				
4880 Furniture & Fixtures	8,000	0	0	0
4920 Machinery Tools & Equipment	404	0	0	0
sub-total	<u>8,404</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>660,449</u></u>	<u><u>864,106</u></u>	<u><u>555,319</u></u>	<u><u>739,970</u></u>

City Clerk

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.

Services

- Ensures municipal records are readily available and accessible to the public and serves as a source of information to the citizens.
- Provides centralized records management, minutes and records of all City Council actions.
- Coordinates outreach and tracking of all Commission appointments.
- Provides codification of ordinances (municipal code).
- Manages election process for all City elections.
- Receives campaign financial documents and statements of economic interest.
- Accepts passport applications.
- Provides centralized Word Processing for police reports and other documents as well as printing/graphics services.
- Staffs the City Hall main Information Desk, offering assistance to the public over the telephone, to City staff, and to the public at the counter.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. New City Clerk and Deputy City Clerk hired.	x		x		
2. Prepared City Council agendas and minutes for all regular and special meetings.	x				
3. Collected required FPPC filings (campaign documents and Conflict of Interest forms).	x			x	
4. Administered Passport Acceptance program.	X	x			
5. Provided public information to citizens, staff, and elected officials.	x	x			
6. Updated Word Processing office with modern tools to complete police reports (digital recordings and computer equipment).	x		x		
7. Prepared documents for web-based public access online.	x	x			x
2006-2007 Goals					
1. Ensure public access to documents online, per Open Government .	x	x			
2. Conduct the November 7, 2006 Municipal Election.	x	x		x	
3. Prepare all City Council meeting agendas and minutes.	x	x			
4. Continue implementation of Open Government Ordinance.	x			x	
5. Increase Passport Applications accepted.	x	x			
6. Review and Update Records Retention Schedule of 1995.	x			x	

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
City Council agenda items processed	563	625	600	595
Passport applications accepted	2,225	2,610	2,600	2,750
Public Information inquiries	29,315	34,349	30,000	28,000
Total Printing impressions (copies)	2,834,469	3,058,746	3,000,000	3,000,000

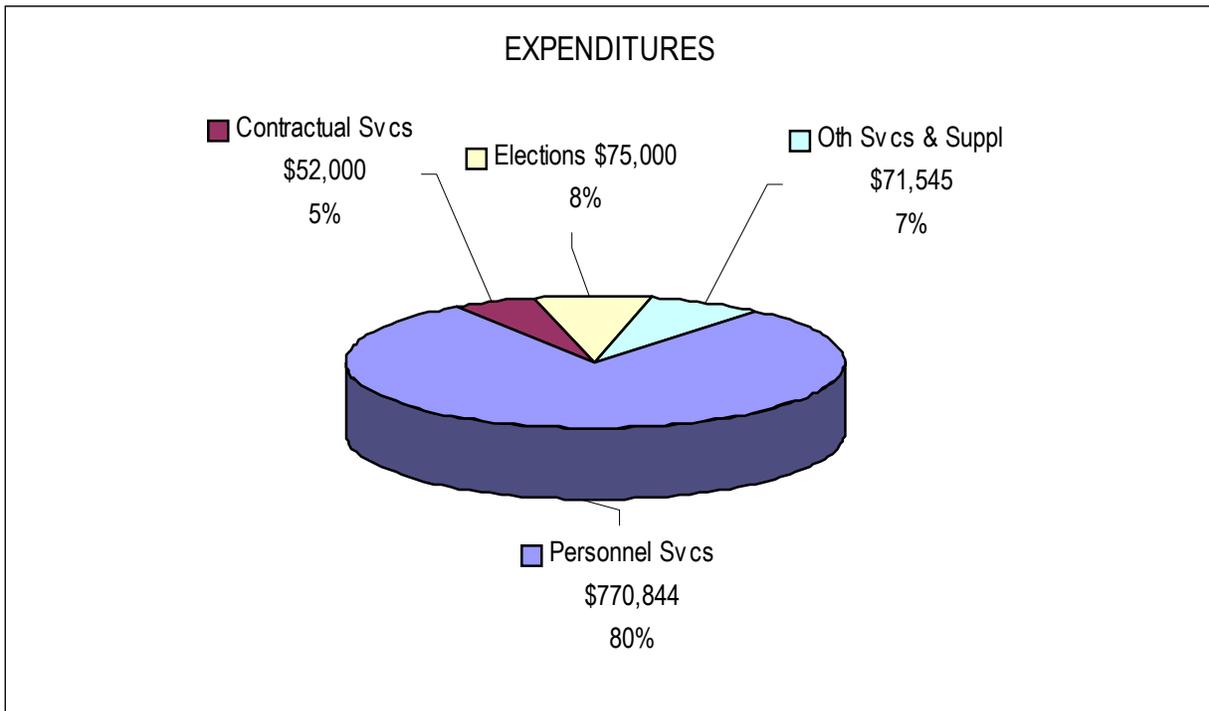
Personnel Allotment of 10 FTE

Position	FTE	Vacant	Position	FTE	Vacant
City Clerk	1		Word Proc Oper II	3	
Deputy City Clerk	1		Confidential Office Specialist	1	
Lead Word Processing Oper	1	1	Printing Services Tech II	1	
Office Asst II	2	1			

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and increased benefits costs.
Services and Supplies	Increase due to budget for November 2006 election.
Capital Outlay	None.



	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	487,269	455,153	564,571	564,613
4112 Temporary Salaries	22,678	42,277	0	5,000
4113 Overtime	6,699	16,530	6,580	0
4121 Allowances	2,887	0	0	0
4124 Leave Cashout	10,870	31,701	0	0
4131 PERS	36,043	53,096	85,695	81,582
4132 Group Insurance	47,987	52,448	89,074	101,088
4133 Medicare	4,038	5,053	7,298	7,289
4135 Worker's Compensation	4,640	5,445	4,976	4,897
4138 Deferred Comp-Employer	5,491	5,125	6,300	6,300
4139 PARS	0	634	0	75
sub-total	<u>628,601</u>	<u>667,462</u>	<u>764,494</u>	<u>770,844</u>
SERVICES AND SUPPLIES				
4211 Equip Replacement Amortization	2,369	2,700	12,450	16,350
4220 Supplies	31,205	34,061	27,511	30,000
4230 Services	47,844	56,276	78,650	75,000
4280 Elections	0	59,273	0	75,000
4410 Communications	73	6	0	100
4501 Memberships and Dues	633	443	950	775
4503 Training	746	876	1,830	1,320
sub-total	<u>82,870</u>	<u>153,634</u>	<u>121,391</u>	<u>198,545</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	404	0	0	0
sub-total	<u>404</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>711,875</u></u>	<u><u>821,096</u></u>	<u><u>885,885</u></u>	<u><u>969,389</u></u>

RDA & Economic Development

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

- Provides implementation of the Economic Strategy Action Plan.
- Provides Liaison staffing to Economic Development Commission.
- Represents Milpitas with Chamber of Commerce, Joint Venture Silicon Valley, NOVA, NAIOP and other regional economic development organizations.
- Provides city liaison services to Milpitas Chamber of Commerce and business community.
- Manages the City's Redevelopment Agency programs.
- Develops workshops and seminars to enhance business opportunities.
- Coordinates project fast-tracking with Development Services.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. Hired Economic Development Manager in September 2005.	x				
2. Approved the Economic Strategic Plan and presented Action Plan to City Council in February 2006.	x			x	
3. Completed Five Year Redevelopment Implementation Plan and presented to City Council in March 2006.	x	x		x	
4. Initiated Redevelopment Plan Amendment and Merger to facilitate marketing businesses within the Redevelopment project areas.		x		x	
5. Increased City of Milpitas presence in Chamber of Commerce, Joint Venture Silicon Valley, North Valley Private Industry Council (NOVA) and with commercial brokers and large-scale property owners.	x			x	
6. Completed Doing Business in Milpitas Workshop.	x			x	
2006-2007 Goals					
1. Make substantial progress on Midtown Precise Plan.	x	x		x	
2. Initiate study to maintain revenue generating uses outside TSA and Midtown areas.		x		x	
3. Initiate corporate outreach to existing companies.				x	
4. Install second local identifying sign.		x			
5. Complete installation of Wireless Milpitas project.	x	x		x	
6. Outreach to revenue generating uses for location in Milpitas.		x		x	
7. Hold a brokers tour for increasing business expansion.		x		x	
8. Complete Redevelopment Plan Amendment.		x		x	
9. Initiate marketing and public relations.					

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
Establish baseline for hits on Economic Development Web pages	None	None	None	Baseline creation
Customer Service Survey of Economic Development Program	None	None	None	90% rating
Corporate Outreach Visits	None	None	None	8-12 companies
Meet schedule for Midtown Precise Plan and public relations program	None	None	None	90% of schedule met
Meet schedule for installing local identifier sign	None	None	None	Installation date met
Complete Wireless Installation	None	None	None	Schedule met
Hold brokers tour	None	None	None	Tour held

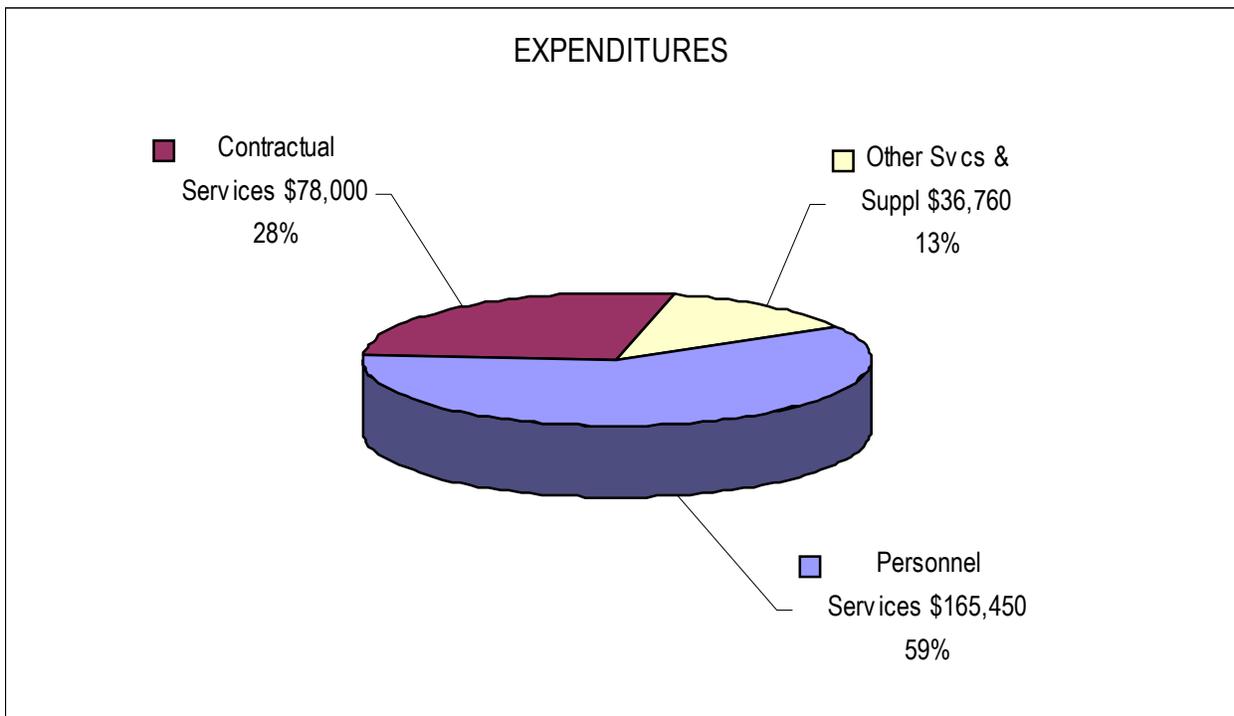
Personnel Allotment of 1 FTE

Position	FTE	Vacant			
RDA/ Economic Development Manager	1	0			

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to increased benefit costs.
Services and Supplies	5% decrease (\$12,000) from FY 05-06 budget. Provides for supplies, memberships, meetings, research and marketing.
Capital Outlay	None.



	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	0	0	131,206	129,527
4131 PERS	0	0	19,893	18,701
4132 Group Insurance	0	0	10,750	13,776
4133 Medicare	0	0	1,916	1,895
4135 Worker's Compensation	572	0	656	651
4138 Deferred Comp-Employer	0	0	900	900
sub-total	<u>572</u>	<u>0</u>	<u>165,321</u>	<u>165,450</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	1,575	2,225	2,000	15,110
4220 Supplies	0	217	0	0
4230 Services	0	90,477	100,000	78,000
4410 Communications	0	0	500	80
4501 Memberships and Dues	0	16,550	20,000	18,490
4503 Training	0	1,181	4,500	3,080
sub-total	<u>1,575</u>	<u>110,649</u>	<u>127,000</u>	<u>114,760</u>
CAPITAL OUTLAY				
TOTAL	<u><u>2,147</u></u>	<u><u>110,649</u></u>	<u><u>292,321</u></u>	<u><u>280,210</u></u>

Building and Safety

DIVISION:	Building & Safety	CHIEF BLDG OFFICIAL: Keyvan Irannejad
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Description: The Building and Safety Division is responsible for safety and quality standards in construction achieved by enforcing California Building Codes, State, local and Federal regulations that pertain to physical development of the City. The Division's four functions include Inspection Services, Plan Checking, Building Administration and Permit Center

Services

- Reviews construction plans and documents to ensure building safety through compliance with technical codes, State and local regulations and acceptable engineering practices.
- Provides inspections to ensure building projects are constructed in accordance with approved plans and accordance with applicable local and State regulations.
- Assists customers in obtaining building permits and monitors plan submittal process from initial submittal to permit issuance.
- Processes plans, collects permit fees and maintains the building plans records.
- Provides permit submittal information to the public, responds to building code related questions and directs customers to proper City staff members.
- Provides residential and commercial handouts and pamphlets to explain how to obtain permits, design, remodel and construct buildings.
- Meets with design professionals, homeowners and contractors to assist them in the timely issuance of building permits.
- Assists customers in the timely completion of projects by providing after hours and weekend inspections when requested.
- Assists homeowners with their building projects by meeting with them at lunchtime and in the late afternoons in addition to regular hours.
- Provides assistance to the Community Development Block Grant (CDBG) Housing Rehabilitation Program to enhance the quality of life for low-income families.
- Provides plan check services by appointment, which provides plan review on submittal day; thereby reduces the standard plan check process by a minimum of three weeks.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. Extended express plan review hours from 8:30 -11:30 am to 8:30am- 4:00 pm. Provided 72% of the submitted plan checks over the counter.	x				
2. Met 100% of expedited plan checks requests and provided 90 after hours and weekend inspections.	x				x
3. Served more than 8,000 customers with the reduction of average waiting time from current 5 minutes to 3 minutes.	x				
4. Continued cross training of all staff.			x	x	
5. Created courtesy notice for homeowners doing work without a permit. This generated over \$120,000 in additional revenue.				x	x
6. Updated and Enhanced Building Division information on "web-page". Developed informational handouts for the public.	x				
2006-2007 Goals					
1. Continue to improve quality, efficiency and consistency of staff through training and cross training.	x		x	x	
2. Continue regular and after-hours plan check and inspections within requested schedules and reduce plan check time.	x				x
3. Continue developing plan review and construction guidelines to assist homeowners and businesses with submittal requirements. Enhance web site.	x				x
4. Implement new permitting software, development of an "On-Line" permit process for minor permits and the automated inspection line process and scheduler.	x			x	
5. Extend Permit and Inspection Services to evenings and Saturdays.	x				
6. Continue to provide assistance and inspections to Mobile Home parks.	x	x			x

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
New Construction Valuation (Millions)	\$50	\$122	\$170	\$170
Total Building Permits Issued	1,650	3,156	3,470	3,500
Total Express Permits Issued	350	450	500	500
Total Plan Checks Performed	590	650	700	700
% Express Plan Checks Performed*	59	69	72	75
Total Inspections Performed	9,400	8,400	10,000	12,000
Number of Certificate of Occupancy Insp.	427	370	400	425
Daily Inspections per Inspector/Avg. Min. **	8/45	10/45	10/45	11/40
% Customer Survey rating Excellent/Good	N/A	90/10	91/9	95/5

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

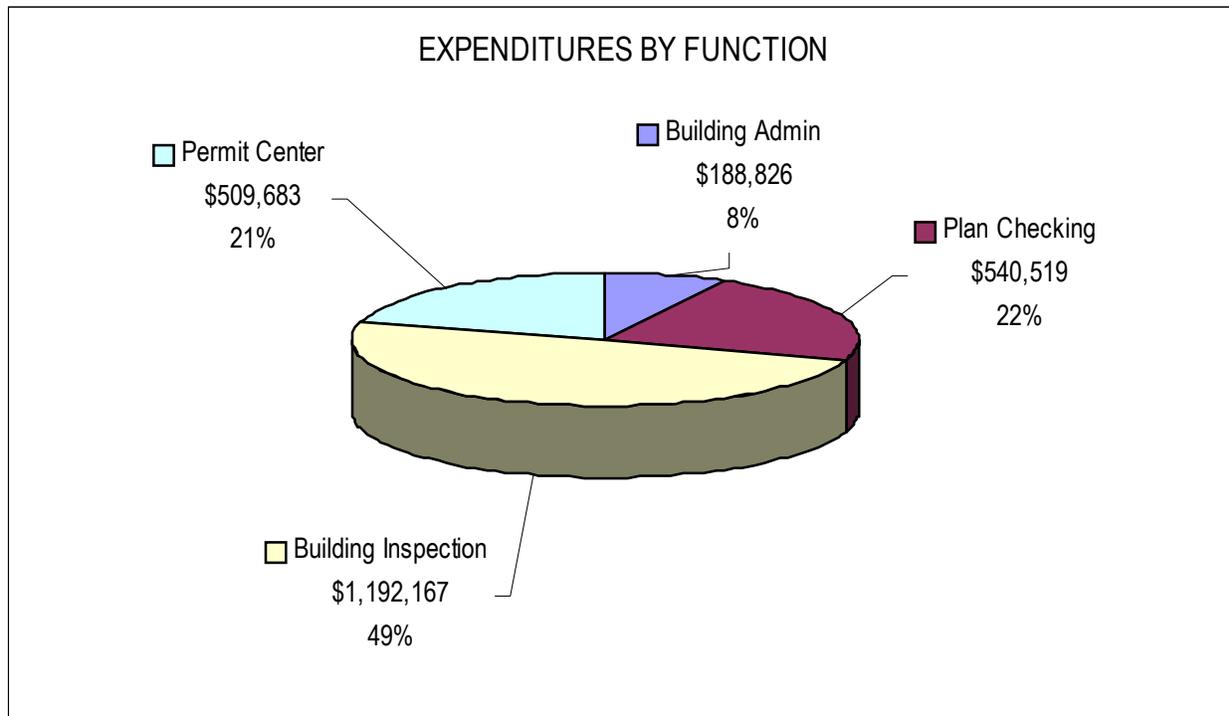
Personnel Allotment of 24 FTE

Position	FTE	Vacant	Position	FTE	Vacant
Chief Building Official	1		Sr Plan Check Engineer	1	1
Building/NP Inspector	7	2	Plan Check Engineer	4	1
Electrical Inspector	2		Building Permit Technician	3	1
Plan Checker	1		Office Asst II	1	
Sr Building Inspector	1		Office Specialist	1	
Permit Center Manager	1		Temporary Positions (FTE)	1	

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase due to temporary inspectors fully paid for by developers.
Services and Supplies	Increase due to training costs for new building codes.
Capital Outlay	None.



	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	1,567,093	1,507,473	1,681,700	1,674,972
4112 Temporary Salaries	0	27,114	0	92,454
4113 Overtime	20,704	17,924	26,000	26,000
4121 Allowances	2,887	0	0	0
4124 Leave Cashout	8,339	45,113	0	0
4131 PERS	110,699	179,108	263,060	255,176
4132 Group Insurance	153,155	171,956	197,954	228,897
4133 Medicare	18,328	20,059	21,640	22,838
4135 Worker's Compensation	32,178	43,275	35,119	38,763
4138 Deferred Comp-Employer	15,684	14,968	16,200	17,100
sub-total	<u>1,929,066</u>	<u>2,026,990</u>	<u>2,241,673</u>	<u>2,356,200</u>
SERVICES AND SUPPLIES				
4211 Equip Replacement Amortization	18,543	16,371	24,682	24,540
4220 Supplies	9,671	13,708	21,075	22,925
4230 Services	12,881	11,648	15,250	15,250
4410 Communications	3,182	2,469	3,400	3,400
4501 Memberships and Dues	1,502	1,056	1,530	1,530
4503 Training	2,716	1,798	4,900	7,350
sub-total	<u>48,495</u>	<u>47,050</u>	<u>70,837</u>	<u>74,995</u>
CAPITAL OUTLAY				
4850 Vehicles	0	0	1,389	0
4920 Machinery Tools & Equipment	0	1,348	0	0
sub-total	<u>0</u>	<u>1,348</u>	<u>1,389</u>	<u>0</u>
TOTAL	<u><u>1,977,561</u></u>	<u><u>2,075,388</u></u>	<u><u>2,313,899</u></u>	<u><u>2,431,195</u></u>

Recreation

DIVISION:	Recreation Services	RECREATION SVCS MGR: Bonnie Greiner
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Description: This division 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

- Oversees indoor/outdoor facility rentals, Recreation Assistance Program, coordinates seven citywide special events, sponsor and donation functions, supervises departmental operations, coordinates promotions, public relations, publishes the Milpitas Connection activity guide, and staffs six City Commissions/ Committees.
- Monitors daily operation of the Senior Center that provides a daily lunch program with van transportation, a wide variety of drop-in programs, trips, classes, walking club, special events, and social services.
- Provides a variety of youth programs ranging from Preschool children ages 2-5 offering enriching experiences for growth and emphasis on learning through active play and socialization. For older youth ages 6-12, Recreation offers a variety of year round sports leagues and camps including basketball, soccer, flag football, golf, volleyball, tennis and more as well as weekly summer camps which provides recreational opportunities for children including organized games, arts, crafts, sports and dances that promote healthy living and socialization. During the school year, grades 1-6 can attend after school Stay & Play, which is offered at four school sites and includes organized games, homework sessions and special events.
- Provides resources and networking opportunities for child care providers, parents, as well as offering Child Care Grants to local providers.
- Oversees operation of a free drop-in Teen Center that provides programs, services, classes and special events that directly serve youth ages 12-17 years. Programs include use of the computer lab, homework assistance, cooking, sports, dances, concerts, fitness programs, games and scheduled teen enrichment classes.
- Oversees operation of a 24,000 square foot Sports Center with a full service Fitness Center, fitness classes, personal training, health classes, aquatics classes, lap swimming and locker rooms. Sports Programs include youth, teen, adult and senior programs, classes, camps, drop-in and leagues, as well as offering Youth Sports Grants. Instruction is offered in the areas of tennis, baseball, volleyball, flag football, golf, basketball and softball.
- Provides for a volunteer program where over 1,060 individuals serve their community in 52 different programs throughout the city. Offers a children's theatre program with six shows a year for ages five and above and Cultural Arts programs, the Phantom Art Gallery and the Cultural Arts Support Grant Program.
- Provides over 715 contract classes, instructed by qualified individuals for youth and adults to promote health and wellness and developmental opportunities for the community.



Recreation

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. Increased yearly attendance at Teen Center by 58%; from 456 to 1,090 participants.		x			
2. Recreation Services staff solicited grants, donations, and sponsorships receiving \$13,616 for Rainbow Theatre, Month of the Young Child and California Arts Day.		x		x	
3. Finalized and distributed City of Milpitas Child Care Start Up Brochures via hard copy and website.		x			
4. Served over 14,800 participants in aquatics programs, including swim lessons, aquatics exercise, recreation swim and swim team.		x			
5. Offered a volunteer training for the public and a Shelter Management Class for Recreation staff in preparation for citywide emergencies.		x	x		x
2006-2007 Goals					
1. Continue to heighten community awareness of Recreation Programs and facilities through enhanced outreach using technology, marketing and partnerships with local businesses and organizations.		x			
2. Increase Teen Fitness class offerings.		x			
3. Revamp the after school Stay & Play program to include outreach and enrichment components.		x			
4. Work with Information Services to implement on-line registration for Recreation classes, rentals, and programs.	x	x		x	
5. Create a Teen Center homework room with community partners to provide tutors to assist Teens as needed.		x		x	
6. Receive 99% rating of quality customer service on customer service surveys.	x				

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
Sports Center Member Visits	70,000	72,000	81,500	80,000
Senior Nutrition Meals Served	16,139	17,782	19,400	19,500
Teen Center Yearly Event Attendance	380	456	1,090	1,200
Rainbow Theatre Productions	5	4	6	6
Drop-in Sports Participants	5,250	7,250	10,500	11,000
Household assisted in RAP	65	91	77	80
Senior Center Class Participants	481	570	650	710
Quarterly website hits to child care page	300	1,355	1,355	1,400

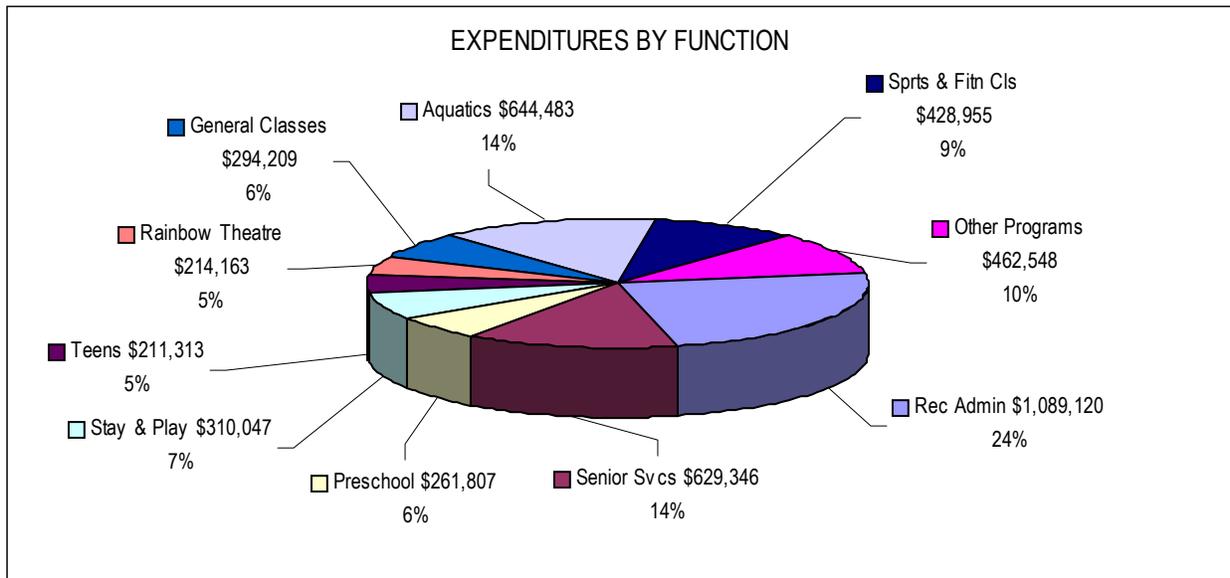
Personnel Allotment of 72.50 FTE

Position	FTE	Vacant	Position	FTE	Vacant
Recreation Services Supervisor	3	1	Maintenance Worker III	1	
Recreation Services Manager	1		Recreation Services Asst I	0.75	0.75
Program Coordinator	7	1	Recreation Services Asst II	2.75	1
Office Asst II	2	1	Recreation Services Asst III	0.75	0.75
Public Services Asst II	5		Recreation Services Asst IV	3.75	0.5
Public Services Supervisor	1		Temporary Positions (FTE)	43.50	
Maintenance Worker II-37.5	1				

Staff Change(s): None

Expenditure Analysis

Personnel Services	Changes attributed to MOU contractual obligations and increased benefit costs, offset by additional vacancies.
Services and Supplies	Increase attributed to reinstatement of grants, increased offerings for fitness classes, senior classes/trips, and increased daily average for Senior Center Nutrition Program.
Capital Outlay	\$12,400 from the Equipment Replacement Fund to purchase a replacement tree for the annual Tree Lighting Ceremony.



	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	1,387,759	1,467,160	1,553,173	1,587,156
4112 Temporary Salaries	1,180,719	1,215,562	1,281,986	1,211,422
4113 Overtime	18,568	13,285	17,450	13,000
4124 Leave Cashout	8,915	9,205	0	0
4131 PERS	133,278	227,125	323,571	306,732
4132 Group Insurance	178,685	197,471	263,903	291,936
4133 Medicare	35,919	37,491	39,438	38,874
4135 Worker's Compensation	17,840	29,539	28,767	28,077
4138 Deferred Comp-Employer	18,851	19,339	20,700	20,700
4139 PARS	10,338	11,136	10,581	10,155
sub-total	<u>2,990,871</u>	<u>3,227,312</u>	<u>3,539,569</u>	<u>3,508,052</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	55,340	54,934	47,300	72,600
4211 Equip Replacement Amortization	21,705	26,216	50,727	42,450
4220 Supplies	204,092	227,850	196,651	191,017
4230 Services	574,304	646,158	660,427	706,122
4410 Communications	6,030	4,558	6,800	5,800
4501 Memberships and Dues	2,075	1,830	1,935	2,100
4503 Training	5,359	9,144	6,200	6,250
4600 Ins, Settlements & Contgcy	514	698	700	1,200
sub-total	<u>869,419</u>	<u>971,388</u>	<u>970,740</u>	<u>1,027,539</u>
CAPITAL OUTLAY				
4850 Vehicles	0	0	33,290	0
4920 Machinery Tools & Equipment	0	0	0	10,400
sub-total	<u>0</u>	<u>0</u>	<u>33,290</u>	<u>10,400</u>
TOTAL	<u><u>3,860,290</u></u>	<u><u>4,198,701</u></u>	<u><u>4,543,599</u></u>	<u><u>4,545,991</u></u>

Information Services

DEPARTMENT:	Information Services	IS DIRECTOR: Bill Marion
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Description: This department provides strategic automation planning, coordination of system procurement and implementation, management for 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 Website, Cable Channel and Radio Station, implementation and monitoring of security access systems and all automated data systems. Additionally, Information Services is responsible for the City's public information function.

Services

- Strategic Planning – This service includes maintaining and updating the City's Telecommunications Strategic Plan in addition to providing the technology planning and support for each Department to achieve their annual goals and objectives.
- Project Management – One of the key services provided by the Information Services Department includes project management for both large and small technology projects. These services range from the 5 year implementation of Public Safety improvements to the implementation of new systems and processes.
- Development and support of the technical architecture and infrastructure. This service includes the maintenance and support of the City's telephone systems, cellular telephone service, fiber optic system, paging, radio, video, remote communication and the "wired" and "wireless" networks.
- Development and support of the City's Website, Cable Channel and Radio Station. 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 monitoring of the City's Security Access and Camera Systems. These are very difficult times in which we operate and it is essential to protect the City's assets. This service is used to enhance the safety of not only City staff and residents but also the City's public buildings.
- Support and Monitoring of automated data systems. The City currently supports over 50 computer servers, over 500 computers, over 75 laptops and over 120 printers. Not all of these devices are connected to the City's network at the same time but it is critical to ensure that they are always in working order.
- Development and support of the City's Geographic Information System. This system provides support to virtually every department within the City. From the Emergency 911 system to the notification of residents regarding a pending action, the GIS system is used to support the business needs of the City.
- Support of the Public Information function. This service includes acting as the City's liaison for information dissemination through the City's website, cable channel and radio station. It also includes the duties and responsibilities associated with performing the role of Public Information Officer during times of emergencies.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. Implemented the Public Access Information System for providing access to City documents via the internet.	x	x			
2. Implemented the new Computer Aided Dispatch System.	x	x	x	x	x
3. Implemented Mobile Computing in the Fire Department vehicles.	x	x	x	x	x
4. Completed the Wireless Connection to the City's new Corporation Yard.	x		x	x	
5. Continue with the replacement of the City's radio infrastructure equipment.	x	x		x	x
6. Installed new security cameras at Fire Station 1, the McCarthy Ranch Lift Station and the Community Center.	x	x	x		x
2006-2007 Goals					
1. Complete the new Public Access Studio at City Hall.	x	x		x	x
2. Complete the new Access Control and Security Camera Systems at the Police / Public Works Building.	x		x		x
3. Install a new Wireless Access System to the Sports Center.	x	x	x	x	
4. Begin the installation of a new On-Line Permitting System.	x	x	x		
5. Continue the scanning and conversion of documents into the City's document imaging system and Public Access Information System.	x	x	x		x
6. Continue with the replacement of the City's radio infrastructure equipment.	x	x	x	x	x

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
Network Availability	99%	99%	99%	99%
Help Desk response (hours)	4	2	1	.5
Server Availability	99%	99%	99%	99%
Website Availability	99%	99%	99%	99%

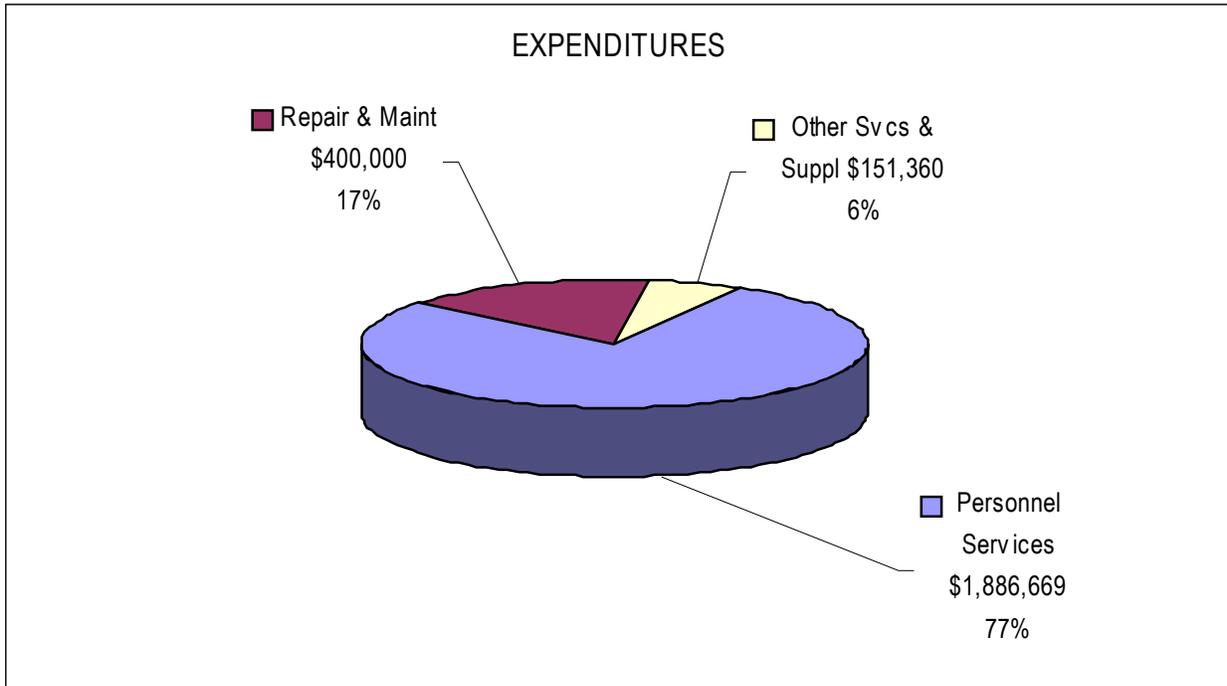
Personnel Allotment of 20.50 FTE

Position	FTE	Vacant	Position	FTE	Vacant
Asst Information Svcs Director	1		Systems Admin	5	2
Public Information Specialist	1		G I S Manager	1	
Information Services Director	1		Desktop Technician	5	
Telecom Manager	1		Office Asst I	1	
Network Manager	1		Office Specialist	1	
Operations Manager	1		Temporary Positions (FTE)	0.5	
Customer Service Manager	1				

Staff Change(s): None

Expenditure Analysis

Personnel Services	2% decrease attributed to a reduction in temporary position hours and an increase in charges back to Capital Improvement Program projects.
Services and Supplies	13% increase due to increased maintenance charges associated with the implementation of the Computer Aided Dispatch system.
Capital Outlay	None.



	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	1,381,460	1,496,315	1,776,326	1,776,304
4112 Temporary Salaries	35,263	56,556	27,559	26,000
4113 Overtime	131	1,776	0	0
4124 Leave Cashout	7,239	4,515	0	0
4131 PERS	99,621	180,454	273,616	260,136
4132 Group Insurance	141,022	152,959	194,326	222,180
4133 Medicare	20,846	22,688	26,391	26,377
4135 Worker's Compensation	11,488	10,313	9,456	9,472
4138 Deferred Comp-Employer	14,975	15,973	16,200	16,200
4143 Charged to CIPs	0	2,399	(400,000)	(450,000)
sub-total	<u>1,712,045</u>	<u>1,943,949</u>	<u>1,923,874</u>	<u>1,886,669</u>
SERVICES AND SUPPLIES				
4211 Equip Replacement Amortization	4,533	5,166	7,013	4,560
4220 Supplies	35,115	31,380	32,000	16,000
4230 Services	323,193	257,100	320,000	420,000
4410 Communications	103,890	119,058	129,300	110,800
4501 Memberships and Dues	4,875	875	1,000	0
4503 Training	5,108	4,415	0	0
sub-total	<u>476,714</u>	<u>417,993</u>	<u>489,313</u>	<u>551,360</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	10,366	42,464	0	0
sub-total	<u>10,366</u>	<u>42,464</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>2,199,125</u></u>	<u><u>2,404,407</u></u>	<u><u>2,413,187</u></u>	<u><u>2,438,029</u></u>

Human Resources

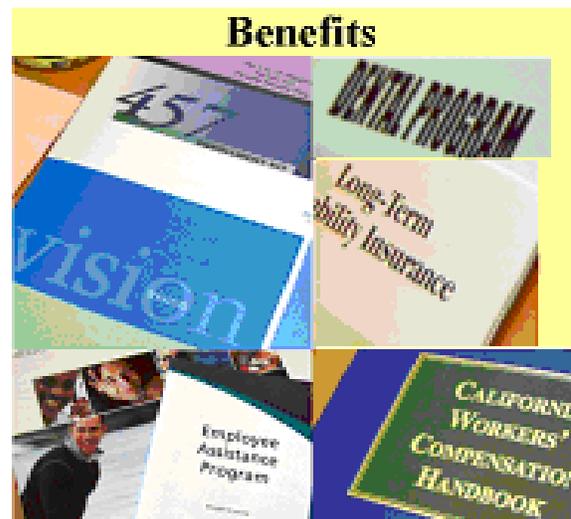
DEPARTMENT:	Human Resources	HR DIRECTOR: Carmen Valdez (Acting)
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Description: This department is a centralized full-service department that provides Citywide services including: recruitment, benefits administration, a self funded workers' compensation 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 440 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 and recently successfully transitioned to a new Third Party Administrator, SCRMA. Staff works closely with SCRMA to ensure that all injured employees are receiving the proper care for their work related injuries.
- Labor Relations - The HR Department negotiates on behalf of the City and oversees six separate bargaining units by administering, implementing and interpreting labor contracts and assisting in the resolution of grievances.
- Employee Relations and Customer Service - The HR Department treats all employees and residents with dignity and respect. One of the Department's goals is to maintain productive and positive employer-employee relationships while ensuring the highest level of service to those we serve.
- Training - The HR Department conducts all state mandated training, employee safety

training, benefits training, Department of Transportation training and ergonomics trainings.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. Conducted and completed State mandated Sexual Harassment training by January 2006.	x	x	x		x
2. Created, conducted and analyzed the results from a customer service survey for HR service delivery.	x	x	x		
3. Interviewed, selected and transitioned a new Third Party Administrator for Workers' Compensation.	x	x	x	x	
4. Developed and distributed a quarterly newsletter to all staff entitled "HR News".	x		x		
5. Successfully transitioned two employee unions (MEA & MSA) to the CalPERS Medical Plan.	x	x	x	x	
6. Developed and implemented the Injury & Illness Prevention Program (IIPP).	x	x	x	x	x
7. Developed and implemented an exit interview process for employees that are retiring or leaving employment with the City.	x		x		
2006-2007 Goals					
1. Develop & distribute a Total Compensation Report for employees as a means of providing additional ongoing salary and benefit information to staff.	x		x		
2. Develop and implement along with the support of the Information Services Department an online Benefit Information Program.	x		x		
3. Aggressively work on obtaining lower costs for the current dental program with no reduction in the services being provided to staff.	x		x		
4. Successfully complete the labor negotiations for all bargaining units that have an MOU that expires during the Fiscal Year.				x	
5. 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	
6. Continue to work with staff and the City's Third Party Administrator in reducing the number of active employee Workers' Compensation claims.	x	x	x	x	x

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
Number of days to post job announcements after receiving an approved requisition.	N/A	N/A	12	10
Number of employees returned to full duty after a Workers' Compensation injury.	39	43	6	8
Percentage of error free Personnel Action Forms processed with 99% or better.	N/A	99.17%	99.75%	100%
Percentage of error free Benefit Change forms processed within 10 days of receipt.	N/A	N/A	100%	100%
Percentage of error free Address Change requests processed within 24 hours of receipt.	100%	100%	100%	100%

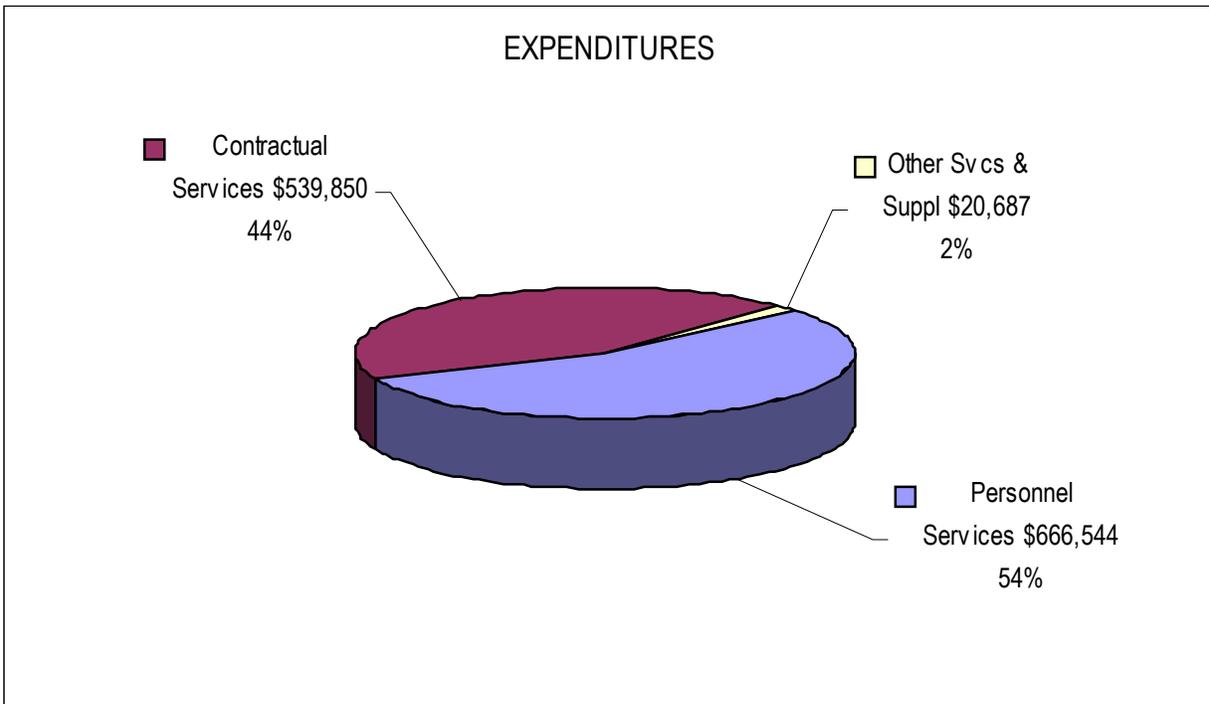
Personnel Allotment of 7 FTE

Position	FTE	Vacant	Position	FTE	Vacant
Human Resources Director	1	1	Human Resources Technician	2	
Admin Analyst I	1	1	Confidential Office Assist II	1	
Admin Analyst II	2	1			

Staff Change(s): None

Expenditure Analysis

Personnel Services	No change.
Services and Supplies	6.3% decrease due to the transition to a new Third Party Administrator for Workers' Compensation claims.
Capital Outlay	None.



Human Resources

	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	465,174	465,649	512,908	503,104
4112 Temporary Salaries	0	116	0	0
4113 Overtime	424	686	0	0
4124 Leave Cashout	1,589	16,760	0	0
4131 PERS	32,688	54,316	77,822	72,704
4132 Group Insurance	44,321	47,532	63,940	75,516
4133 Medicare	6,811	7,007	7,516	7,368
4135 Worker's Compensation	2,674	2,785	2,564	2,452
4138 Deferred Comp-Employer	5,231	5,158	5,400	5,400
4139 PARS	0	2	0	0
sub-total	<u>558,912</u>	<u>600,009</u>	<u>670,150</u>	<u>666,544</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	6,533	7,589	0	3,000
4220 Supplies	3,195	2,999	5,200	3,900
4230 Services	436,723	546,980	592,490	545,850
4410 Communications	223	67	75	75
4501 Memberships and Dues	3,648	1,223	0	2,212
4503 Training	2,560	5,575	910	5,500
sub-total	<u>452,883</u>	<u>564,432</u>	<u>598,675</u>	<u>560,537</u>
CAPITAL OUTLAY				
TOTAL	<u><u>1,011,795</u></u>	<u><u>1,164,442</u></u>	<u><u>1,268,825</u></u>	<u><u>1,227,081</u></u>

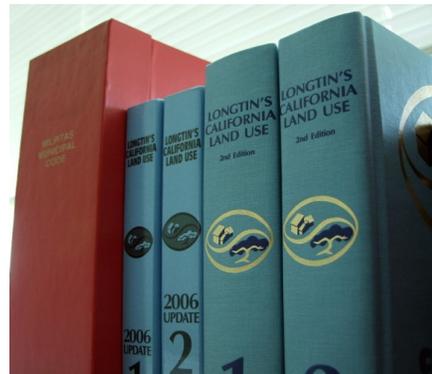
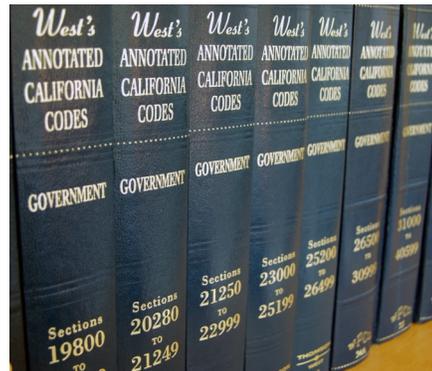
City Attorney

DEPARTMENT: City Attorney

Description: This department provides general legal advice and services to the City Council, Redevelopment Agency Board, City Manager and City departments through contract outside counsel, Meyers, Nave, Riback, Silver & Wilson. The City Attorney's department prepares or approves as to form all proposed ordinances, resolutions, agreements and amendments there to. This department also negotiates and drafts the Memorandums of Understanding with the various employee labor groups. This department represents the City in litigation.

Services

- General Legal Advice and Services
- Employee Labor Group Negotiations
- Litigation
- Employee Training
- Compliance advice related to current and forthcoming Federal and State regulations
- Redevelopment Legal Services
- Labor arbitrations and grievances



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. Assisted staff with implementation of DDA between City, County and KB Home for Elmwood / Terra Serena Project.				x	x
2. Conducted concurrent negotiations with 2 labor groups -- MPOA and IAFF, assisted with other labor negotiations.			x	x	
3. Implemented and trained employees and City Policy Bodies pursuant to City's Open Government Ordinance.	x		x		
4. Represented the City in litigation related to Public Works Projects and Environmental Compliance.				x	
2006-2007 Goals					
1. Continue to provide City Council and staff with efficient and accurate legal advice and services.	x	x	x	x	x
2. Continue to work with staff to update outdated standard operating procedures, form contracts and contract specifications.	x			x	
3. Assist staff with project documents for new Main Library Project.				x	
4. Train City Council and staff on new legislative ethics training requirements.	x			x	
5. Recommend measures to reduce City's legal risk, especially in Federal and State regulatory compliance matters.	x	x	x	x	

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
Property acquisition/leasehold assistance (properties)	0	3	5	6
Labor negotiations completed	0	1	3	2
Number of ordinances assisted with, prepared or reviewed	14	15	23	25
Training sessions provided on Open Government Ordinance training sessions to Commissioners, Boardmembers and staff	N/A	N/A	65**	30*

Note: *Prepared a video presentation in FY 05-06 for commissions and committees. It is anticipated that City Council, Planning Commission and Senior Management will continue with annual in-person training by this office. This does not include AB 1234 training that became effective January 1, 2006. **Ordinance effective May 4, 2005.

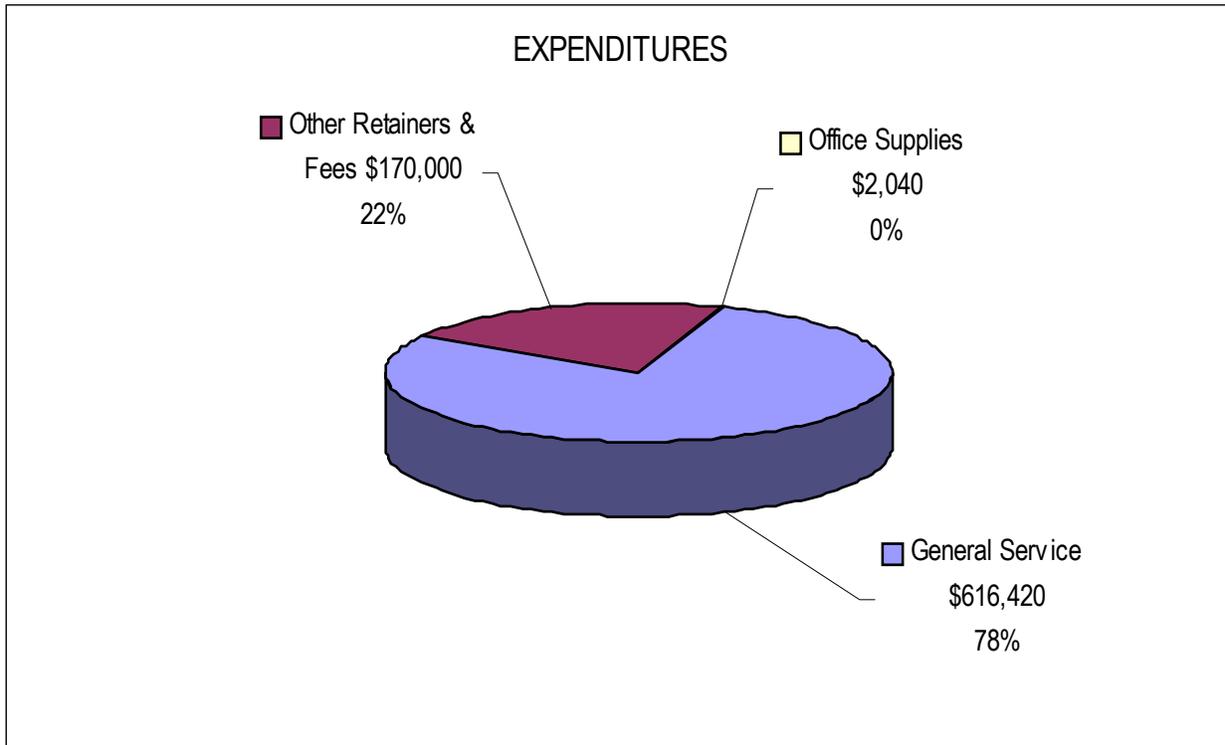
Personnel Allotment

Position					
Legal services are provided by contract with Meyers Nave.					

Staff Change(s): Not applicable.

Expenditure Analysis

Personnel Services	Not applicable.
Services and Supplies	2% increase due to scheduled contract amendments.
Capital Outlay	None.



	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
SERVICES AND SUPPLIES				
4220 Supplies	1,896	1,982	2,000	2,040
4230 Services	1,044,336	1,499,819	769,000	786,420
sub-total	<u>1,046,231</u>	<u>1,501,801</u>	<u>771,000</u>	<u>788,460</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	255	0	0	0
sub-total	<u>255</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>1,046,486</u></u>	<u><u>1,501,801</u></u>	<u><u>771,000</u></u>	<u><u>788,460</u></u>

Finance

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.
- Maintains a central warehouse and inventories and oversees the sale of the City surplus property.
- Provides internal mail service by delivering and distributing mails from the Post Office.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. Received awards for "Distinguished Budget Presentation" and "Excellence in Financial Reporting".				x	
2. Resolved tort claims within 180 days from the date of claim.	x			x	
3. Identified and created computer reports to streamline work processes.	x		x	x	
4. Processed invoices for payment and purchase requisition within 5 working days from the date of department's/Council's approval.	x			x	
5. Provided 99.9% accuracy on initial meter reads.	x				
6. Revised Purchasing Ordinance comply with State laws and increase the departmental purchasing authority.	x			x	
7. Updated fiscal policies for Council's consideration.				x	
2006-2007 Goals					
1. Update Business License Ordinance.				x	
2. Resolve tort claims within 180 days from the date of claim.	x			x	
3. Receive awards for "Distinguished Budget Presentation" and " Excellence in Financial Reporting".				x	
4. Process invoices for payment and purchase requisition within 5 working days from the date of department's/Council's approval.	x			x	
5. Provide accurate and timely reports to assist departments in monitoring their budget within 15 days from month-end.	x			x	
6. Provide 99.9% accuracy on initial meter reads.	x			x	
7. Continue to develop procedures to improve collectability on delinquent receivable accounts.				x	
8. Consolidate all the City credit cards and store cards in one program and develop training program for Cal-card usage.	x			x	

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
Receive awards for Budget and Financial Report	Yes	Yes	Yes	Yes
Percent of tort claims resolved within 180 days	85%	98%	89%	90%
Average turn around time of account payable invoices (no. of days)	5	5	5	5
Average turn around time of purchase requisitions (no. of days)	N/A	N/A	7*	5
Percent of accurate meter reads	99.9%	99.9%	99.9%	99.9%
No. of Request for proposals (RFP) processed	2	6	8	9

*Began tracking

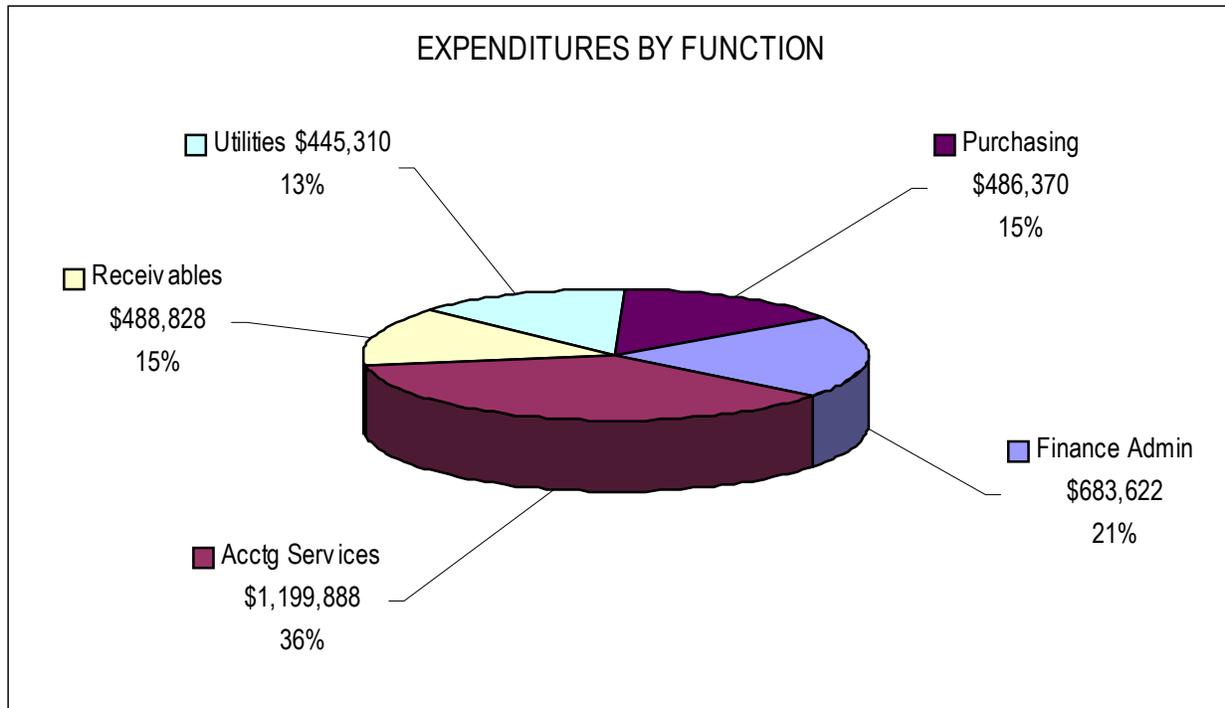
Personnel Allotment of 36.75 FTE

Position	FTE	Vacant	Position	FTE	Vacant
Director of Financial Services	1		Fiscal Services Manager	1	1
Purchasing Agent	1		Accounting Technician	1	
Assistant Finance Director	1	1	Fiscal Asst I/II	13	3
Accounting Services Manager	1		Senior Fiscal Assistant	1	
Accountant	3		Office Specialist	1	
Admin Analyst I	2	1	Water Meter Reader II	2	
Admin Analyst II	1		Water Meter Reader Supervisor	1	
Buyer	1		Maintenance Worker II-40	1	
Senior Accountant	2		Temporary Positions (FTE)	2.75	

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and increased benefit costs.
Services and Supplies	Increase due to increases in postage, credit card processing charges, and utility billing system maintenance.
Capital Outlay	\$12,500 from the Equipment Replacement Fund to purchase a replacement mail machine and electronic scale.



	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	1,890,482	2,061,397	2,079,362	2,140,040
4112 Temporary Salaries	209,488	203,822	186,764	110,216
4113 Overtime	7,614	19,393	23,500	23,500
4121 Allowances	6,281	6,505	6,480	6,480
4124 Leave Cashout	7,888	101,930	0	0
4131 PERS	145,672	256,224	334,258	322,780
4132 Group Insurance	224,574	262,208	312,586	345,384
4133 Medicare	28,650	32,151	32,236	31,999
4135 Worker's Compensation	20,062	22,930	20,409	20,054
4138 Deferred Comp-Employer	19,690	21,486	21,600	21,600
4139 PARS	484	1,107	610	240
4143 Charged to CIPs	0	0	(109,513)	(84,100)
sub-total	<u>2,560,885</u>	<u>2,989,153</u>	<u>2,908,292</u>	<u>2,938,193</u>
SERVICES AND SUPPLIES				
4211 Equip Replacement Amortization	14,343	16,345	20,315	18,240
4220 Supplies	106,398	147,955	135,950	140,760
4230 Services	347,522	247,912	181,255	192,615
4410 Communications	506	391	700	550
4501 Memberships and Dues	1,652	1,751	2,860	2,960
4503 Training	8,970	5,276	10,500	10,700
sub-total	<u>479,390</u>	<u>419,630</u>	<u>351,580</u>	<u>365,825</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	2,281	0	0	0
sub-total	<u>2,281</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>3,042,556</u></u>	<u><u>3,408,783</u></u>	<u><u>3,259,872</u></u>	<u><u>3,304,018</u></u>

Public Works

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 seven functions include: Public Works Administration, Street Maintenance, Utility Maintenance, Parks 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 customer service requests within 30 minutes of receipt providing a high level of customer service (approximately 3,300 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 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.
- Provides weed control and litter pick-up in city parks and 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 12,875 trees and 103 acres of public landscaping. Services include city tree installation and pruning, and the maintenance and care of the city's landscaped medians and trails.
- Maintains and repairs equipment and 635 city-owned vehicles including Police vehicles, Fire apparatus and 176 communication radios. Provides proactive and preventative maintenance and repairs programs while maintaining regulatory compliance.
- Provides maintenance of city buildings and grounds, including all building systems (plumbing, air ventilation, electrical and backup systems.) Performs repairs, preventative maintenance, remodel project management and administration of janitorial contract. Also provides room set-ups for meetings and rental groups.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. Investigated 3,300 customer service requests within 30 minutes of receipt.	x	x		x	x
2. Handled all street light repairs within 24 hours.	x	x			x
3. Performed 1,000 utilities underground locate requests.	x				x
4. Provided 3,600 hours of employee safety and job related training.			x	x	
5. Responded immediately to all hazardous issues and graffiti abatement service requests.	x	x		x	x
2006-2007 Goals					
1. Continue to respond to customer service requests within 30 minutes of receipt.	x	x		x	x
2. Continue with participation and coordination of Capital Improvement Projects.		x		x	x
3. Continue to provide immediate response to all hazardous issues and graffiti abatement service requests.	x	x		x	x
4. Continue to provide high-level maintenance to protect the city's facilities, parks and infrastructure.	x	x		x	x
5. Continue to provide safety and job related training to employees.			x	x	
6. Implement city's Clean and Safe Street Program.	x	x		x	x

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
Customer service requests processed	3,506	3,500	3,300	3,300
Parks maintained (acres)	169	172	172	172
City street & sidewalk miles maintained	137	138	139	139
Buildings maintained (sq feet)	344,000	350,000	350,000	350,000
Traffic signals/signs maintained	68/1,600	68/1,600	68/1,600	68/1,600
Clean sewer lines (feet)	358,610	500,000	500,000	500,000
Repair, replace or set water meters	341	422	425	400
Play ground safety inspections	784	1,062	1,304	1,456
Year end street tree inventory	12,190	12,500	12,950	13,400
Public landscaped acres maintained	101	102	103	108
Completed vehicle repairs	2,148	2,183	2,200	2,200
Average vehicle downtime (hrs.)	4	3	3	3

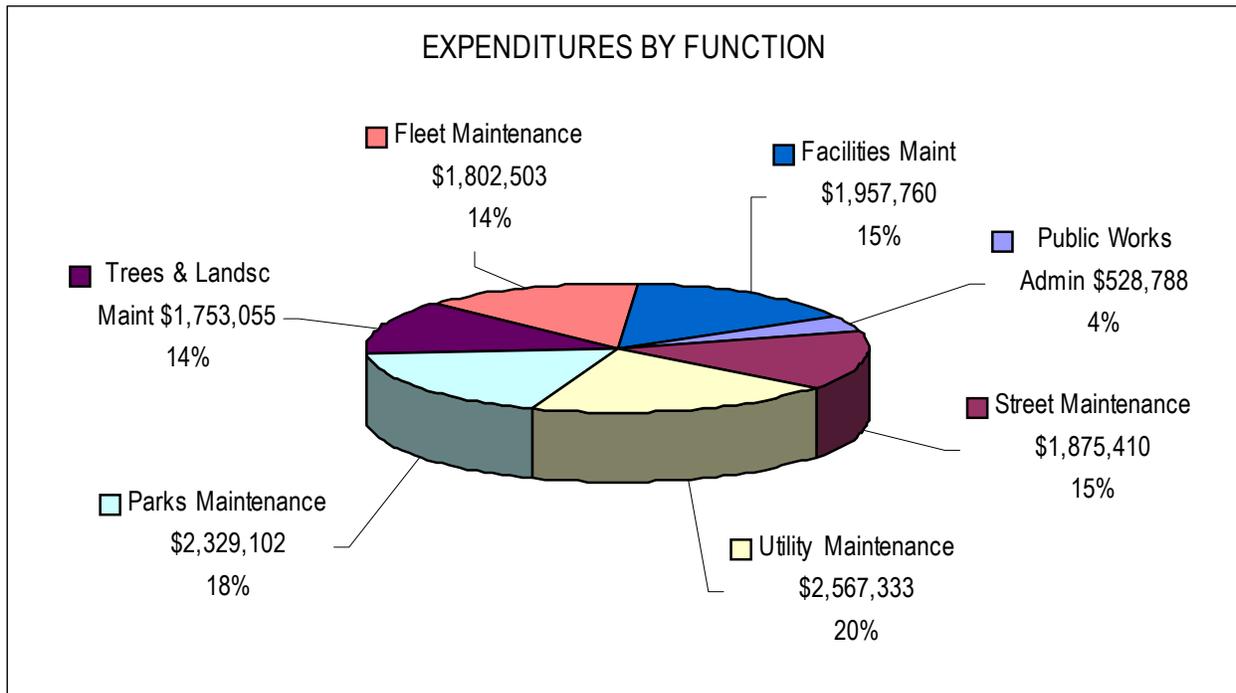
Personnel Allotment of 102.25 FTE

Position	FTE	Vacant	Position	FTE	Vacant
Public Works Director	1		Fleet Maintenance Asst -37.5	1	
Assoc Civil Engineer	1	1	Water System Operator	1	
Community Svcs Proj Mgr	1	1	Asst Water System Operator	1	
Office Specialist	3	1	Maintenance Custodian I	4	
Secretary	1		Maintenance Custodian III	1	1
Equipment Maint Worker II	2		Maint Custodian II-40 Hr	3	1
Equipment Maint Worker III	5		Maintenance Worker 1/II	40	4
Senior Maintenance Supervisor	3	.50	Maintenance Worker III	18	3
Fleet Maintenance Supervisor	1		Maintenance Supervisor-37.5	3	
Fleet Maint Worker II	3		Temporary Positions (FTE)	7.25	
Fleet Maint Worker III	2	1			

Staff Change(s): None

Expenditure Analysis

Personnel Services	Decrease due to additional vacancies.
Services and Supplies	\$150,000 increase in fuel costs; \$150,000 increase in contractual services for building maintenance.
Capital Outlay	\$119,787 from the Equipment Replacement Fund to purchase a truck with lift gate and replacement equipment: testing equipment for vehicle maintenance, a hoist, an asphalt paver, a pavement marker, and a mower.



	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	5,139,337	5,343,236	6,027,619	5,745,443
4112 Temporary Salaries	342,966	325,990	240,852	261,989
4113 Overtime	112,679	93,967	168,766	168,766
4121 Allowances	88,398	89,514	120,820	120,820
4124 Leave Cashout	61,123	65,294	0	0
4131 PERS	379,490	655,762	941,310	853,048
4132 Group Insurance	765,563	848,606	1,102,669	1,103,028
4133 Medicare	70,013	72,770	76,773	76,012
4135 Worker's Compensation	185,064	255,121	241,480	217,436
4138 Deferred Comp-Employer	7,976	8,634	9,000	9,900
4139 PARS	1,493	704	565	1,016
4141 Adjustments-Payroll	600	604	0	0
4143 Charged to CIPs	0	0	(45,000)	(25,000)
sub-total	<u>7,154,701</u>	<u>7,760,202</u>	<u>8,884,854</u>	<u>8,532,458</u>
SERVICES AND SUPPLIES				
4211 Equip Replacement Amortization	554,715	649,887	821,067	904,210
4220 Supplies	1,293,890	1,385,421	1,279,111	1,452,690
4230 Services	1,317,232	1,086,832	1,540,710	1,700,570
4410 Communications	11,787	12,925	29,000	26,760
4420 Utilities	31,886	35,784	30,200	38,200
4501 Memberships and Dues	2,880	2,385	5,445	6,855
4503 Training	10,132	7,819	36,485	22,045
sub-total	<u>3,222,522</u>	<u>3,181,053</u>	<u>3,742,018</u>	<u>4,151,330</u>
CAPITAL OUTLAY				
4850 Vehicles	0	0	171,190	0
4870 Machinery & Equipment	9,203	31,850	6,500	0
4910 Office Furniture & Fixtures	0	0	0	10,000
4920 Machinery Tools & Equipment	5,961	3,834	0	10,163
4930 Hydrants & Meters	40,157	(2,188)	110,000	110,000
sub-total	<u>55,322</u>	<u>33,497</u>	<u>287,690</u>	<u>130,163</u>
TOTAL	<u><u>10,432,545</u></u>	<u><u>10,974,752</u></u>	<u><u>12,914,562</u></u>	<u><u>12,813,951</u></u>

Engineering

DIVISION:	Engineering	PUBLIC WORKS DIRECTOR: Greg Armendariz
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Description: This division provides professional management and review of new facilities, 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's functions include: Special (RDA) Projects, Design & Construction, Land Development, Traffic, Utilities and Solid Waste Services.

Services

- Provides direction and coordination for the division, including allocation of resources, assignments, and staff development.
- Plans and implements the Capital Improvement Program, including design and construction engineering, project management, and construction inspection of the City's street, water, sewer, storm drain, parks, and community projects.
- Prepares the annual Capital Improvement Program, including cost estimates, scheduling, and progress reports.
- Provides engineering support on regional programs such as BART and highway projects.
- Reviews and approves all subdivision maps and developer public improvement plans.
- Issues encroachment permits for construction work within the City's public right-of-way.
- Administers the National Flood Insurance Program and several special districts.
- 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.
- Performs quality control and maintenance of digital maps for use by City's for Geographical Information Systems.
- Plans and implements Midtown major capital investment projects, including the new Milpitas Public Library and Parking Garage, North Main Street Utilities and Streetscape.
- Provides periodic presentations and reports to City Council, Planning Commission, Library Advisory Commission, PRCRC, and others.
- Provides for the operation and maintenance of the City's existing transportation facilities and provides planning support for the future development of the City's transportation network by local, development, and regional traffic demands.
- Insures regulatory and contractual compliance for water, urban runoff control, wastewater, and recycled water programs. Provides updates on Sewer and Master Plans.
- Manages solid waste collection, recycling services, and household hazardous waste disposal contracts and coordinates programs to achieve and maintain 50% state-mandated waste disposal reduction services.
- Manages street sweeping agreement.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. Completed 17 Construction Contracts worth \$9M.	x	x		x	x
2. Completed the review and approval of land development projects including KB Home, Fairfield, Spring Oaks, Apton Plaza and Parc Place residential projects, Buddhist Temple, Capitol retail, Town Center renovation, NextG franchise agreement and several hillside homes.	x	x		x	
3. Completed the implementation of three grant-funded projects including a Citywide Traffic Signal Retiming, GIS Collision Database Deployment, and Vehicle Speed Feedback Signs.	x	x	x	x	x
4. Converted to "Single Stream" Recycling service for Residential Customers.	x	x			
5. Updated Stormwater Pollution Control Guidebooks.	x	x			x
2006-2007 Goals					
1. Continue acquisition of additional wastewater treatment and pumping capacity.	x	x		x	x
2. Continue to meet deadlines for development projects and provide quality service to our customers.	x	x		x	
3. Continue to pursue grant-funding opportunities to implement the City's Clean & Safe Streets Program and to offset the costs of future transportation infrastructure projects.	x	x			x
4. Complete construction of Midtown East Parking Garage.	x	x		x	x
5. Begin construction of new Milpitas Public Library.	x	x		x	x
6. Complete 9 other Capital Improvement Projects.	x	x		x	x

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
Contracts Awarded/Value	24/\$6M	17/\$5M	24/\$15M	15/\$40M
Achieve 17% or more Allied Commercial Recycling Rate	17%	17%	16.8%	18%
Achieve City 50% more Solid Waste Diversion	53%	54%	54%	54%
Review first submittals of private development plans within 20 working days	N/A	N/A	90% of time	90% of time
Development projects reviewed	N/A	N/A	293	360
Responded to flood zone and other inquiries	N/A	N/A	310	310
Engineering & Traffic Surveys	N/A	N/A	20	15
Grants Submitted	3	3	5	5
Projects Completed (Initial Acceptances)	17	13	17	10

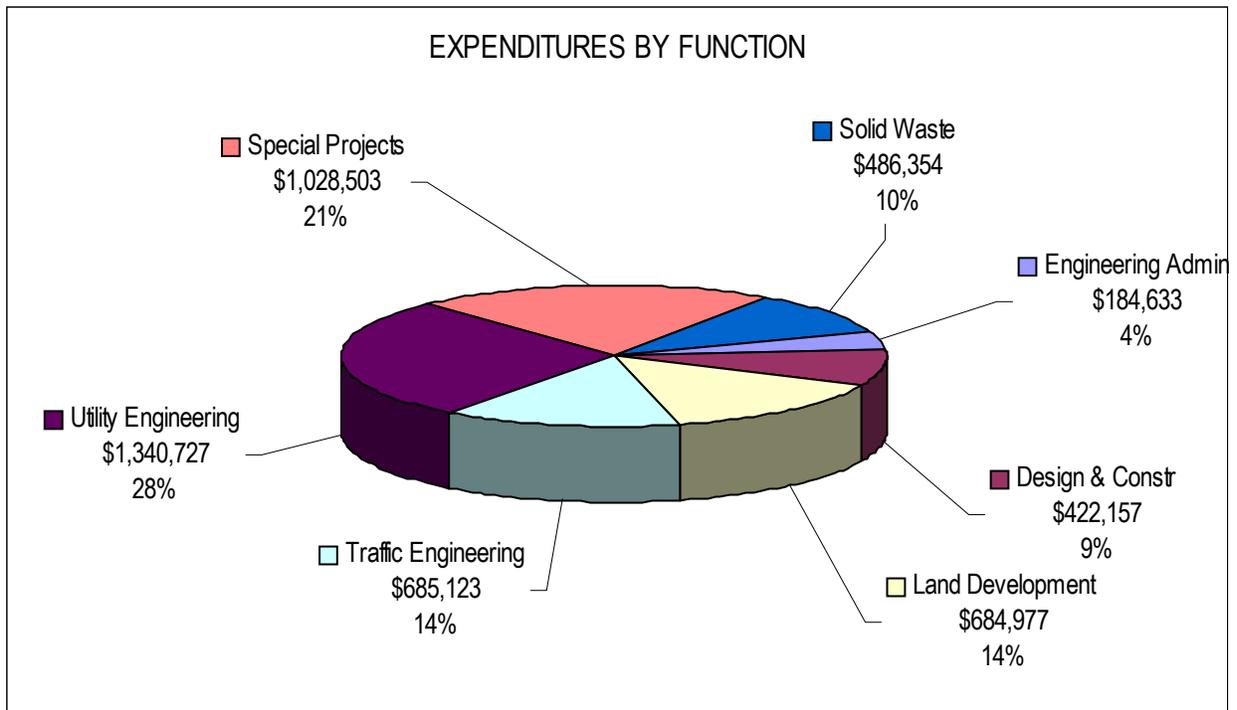
Personnel Allotment of 53 FTE

Position	FTE	Vacant	Position	FTE	Vacant
City Engineer	1	1	CIP Manager	1	
Assistant City Engineer	1	1	Princ Transportation Planner	2	
Admin Analyst I/II	2	1	Asst Transportation Planner	1	
Public Information Specialist	1		Engineering Aide	5	3
Asst Civil Engineer	10		Public Works Inspector	4	1
Assoc Civil Engineer	7	1	Sr Public Works Inspector	1	
Principal Civil Engineer	3	1	Office Asst II	1	1
Traffic Engineer	1	1	Office Specialist	2	
C A D Technician	1		Secretary	1	
Engineering Permit Technician	1	1	Temporary Positions (FTE)	7	

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations and transfer of Transportation Planning to Traffic Engineering.
Services and Supplies	Decrease due to reduced consultant services to supplement staff for private job development.
Capital Outlay	None.



	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	1,734,934	2,174,775	3,346,633	3,402,427
4112 Temporary Salaries	223,765	416,137	704,295	433,307
4113 Overtime	33,961	48,564	33,600	59,600
4121 Allowances	2,887	4,302	0	5,400
4124 Leave Cashout	71,960	45,589	0	0
4131 PERS	139,734	303,781	620,529	553,802
4132 Group Insurance	159,616	228,277	415,688	434,193
4133 Medicare	26,079	35,391	54,460	50,767
4135 Worker's Compensation	31,093	44,696	34,340	32,993
4138 Deferred Comp-Employer	30,825	28,149	34,200	32,400
4139 PARS	186	458	0	0
4143 Charged to CIPs	0	0	(1,504,544)	(1,220,000)
sub-total	<u>2,455,040</u>	<u>3,330,117</u>	<u>3,739,201</u>	<u>3,784,889</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	171,230	105,461	221,034	254,000
4211 Equip Replacement Amortization	23,841	28,302	35,250	31,960
4220 Supplies	13,813	15,458	22,200	36,400
4230 Services	387,478	495,022	770,400	674,400
4410 Communications	1,568	1,272	1,400	1,850
4501 Memberships and Dues	4,349	4,174	6,200	8,570
4503 Training	5,521	5,013	33,660	36,405
4520 Commissions and Boards	64	324	0	0
sub-total	<u>607,863</u>	<u>655,027</u>	<u>1,090,144</u>	<u>1,043,585</u>
CAPITAL OUTLAY				
4850 Vehicles	0	0	12,274	0
4920 Machinery Tools & Equipment	76	0	3,500	4,000
sub-total	<u>76</u>	<u>0</u>	<u>15,774</u>	<u>4,000</u>
TOTAL	<u><u>3,062,979</u></u>	<u><u>3,985,144</u></u>	<u><u>4,845,119</u></u>	<u><u>4,832,474</u></u>

Planning & Neighborhood Services

DEPARTMENT:	Planning & N Svcs	PLAN & NEIGH SVCS DIR: Thomas Williams
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Description: This department coordinates the review of development applications and environmental assessments, insures compliance and provides information on state and local ordinances and policies for the public and decision makers, maintains the City’s general plan, specific plans and zoning ordinance, serves as key Redevelopment Agency staff, insures that residential, commercial and industrial properties are maintained in accordance with city regulations, operates programs for housing, neighborhood beautification, graffiti abatement, abandoned vehicles, sister cities, and library operations, and administers the Community Development Block Grant program.

Services

- Long-range Planning: Provides oversight and maintenance of the General Plan, Midtown Specific Plan, Transit Area Plan and Gateway Area Plan. Assists other departments in preparation of special-purpose long-range plans and insures consistency with existing plans.
- Land Development: 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, coordinates environmental assessments, provides public information on land development regulations and processes and staffs the Planning Commission.
- Neighborhood Services: Responds to public service requests to insure residential, commercial and industrial properties are maintained in accordance with city regulations, and administers programs for graffiti abatement, abandoned vehicles, neighborhood beautification and animal control.
- Housing: Administers the Community Development Block Grant 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.
- Special Projects: Serves as staff for Community Advisory Commission and Sister City Commission and their programs, city staff liaison to County library district, and key staff for redevelopment agency.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. Completed entitlements for 1,260 new housing units.		x			
2. Completed Phase II of the Midtown Transit Sub-area Plan.		x			
3. Created public information brochures on planning process.	x			x	
4. Resolved over 1,900 code violations.	x	x			x
5. Completed four Owner Participation Agreements to provide 164 affordable housing units.		x			
2006-2007 Goals					
1. Complete Transit Area Precise Plan.		x			
2. Fully implement the Roadmap for Service Improvements program.	x			x	
3. Complete process to move Urban Service Area to conform to Urban Growth Boundary.					
4. Reduce response time from 8 days to 5 days for customer service requests.	x			x	x
5. Conduct outreach to business community on sign ordinance.	x				
6. Complete Housing Element update.		x			

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
Applications to Planning Commission	100	120	152	165
New building square footage/number of housing units approved	86,000/ 370	59,000/ 1,600	200,000/ 2,000	323,960/ 1,260
Planning Division customer contacts	4,100	3,270	3,796	3,850
Customer service requests/violations abated	1,656	1,62	1,960	1,970
Days to abate graffiti on private property	12	10	7	7
Abandoned vehicles abated	350	337	380	385
% complaints responded to within 5 days*	N/A	98%*	100%*	100%*
% Housing Element milestones met on time	77%	88%	95%	95%
Affordable housing units approved	247	223	135	187

* Tracked at 10 days

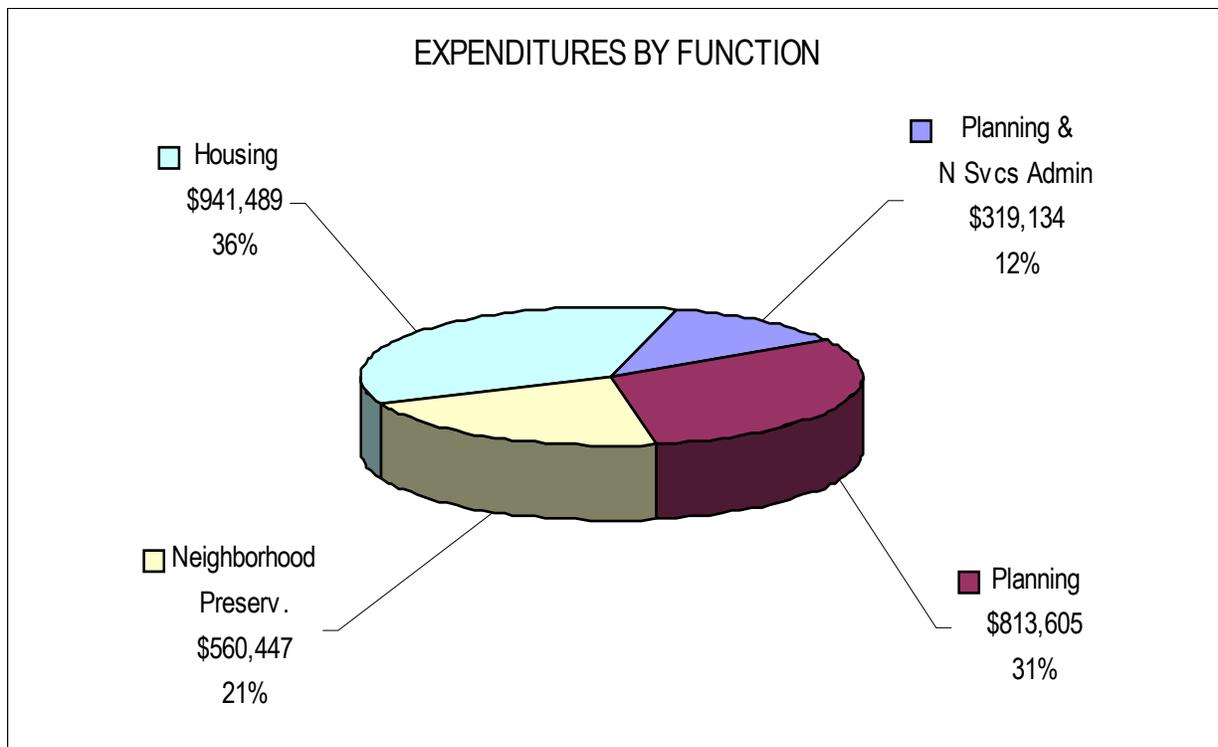
Personnel Allotment of 18.50 FTE

Position	FTE	Vacant	Position	FTE	Vacant
Planning & Neigh Svcs Ditr	1		Principal Housing Planner	1	
Assistant Planner	2.5	2.5	Housing/Neigh Pres Specialist	3	
Associate Planner	2	2	Senior Housing Specialist	1	
Planning Manager	1	1	Office Specialist	2	
Senior Planner	1		Secretary	1	1
Principal Admin Analyst	1		Temporary Positions (FTE)	2	

Staff Change(s): None

Expenditure Analysis

Personnel Services	Decrease attributed to the transfer of Transportation Planning to Traffic Engineering.
Services and Supplies	33.5% (more than \$491,000) decrease due to funding constraints for housing rehab loans and decrease in contractual services.
Capital Outlay	None.



	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	1,211,825	1,262,227	1,290,982	1,092,439
4112 Temporary Salaries	81,348	115,221	146,142	149,527
4113 Overtime	12,660	14,412	27,500	26,500
4121 Allowances	10,468	10,842	10,800	5,400
4124 Leave Cashout	18,914	39,679	0	0
4131 PERS	91,441	161,764	217,813	179,340
4132 Group Insurance	108,933	128,304	174,546	170,094
4133 Medicare	19,411	20,979	21,178	16,594
4135 Worker's Compensation	7,847	8,442	7,186	6,182
4138 Deferred Comp-Employer	13,963	14,277	12,600	12,600
4139 PARS	0	23	0	0
sub-total	<u>1,576,811</u>	<u>1,776,170</u>	<u>1,908,747</u>	<u>1,658,676</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	950,488	389,278	579,182	524,838
4211 Equip Replacement Amortization	3,260	8,855	12,021	12,820
4220 Supplies	5,929	7,327	17,205	15,205
4230 Services	427,755	490,985	844,131	407,866
4410 Communications	1,715	1,554	2,460	2,460
4501 Memberships and Dues	3,121	3,178	3,385	2,585
4503 Training	6,989	8,798	9,025	10,225
sub-total	<u>1,399,256</u>	<u>909,975</u>	<u>1,467,409</u>	<u>975,999</u>
CAPITAL OUTLAY				
TOTAL	<u><u>2,976,067</u></u>	<u><u>2,686,145</u></u>	<u><u>3,376,156</u></u>	<u><u>2,634,675</u></u>

Police

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

Services

- Provides 24-hours a day, 365 days-a-year response to calls for police services. Safeguards the community from crime through deterrence, prevention and arrest of offenders. Preserves the public peace, protects life and property and appropriately enforces laws and ordinances.
- Investigates auto thefts, hit-and-runs, and traffic accidents; conducts accident reconstruction for major-injury and fatal collisions; provides traffic control at major events; and enforces traffic laws.
- Manages the Crossing Guard program, which staffs the 28 most critical intersections within the City to ensure the safety of children walking to and from school.
- Provides DARE instruction to all fifth graders and to Middle Schools, teaches Police Science at Milpitas High School, and conducts PAL, Neighborhood Watch, Police Explorer, Senior 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 parenting, counseling and other innovative programs. School Resource Officers serve Milpitas High, Calaveras Hills, and Rancho and Russell middle schools.
- Conducts P.A.C.E.S. (Police And Community Educational Seminars), a citizen academy course offering Milpitas residents the opportunity to examine the inner working of our police department.
- 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, crime analysis and evidence management.
- Processes, maintains and distributes Police and Fire reports, prepares statistical data required by law, and responds to report requests and telephone inquiries from citizens and other authorized entities.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. Reduced crime by 3.3%.					x
2. Reorganized the Community Relations Unit to provide two School Resource Officers to Milpitas High School at no cost.	x			x	x
3. Implemented a state of the art CAD (Computer Aided Dispatch) system, which received national notice in 911 Magazine.	x				x
4. Expanded the Senior Volunteer Program by over 30%, to 27 volunteers.	x			x	x
5. Re-assigned duties in the Traffic Unit, resulting in a 7% decrease in 2005.				x	x
6. Reduced the number of traffic collisions in 2005 to a 5-year low of 995.					x
7. Maintained 100% compliance with registration requirements by known sex offenders.					x
2006-2007 Goals					
1. Reduce crime by 2%.					x
2. Respond to emergency calls for service in under 3:30 (minutes).	x				x
3. Reduce collisions by 2% through directed traffic enforcement during peak school and commute hours.					x
4. Expand PAL by introducing a new spring sport to increase participation by 5%.	x	x			x
5. Ensure 100% registration by known sex offenders.					x

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
Avg. response time to emergency calls (minutes)	3:35	3:44	3:21	3:29
Percentage of 9-1-1 calls answered by a dispatcher within 10 seconds	98%	98%	98%	98%
Percentage of public requests for report information completed within two days	N/A*	N/A*	96%	96%
Number of anti-terrorist Patrol checks	7,649	10,664	12,390	12,390
No. of accidents involving schoolchildren at intersections staffed by Crossing Guards	0	0	0	0
DARE presentations: schools/students	13/1,610	14/1,579	13/1,534	14/1,586
Crime prevention presentations	201	180	196	200
Number of vehicle citations issued	15,041	14,453	15,108	15,110
No. of arrests for Compstat, FBI Part I crimes	N/A*	486	640	642

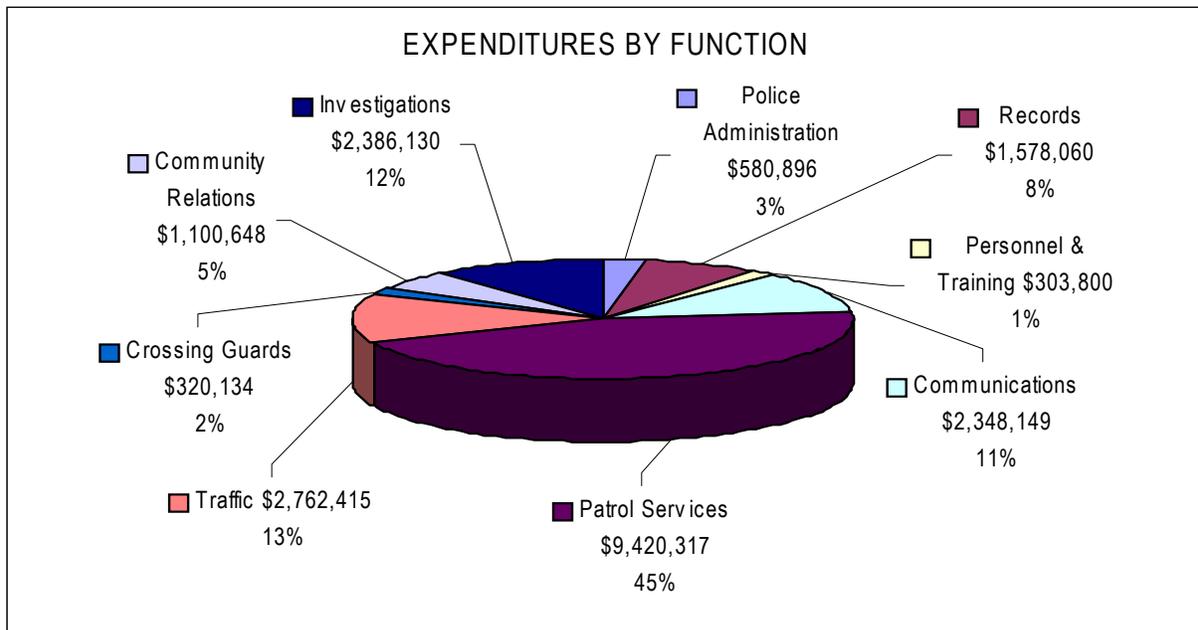
*Data not captured in previous years

Personnel Allotment of 137.50 FTE

Position	FTE	Vacant	Position	FTE	Vacant
Police Captain	2	1	Secretary	1	
Police Chief	1		Police Assistant	1	0.5
Police Commander	3		Police Clerk II	6	1
Crime Analyst	1		Police Clerk Supervisor	2	
Police Lieutenant	4		Police Property Clerk	1.5	
Patrol Officer	8	2	Communications Dispatcher	12	1
Police Officer	64	4	Communications Supervisor	4	2
Police Sergeant	13		Temporary Positions (FTE)	13	
Office Asst II	1		Note: Flex Staffing – Patrol Services		

Staff Change(s): None

Expenditure Analysis	
Personnel Services	Decrease due to PERS employer contribution rate decrease.
Services and Supplies	Increase attributed to higher county crime lab, subpoena service, and sexual assault forensic exam costs.
Capital Outlay	\$211,500 from the Equipment Replacement Fund to replace six cars, one truck and one motorcycle.



	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	11,996,660	12,121,943	12,876,799	13,083,669
4112 Temporary Salaries	320,205	407,070	299,704	377,854
4113 Overtime	680,924	799,626	629,068	660,521
4121 Allowances	154,312	150,295	140,109	152,844
4124 Leave Cashout	572,677	284,198	0	0
4131 PERS	1,906,841	2,893,845	3,137,749	2,773,452
4132 Group Insurance	1,052,630	1,172,217	1,448,175	1,549,248
4133 Medicare	138,896	151,538	153,215	157,033
4135 Worker's Compensation	489,592	626,710	600,242	527,248
4138 Deferred Comp-Employer	6,982	7,603	8,100	7,200
4139 PARS	3,951	3,675	5,372	5,372
4141 Adjustments-Payroll	0	1	0	0
sub-total	<u>17,323,670</u>	<u>18,618,721</u>	<u>19,298,533</u>	<u>19,294,441</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	0	0	3,000	3,000
4211 Equip Replacement Amortization	276,454	265,727	528,304	527,560
4220 Supplies	165,011	217,348	223,458	223,458
4230 Services	418,190	423,634	537,072	591,811
4410 Communications	31,443	31,016	38,066	38,200
4501 Memberships and Dues	3,041	1,876	3,928	3,928
4503 Training	42,991	50,190	54,174	68,151
sub-total	<u>937,131</u>	<u>989,791</u>	<u>1,388,002</u>	<u>1,456,108</u>
CAPITAL OUTLAY				
4850 Vehicles	3,150	0	29,684	0
4870 Machinery & Equipment	19,145	86,248	0	0
4920 Machinery Tools & Equipment	101,165	28,468	33,000	50,000
sub-total	<u>123,460</u>	<u>114,716</u>	<u>62,684</u>	<u>50,000</u>
TOTAL	<u><u>18,384,261</u></u>	<u><u>19,723,228</u></u>	<u><u>20,749,219</u></u>	<u><u>20,800,549</u></u>

Fire

DEPARTMENT:	Fire	FIRE CHIEF: Clare Frank
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Description: This department provides emergency response and prevention services to citizens, employees and visitors in Milpitas. The department's eight functions include: Administration; Platoon Operations (Response); Disaster Preparedness; Education, Training & Safety; Fire Plan-Check & Permits; General Prevention Information; Hazmat Regulation; and Inspections & Investigations.

Services

- **Command:** Provide command, administrative, and strategic-planning support for the response and prevention divisions.
- **Respond:** Provide response to alarms for fires, medicals, rescues, and hazardous materials releases and other emergencies affecting the health and welfare of those in the community. Personnel staff five apparatus at four fire stations strategically located throughout the City, and perform daily maintenance to the stations, the apparatus, and specialized equipment.
- **Prepare:** Provide citywide large-scale disaster planning and preparedness through Emergency Operations Center drills for city employees, Strategic Actions For Emergencies (SAFE) training to Milpitas citizens, and local businesses preparedness assistance. Staff also maintains several care-and-shelter caches to optimize survivability if disaster strikes.
- **Train:** Operate drill grounds and training programs to ensure that firefighters maintain skill and certification levels for fire, medical-care, rescue, and hazardous-material-release responses.
- **Safeguard:** Provide a safety program to reduce the injury rate and risks associated with this inherently dangerous profession.
- **Plan-check:** Provide plan reviews and permits for new construction, change in occupancy, tenant improvement, and fire-systems, to ensure compliance with fire regulations.
- **Inform:** Provide prevention-education for schools, businesses, citizen groups and community events in Milpitas. Also ensure that general prevention information is available in handouts, the city website, and community media.
- **Regulate hazmat:** Provide hazardous materials storage and use regulation and urban-runoff management assistance in accordance with state and local laws.
- **Inspect:** Provide inspections for new construction and high-risk occupancies to ensure compliance with state and local fire laws.
- **Investigate:** Provide fire cause and origin investigations and follow-up case preparation in cooperation with the Police Department for suspicious fires.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2005-2006 Accomplishments					
1. Responded to 4,030 emergency incidents with an average response time of 4.12 minutes.*	x	x			x
2. Certified 47 new S.A.F.E.** Team members and increased disaster care-and-shelter facility capacity by 300.	x	x			x
3. Became first fire department in the county to certify all its response personnel in new federal command training requirements.			x		x
4. Conducted 1,180 plan reviews, issued 562 approvals/permits, and performed 1,890 inspections.*	x				x
5. Presented prevention information at nearly 70 events with over 16,000 in total public contacts.*	x	x			x
6. Implemented Automatic Defibrillator Public Access Program.					x
2006-2007 Goals					
1. Maintain response times to 4.2 minutes or less even as call-volume increases.					x
2. Certify an additional 50 S.A.F.E. team members and train 90% of critical Emergency Operations Center staff.					x
3. Reduce firefighter injury-rate.			x	x	
4. Improve plan-review and inspection turn-around times, inter-department integration, and public access to requirements.	x				x
5. Respond to 100% of general prevention information requests for community and city events.	x				x
6. Conduct EMDS*** feasibility study and loss-stop rate study.	x				x

*These are calendar year figures. **Strategic Actions For Emergencies ***Emergency Medical Dispatch System

Performance Measures	Actual 2003-04	Actual 2004-05	Projected 2005-06	Estimated 2006-07
Calls for service & average response times (minutes)	4,100/4:06	4,200/4:18	4,250/4:07	4,200/4:12
Number of disaster preparedness citizens (per 1,000) & civilian employees (%)	1.4/NA	1.9/NA	2.7/NA	3.0/10
Number of platoon training hours & personnel certified to serve at higher rank	240/NA	240/NA	240/20	240/22
Number of plan reviews/inspections	786/1,909	845/2,514	1,500/4,100	1,500/4,200
Target turn-around-time success rate (%)	NA	NA	TBD	95%
Prevention information events/contacts	75/12,000	73/16,000	70/16,000	75/16,000
Loss rate (pending loss-stop study)	NA	NA	TBD	TBD

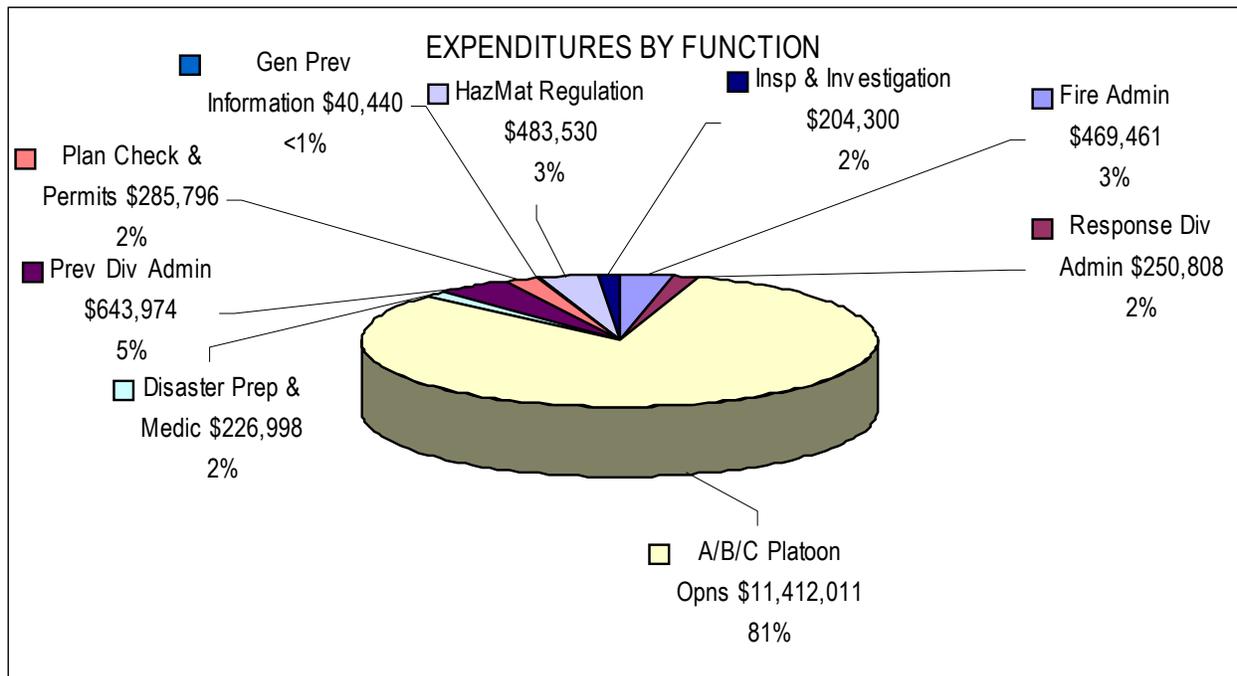
Personnel Allotment of 81 FTE

Position	FTE	Vacant	Position	FTE	Vacant
Asst Fire Chief	1	1	Fire Protection Engineer	2	1
Fire Chief	1		Fire Engineer	14	2
Fire Marshal	1		Firefighter	13	
Asst Fire Marshal	1		Firefighter/Paramedic	11	
Fire Battalion Chief	3		Fire Engineer-Paramedic	7	1
Fire Captain	15		Office Asst II	1	
Fire Battalion Chief-40HR	2		Office Specialist	1	
Captain/Pub Education	1	1	Secretary	1	
Fire Prev Inspector	2	1	Temporary Positions (FTE)	1	
Haz Mat Inspector	3				

Staff Change(s): 1 Temporary Emergency Services Coordinator and 1 Clerical Assistant (Student Intern) positions have been eliminated.

Expenditure Analysis

Personnel Services	Reduction due to the elimination of the Temp Emergency Services Coordinator and Clerical Assistant (Student Intern) positions and decreased PERS employer contribution rate.
Services and Supplies	Increase due to increased equipment amortization charges.
Capital Outlay	None.



	Actual 2003-04	Actual 2004-05	Budget 2005-06	Approved 2006-07
PERSONNEL SERVICES				
4111 Permanent Salaries	8,365,256	8,200,707	8,437,399	8,405,788
4112 Temporary Salaries	129,213	139,438	149,969	49,792
4113 Overtime	610,612	768,824	541,594	564,598
4121 Allowances	57,816	54,173	52,980	65,284
4124 Leave Cashout	468,829	855,792	0	0
4131 PERS	1,224,258	2,189,960	2,180,655	1,855,143
4132 Group Insurance	749,302	800,883	979,206	990,780
4133 Medicare	74,809	85,917	88,653	90,981
4135 Worker's Compensation	298,347	414,884	396,962	363,712
4138 Deferred Comp-Employer	11,894	11,666	12,600	11,700
4139 PARS	124	223	264	0
sub-total	<u>11,990,460</u>	<u>13,522,466</u>	<u>12,840,282</u>	<u>12,397,778</u>
SERVICES AND SUPPLIES				
4200 Community Promotions, Grants & Loans	3,319	4,204	4,500	1,500
4211 Equip Replacement Amortization	505,484	556,158	997,093	1,065,700
4220 Supplies	150,918	159,818	271,925	250,960
4230 Services	108,274	125,663	169,620	176,500
4410 Communications	20,291	18,705	15,000	15,000
4501 Memberships and Dues	6,804	3,556	10,610	10,705
4503 Training	16,050	34,343	105,656	99,175
sub-total	<u>811,139</u>	<u>902,448</u>	<u>1,574,404</u>	<u>1,619,540</u>
CAPITAL OUTLAY				
4850 Vehicles	0	938,284	18,416	0
4870 Machinery & Equipment	21,717	0	0	0
4920 Machinery Tools & Equipment	40,440	0	0	0
sub-total	<u>62,157</u>	<u>938,284</u>	<u>18,416</u>	<u>0</u>
TOTAL	<u><u>12,863,756</u></u>	<u><u>15,363,198</u></u>	<u><u>14,433,102</u></u>	<u><u>14,017,318</u></u>

Non-Departmental

DEPARTMENT:	Non-Departmental
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Description: This department finances a variety of activities which generally are not specific to any one department including debt services and equipment replacement. Wage funding is included for expenditures beyond the control of the individual departments. They include vacation cashouts, leave accruals, benefit administration fees, citywide tuition reimbursement and unemployment benefit payments. Common copier costs for City Hall and all utility payments have been centralized in this function. Sewer treatment plant capital billing, maintenance and operation are funded in this function, as are all water purchases.

Expenditure Analysis

Personnel Services: \$2,398,503 will finance vacation cashouts, leave accruals, MOU contractual obligations and unemployment benefit payments. Administration costs for the City's Public Agency Retirement System (PARS) program are included in this function. The savings from prepayment of employer's contribution to CalPERS and reduction of work force through attrition are included in this category.

Services and Supplies: \$5,435,000 is for Treatment Plant fees; \$2,520,000 is for gas, electric and water utilities; and \$6,416,320 is for water purchases. A total of \$37,000 is reflected in this function for citywide tuition reimbursement, computer training, personnel training and redevelopment training. The City's insurance premium with ABAG is \$380,000 for the 2006-07 fiscal year.

Debt Service: \$12,720,000 is projected to pay the principal and interest due on Agency Tax Allocation Bonds. \$1,256,000 is estimated for payment of the Certificates of Participation for technology projects. \$4,000,000 is for payment to the County of Santa Clara in accordance to a Purchase & Sale Agreement.

Capital Outlay: \$356,187 is for equipment replacement and monies are available in the Equipment Replacement Fund.

	100 General Fund	211 H-H Lease Fund	250 HCD Fund	310 Street Fund
PERSONNEL SERVICES				
4124 Leave Cashout	300,000	0	0	0
4132 Group Insurance	579,040	0	0	0
4135 Worker's Compensation	154,000	0	0	0
4136 Unemployment	77,000	0	0	0
4137 MOU Contractual Agreements	300,300	0	0	0
4139 PARS	6,545	0	0	0
4141 Adjustments-Payroll	1,110,403	0	5,000	0
4142 Vacancy Factor	(700,000)	0	0	0
sub-total	<u>1,827,288</u>	<u>0</u>	<u>5,000</u>	<u>0</u>
SUPPLIES & CONTRAC SVCS				
4200 Community Promotions, Grants & Loans	0	0	0	0
4237 Contractual Services	25,620	0	0	900
4239 Audit Fees	56,000	0	6,000	6,000
4242 Rents & Leases	0	26,000	0	0
4252 Retainers & Fees	185,000	0	0	0
4253 ABAG Attorney's Fees	39,000	0	0	0
4254 ABAG Settlements	60,000	0	0	0
4421 Utilities-Gas	174,000	0	0	30,000
4422 Utilities-Electric	1,233,705	0	0	45,045
4423 Utilities-Water	330,600	0	0	57,000
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	9,240	0	0	0
4509 Tuition Reimbursement	15,400	0	0	0
4600 Insurance & Settlements	227,000	0	0	0
4610 Uncollectible Accounts	20,000	0	0	0
4640 Contingent Reserve	325,000	0	0	0
sub-total	<u>2,700,565</u>	<u>26,000</u>	<u>6,000</u>	<u>138,945</u>
DEBT SERVICE				
4701 Retirement of Principal	1,130,000	0	0	0
4711 Interest Expense	126,000	0	0	0
4720 Contractual Obligation	0	0	0	0
sub-total	<u>1,256,000</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>5,783,853</u></u>	<u><u>26,000</u></u>	<u><u>11,000</u></u>	<u><u>138,945</u></u>

Non-Departmental

390 RDA Fund	400 Water Fund	406 Recycled Water	450/452 Sewer Fund	500 Equipment Replacement	Approved 2006-2007
38,960	31,160	0	19,480	0	389,600
75,200	60,160	0	37,600	0	752,000
20,000	16,000	0	10,000	0	200,000
10,000	8,000	0	5,000	0	100,000
39,000	31,200	0	19,500	0	390,000
850	680	0	425	0	8,500
38,000	53,000	3,000	31,000	18,000	1,258,403
0	0	0	0	0	(700,000)
<u>222,010</u>	<u>200,200</u>	<u>3,000</u>	<u>123,005</u>	<u>18,000</u>	<u>2,398,503</u>
260,000	0	0	0	0	260,000
25,180	4,130	0	5,570	0	61,400
12,000	10,000	0	10,000	0	100,000
0	0	0	0	0	26,000
0	0	0	0	0	185,000
13,000	3,250	0	9,750	0	65,000
20,000	25,000	0	75,000	0	180,000
6,000	51,000	0	39,000	0	300,000
165,000	90,750	0	115,500	0	1,650,000
11,400	96,900	0	74,100	0	570,000
0	4,100,000	0	0	0	4,100,000
0	2,100,000	0	0	0	2,100,000
0	0	216,320	0	0	216,320
0	0	0	975,000	0	975,000
0	0	0	4,460,000	0	4,460,000
6,200	960	0	600	0	17,000
2,000	1,600	0	1,000	0	20,000
41,000	21,000	0	62,000	29,000	380,000
0	50,000	0	50,000	0	120,000
400,000	25,000	0	75,000	0	825,000
<u>961,780</u>	<u>6,579,590</u>	<u>216,320</u>	<u>5,952,520</u>	<u>29,000</u>	<u>16,610,720</u>
3,750,000	0	0	0	0	4,880,000
8,970,000	0	0	0	0	9,096,000
4,000,000	0	0	0	0	4,000,000
<u>16,720,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,976,000</u>
0	0	0	0	239,100	239,100
0	0	0	0	117,087	117,087
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>356,187</u>	<u>356,187</u>
<u>17,903,790</u>	<u>6,779,790</u>	<u>219,320</u>	<u>6,075,525</u>	<u>403,187</u>	<u>37,341,410</u>

2006-11 CAPITAL IMPROVEMENT PROGRAM

GRAND SUMMARY

Project Expenses	2006-07	2007-08	2008-09	2009-10	2010-11	Total
Community Improvement	35,000,000	800,000	9,250,000	50,000	180,000	45,280,000
Park Improvement	(405,000)	580,000	535,000	750,000	6,435,000	7,895,000
Streets	8,941,294	890,000	1,135,000	4,215,000	770,000	15,951,294
Water	1,560,000	1,870,000	2,279,000	2,795,000	2,720,000	11,224,000
Sewer Improvement	9,575,000	1,128,000	3,893,000	1,735,000	335,000	16,666,000
Storm Drain Improvement	(20,000)	0	810,000	0	10,000	800,000
Total	54,651,294	5,268,000	17,902,000	9,545,000	10,450,000	97,816,294

Finance Sources	2006-07	2007-08	2008-09	2009-10	2010-11	Total
1997 RDA Tax Allocation Bonds	4,600,000	0	0	0	0	4,600,000
2003 RDA Tax Allocation Bonds	33,700,000	0	8,700,000	0	0	42,400,000
Developer Contributions	2,000,000	150,000	300,000	200,000	0	2,650,000
General Fund	(30,000)	0	0	0	0	(30,000)
Grants	1,078,078	0	0	0	0	1,078,078
Other Sources	50,000	50,000	285,000	1,634,000	3,885,000	5,904,000
Park Fund	(230,000)	580,000	535,000	525,000	2,560,000	3,970,000
RDA Tax Increment	958,014	885,000	1,385,000	2,106,000	180,000	5,514,014
Sewer Fund	120,000	433,000	2,898,000	835,000	335,000	4,621,000
Sewer Infrastructure Fund	400,000	700,000	700,000	700,000	0	2,500,000
Sanitary Sewer Bonds	9,200,000	0	0	0	0	9,200,000
Street Fund	1,240,202	595,000	815,000	750,000	770,000	4,170,202
Water Fund	1,565,000	1,875,000	2,284,000	2,795,000	2,720,000	11,239,000
Total	54,651,294	5,268,000	17,902,000	9,545,000	10,450,000	97,816,294

NOTES

- (a) RDA Tax Increment funding dependent upon fund availability.
- (b) "Other Sources" 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 several existing projects and funding of new projects as follows:

Project Number-Name

Description

3397-PEG Access Facility

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

8160-Sports Center Large Gym Improvements

Provides improvements to the gym necessary for the health, safety, maintenance, and expansion of the Sports Center programming. This project includes replacing the gym floor and support structure, installation of new bleachers, replacement of basketball backboards, new lighting, painting, installation of air conditioning and related insulation, roof repairs, repair of sewer lateral, and safety padding on gym walls. Additionally, this project will install an informational sign along Calaveras Blvd and alterations to the parking lot lighting.

8162-Library

Design and construction of a new library that will be multi-functional and provide adequate space for all the programs requested by the community. The new library will be approximately 60,000 square feet and will incorporate and renovate the existing historic grammar school.

COMMUNITY IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
331-3397	PEG Access Facility	\$ 50,000
391-8160	Sports Center Large Gym Improvements	1,250,000
391-8162	Library	<u>33,700,000</u>
		\$ <u><u>35,000,000</u></u>

AVAILABLE FINANCING SOURCE:

RDA Tax Increment	\$ 1,000,000
RDA 2003 Bond	250,000
RDA 2003 Bond	33,700,000
Private Funding	<u>50,000</u>
TOTAL AVAILABLE	\$ <u><u>35,000,000</u></u>

NOTE: Asterisk (*) indicates new projects.

PARK IMPROVEMENT PROJECTS

The Park Improvement category includes continued funding of several existing projects and funding of a new project as follows:

Project Number-Name

Description

8149-Sports Center Parking Lot Circulation Phase I

Phase 1 of this project provides for traffic circulation and East Parking lot improvements at the Sports Center that will include upgrades to the storm drain system and security lighting. The design work is completed. This project is on hold for future funding.

5082-Park Renovation Project 2007

Provides for miscellaneous park renovations and the installation of additional and replacement park equipment on a yearly basis at various park sites as needed.

5083-Park Master Plan

This project will provide an in-depth study of the City's existing parks and future Parks needs. This study will result in the development of a Park Master Plan.

PARK IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
391-8149	Sports Center Parking Lot Circulation Phase I (Defunding)	\$ (600,000)
321-5082 *	Park Renovation Project 2007	20,000
321-5083 *	Park Master Plan	<u>175,000</u>
	TOTAL COST	\$ <u><u>(405,000)</u></u>

AVAILABLE FINANCING SOURCE:

Park Fund	\$ 370,000
Defunding Transfer to Park Fund	(600,000)
Defunding Transfer to RDA Fund	<u>(175,000)</u>
TOTAL AVAILABLE	\$ <u><u>(405,000)</u></u>

NOTE: Asterisk (*) indicates new projects.

STREET IMPROVEMENT PROJECTS

The Street Improvement category includes continued funding of several existing projects and funding of new projects as follows:

Project Number-Name

Description

4029-Calaveras Road Slope Protection

This project involves ongoing maintenance and repair work on the Calaveras Road slide area slope between Piedmont Road and Downing Road. The only remaining portion of this project is to implement a 5-year monitoring plan.

4225-South Park Victoria Drive Phase 1

Roadway improvement on South Park Victoria Drive between Yosemite Drive and Calaveras Boulevard. Work will include placing rubberized asphalt concrete overlay, localized full depth AC repairs, cold planning, replacement of traffic detector loops, sealing of cracks and replacement of paint markings.

4229-Annual Street Resurfacing Project 2006

Provides for a slurry seal and minors repairs of approximately ten residential streets in town. This project also includes \$200,000 to Public Works maintenance for pothole patching. \$300,000 funding from this project is transferred to the South Park Victoria Drive project.

4232-Milpitas Communication Enhancements

This project provides for the deployment of communications cables and equipment from the City's Public Works Yard to Able Street and Curtis Ave.

8164-BART Extension Coordination and Planning

Includes coordination of utilities, Right of Way and other design features with outside agencies. The BART extension from Fremont to San Jose will pass through and include a station in Milpitas.

8165-N. Main Street Midtown Streetscape Improvements

This project provides for street reconstruction and streetscape on Main Street. The first phase of construction is from Weller Lane to Carlo Street and portions of Weller and Winsor near the new library.

4234-Minor Traffic Improvement 2007

Provides for traffic studies, speed surveys, and traffic counts.

4235-Sidewalk Replacement 2007

This bi-annual project involves citywide replacement of existing curb, gutter and sidewalk.

8181-Singley Area Phase 4

This project involves the replacement of existing curb and gutters, driveways, ramps, sidewalk, and asphalt pavement sections with new facilities in various streets in the Singley Street Area.

4236-Street Resurfacing Project 2007

Provides for the street resurfacing in 2007. This project also includes \$200,000 to Public Works maintenance for pothole patching.

4237-Traffic Management Enhancements 2007

Provides for the upgrade and deployment of traffic management equipment used to monitor and control the City's roadway network.

4238-Traffic Signal Modifications 2007

Provides for minor traffic signal improvement projects resulting from the need for operations improvements or emergency repairs and safety enhancements such as pedestrian countdown signals and battery back-up systems.

STREET IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>	<u>ESTIMATED ANNUAL MAINTENANCE COST</u>
311-4029	Calaveras Road Slope Protection	\$ (70,000)	\$ 1,500
311-4225	South Park Victoria Drive Phase 1	1,076,294	0
311-4229	Annual Street Resurfacing Project 2006	(300,000)	0
311-4232	Milpitas Communication Enhancements	340,000	5,000
391-8164	Bart Extension Coordination and Planning	100,000	0
391-8165	North Main Street Midtown Streetscape Improvements	6,350,000	75,000
311-4234 *	Minor Traffic Improvement 2007	50,000	0
311-4235 *	Sidewalk Replacement 2007	300,000	0
391-8181 *	Singley Area Phase 4	150,000	0
311-4236 *	Street Resurfacing Project 2007	750,000	0
311-4237 *	Traffic Management Enhancements 2007	100,000	0
311-4238 *	Traffic Signal Modifications 2007	95,000	0
	TOTAL COST	\$ 8,941,294	\$ 81,500

AVAILABLE FINANCING SOURCE:

Street Fund	\$ (3,798)
Gas Tax	1,200,000
Grants	1,078,078
Investment Earnings	34,000
RDA Tax Increment	273,014
1997 RDA Tax Alloc Bond	4,350,000
Water Fund	5,000
Sewer Fund	5,000
Developer Contribution	2,000,000
TOTAL AVAILABLE	\$ 8,941,294

NOTE: Asterisk (*) indicates new projects.

WATER IMPROVEMENT PROJECTS

The Water Improvement category includes continued funding of several existing projects and funding of a new project as follows:

Project Number-Name

Description

7076-Well Upgrade

Upgrade of the City's existing well at Pinewood Park to include Chlorination system improvements as required by the State Dept. of Heather Services.

7101-Gibraltar Reservoir & Pump Station

Provides an evaluation to identify upgrades to pumps and generator needs. Improvements include the installation of a pressure relief valve, concrete sealing of the floors, and various equipment and control improvements.

7103-Minor Water Projects 2007

This on-going project involves the analysis and implementation of various water projects which arise during the year.

7104-Water Main Replacement Study

This project involves field evaluation of the remaining useful life of the city's waterlines including but not limited to: Lonetree, Evans between Stemel and Calle Oriente, near Dempsey and Yosemite, and along Piedmont between Yosemite and Glenview.

WATER IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
401-7076	Well Upgrade Project	\$ 725,000
401-7101	Gibraltar Reservoir and Pump Station	700,000
401-7103 *	Minor Water Projects 2007	35,000
401-7104 *	Water Main Replacement Study	<u>100,000</u>
	TOTAL COST	\$ <u><u>1,560,000</u></u>

AVAILABLE FINANCING SOURCE:

Water Fund	\$ <u>1,560,000</u>
TOTAL AVAILABLE	\$ <u><u>1,560,000</u></u>

NOTE: Asterisk (*) indicates new projects.

SEWER IMPROVEMENT PROJECTS

The Sewer Improvement category includes continued funding of several existing projects and funding of new projects as follows:

Project Number-Name

Description

6073-Sewer Deficiency Program

This project includes the inventory of structural deficiencies and design and construction of improvements to reduce infiltration inflow of storm water into the sewer system. It also includes the design and construction of sewer line replacement due to structural deficiencies, differential settlement, and damaged sewer lines discovered with the City's televideo inspection program.

6103-Main Sewer Pump Station Improvements

Design and construction of a new lift station at the Main Sewer Pump Station. The existing lift station has reached the end of its useful life and is susceptible to damage from a significant seismic event.

8167-Main/Great Mall Drive Sewer Replacement

This project replaces 590 linear feet of 18-inch sanitary sewer pipe with 27-inch sanitary sewer pipe and replaces 370 linear feet of 12-inch sanitary sewer pipe with 27-inch sanitary sewer pipe. The location is S. Main Street north of Great Mall Drive. This project is on hold until FY 2009-10.

6105-Minor Sewer Projects 2007

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

6106-Sewer Replacement Study

This project involves field determination of the remaining useful life of the following sewer pipes: 360 linear feet crossing I-880 at the Main Lift Station, 490 linear feet at Cadillac Court and I-880, 310 linear feet at Milmont near Penitencia Creek, 5,400 linear feet along Milpitas Boulevard between Hidden Lakes and Midwick, 90 linear feet at Folsom and Hetch-Hetch crossing, 1,500 linear feet between Folsom and Escuela, and 170 linear feet at Dempsey.

SEWER IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>	<u>ESTIMATED ANNUAL MAINTENANCE COST</u>
451-6073	Sewer Deficiency Program	\$ 400,000	\$ 0
451-6103	Main Sewer Pump Station Improvements	9,200,000	20,000
391-8167	Main/Great Mall Dr. Sewer Replacement	(140,000)	0
451-6105 *	Minor Sewer Projects 2007	35,000	0
451-6106 *	Sewer Replacement Study	80,000	0
	TOTAL COST	\$ 9,575,000	\$ 20,000

AVAILABLE FINANCING SOURCE:

RDA Tax Increments	\$ (140,000)
Sewer Fund	115,000
Sanitary Sewer Bonds	9,200,000
Sewer Infrastructure Fund	400,000
TOTAL AVAILABLE	\$ 9,575,000

NOTE: Asterisk (*) indicates new projects.

STORM DRAIN IMPROVEMENT PROJECTS

The Storm Drain Improvement category includes continued funding of an existing project as follows:

Project Number-Name

Description

3391-Abbott Pump Replacement

This project involves replacement of 2 electric pumps at the Abbott Storm Pump Station including emergency standby power and flap gate protection per the Storm Drain Master Plan. \$30,000 is defunded due to sufficient funding available.

4239-Minor Storm Drain Projects 2007

This project involves the ongoing analysis and implementation of various minor modifications and improvements to the existing storm drain system.

STORM DRAIN IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
331-3391	Abbott Pump Replacement	\$ (30,000)
311-4239 *	Minor Storm Drain Projects 2007	<u>10,000</u>
	TOTAL COST	\$ <u><u>(20,000)</u></u>

AVAILABLE FINANCING SOURCE:

General Fund	\$ (30,000)
Street Fund	<u>10,000</u>
TOTAL AVAILABLE	\$ <u><u>(20,000)</u></u>

NOTE: Asterisk (*) indicates new projects.



ESTIMATED REVENUES:

Property Tax, Current	28,237,000
Use of Money & Property	3,488,000
Other Revenue	<u>2,167,786</u>
Total Estimated Revenues	33,892,786

Other Financing Sources

(Increase) Decrease in Fund Balance	38,971,840
Operating Transfers In	
Street Improvement Fund	5,000
Park Improvement Fund	175,000
Water Maintenance and Operation Fund	5,000
Sewer Maintenance and Operation Fund	5,000
Operating Transfers (Out)	
Operating Cost Reimbursement to General Fund from Housing Reserve	(694,746)
Operating Cost Reimbursement to General Fund from RDA Projects	(6,355,379)
Public Improvement Purchase	(5,100,000)
Street Improvement Fund Projects	(170,000)
Park Improvement Fund Projects	<u>(600,000)</u>

TOTAL ESTIMATED REVENUES AND OTHER FINANCING SOURCES	<u><u>60,134,501</u></u>
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ESTIMATED EXPENDITURES:

Salaries & Wages	1,457,821
Services & Supplies	<u>1,146,680</u>
Total Operating Costs	2,604,501

Capital Projects		
391-8149	Sports Center Parking Lot Circulation Phase 1	(600,000)
391-8160	Sports Center Large Gym Improvements	1,250,000
391-8162	Library	33,700,000
391-8164	Bart Extension Coordination and Planning	100,000
391-8165	North Main Street Midtown Streetscape Improvements	6,350,000
391-8167	Main/Great Mall Dr Sewer Replacement	(140,000)
391-8181	Singley Area Phase 4	150,000
	Total Capital Projects	40,810,000

Debt Service		
	03 Tax Allocation Bonds	12,720,000
	Contractual Obligation to County for Land	4,000,000
	Total Debt Service	16,720,000
	Budgeted Appropriations	<u>60,134,501</u>

FUND BALANCE:

	Fund Balance 7/1/06	142,070,160
	Increase (Decrease) in Fund Balance	<u>(38,971,840)</u>
	Fund Balance 6/30/07	<u>103,098,320</u>
	Reserved	36,842,791
	Unreserved, Designated for CIP	14,795,300
	Unreserved, Designated for Housing	31,036,678
	Unreserved, Undesignated	<u>20,423,551</u>
	Fund Balance 6/30/07	<u>103,098,320</u>

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 required 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. Thus, this document follows the format of presenting discrete **functions** (groupings of interrelated programs within a department, such as a division) for analysis and approval by the City Council. The list of functions are can be found in the appendix section.

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 this Appendix).

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 it must first be submitted to the Planning Commission. If the Planning Commission finds the CIP in conformance with the General Plan, the Parks projects are then submitted to the Parks, Recreation and Cultural Resource Commission for their approval.

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.

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 in May 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. Budget amendments made during the year are not material in relation to the original appropriations.

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. The 2006-07 resolution for the appropriations limit is included in the Resolutions section of this budget document.

Budget Amendments

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

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

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

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

Basis of Accounting

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

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

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

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

Use of Cost Accounting

The City uses cost accounting in several areas to determine the proper allocation to recover costs for services provided. Through an internal service fund, the City annually allocates amortized costs of user departments for vehicles and equipment over the useful life of the assets. The amortization costs are charged to the respective user departments in their operating budget. In 1994 the City contracted with a consultant to develop a cost control study. As a result of the study, a cost distribution and cost control system was developed for the City's fee supported and supportable services. The cost distribution system also included allocating interdepartmental costs between functions, departments, programs and funds. The 2006-07 internal cost allocation schedule is included on pages 96 and 97 of this budget 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 the public art program that expanding opportunities for the City of Milpitas’ citizens to experience public art, which enhances 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.
- **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 sold 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 collected by Santa Clara County. Revenue is used for servicing and maintaining the public landscaping and additional lighting for the district.
- **Abandoned Vehicle Abatement** - was established to account for the funds spent on the removal of abandoned vehicles in the City. The Santa Clara County's Abandoned Vehicle Abatement Service Authority is responsible for the reimbursements to the City.
- **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 operates the 1997 and 2000 Tax Allocation Bond Debt Service, and the 2000 Certificates of Participation Debt Service.

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.

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.

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 Revenue by Source 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 and Neighborhood Preservation 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 COPs in School 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, Engineering and 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.

Bonus Pay – Amounts paid in addition to the usual or expected compensation.

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.

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.

Services and Supplies

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.

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	390	Redevelopment Project
102	Library	391	Redevelopment CIP
104	Cable Rebate	392	1997 RDA Tax Allocation Bonds CIP
120	Browning Ferris Holding	393	2000 RDA Tax Allocation Bonds CIP
130	Private Job Developer Deposits	395	2003 RDA Tax Allocation Bonds CIP
211	Hetchy-Hetchy Ground Lease	396	KB Infrastructure
212	Public Art	400	Water Maintenance and Operation
221	Gas Tax	401	Water CIP
235	95-1 Lighting and Landscape Maint. Distric	402	Water Line Extension
236	98-1 Lighting and Landscape Maint. District	406	Recycled Water
250	Housing and Community Development	450	Sewer Maintenance and Operation
251	Housing and Community Dev Loan	451	Sewer CIP
261	Supplemental Law Enforcement Services	452	Treatment Plant Construction
262	State Asset Seizure	455	Sewer Infrastructure Replacement
263	Federal Asset Seizure	456	South Bay Water Recycling
264	Local Law Enforcement Block Grant	500	Equipment Management
266	COPs in School	602	Deferred Compensation
267	Justice Assistance Grant	614	Local Improvement District #14
275	Abandoned Vehicle Abatement	618	Local Improvement District #18
280	Solid Waste Services	619	Local Improvement District #19
281	Solid Waste Reduction	641	Short Term Disability
290	Housing Reserve	642	Dental Program
291	Housing Reserve 97 TABS	643	MSA MOU Contractual Agreement
310	Street Improvement	644	Police MOU Contractual Agreement
311	Street CIP	645	Police Command Staff Benefits
320	Park Improvement	681	LID #18 - Reassessment and Refunding
321	Park Improvement CIP	682	LID #18 - 1998 Bond Series A
322	Midtown Park Fee	683	LID #20 - 1998 Bond Series A
330	General Government	684	LID #21 - Refunding of LIDs #9R & #12R
331	General Government CIP	691	Senior Advisory Commission
332	2000 Technology COPs		
340	Storm Drain Development CIP		

List of Departments / Divisions/ Function

<p>1 City Manager</p> <p>10 City Council</p> <p style="padding-left: 20px;">100 City Council</p> <p>11 City Manager</p> <p style="padding-left: 20px;">111 City Manager</p> <p style="padding-left: 20px;">114 City Clerk</p> <p style="padding-left: 20px;">116 RDA & Economic Development</p> <p>53 Building Inspection</p> <p style="padding-left: 20px;">531 Building Inspection Services</p> <p style="padding-left: 20px;">532 Plan Checking</p> <p style="padding-left: 20px;">533 Building Administration</p> <p style="padding-left: 20px;">534 Permit Center</p> <p>45 Recreation</p> <p style="padding-left: 20px;">161 Recreation Administration</p> <p style="padding-left: 20px;">162 Senior Citizen Services</p> <p style="padding-left: 20px;">163 Preschool</p> <p style="padding-left: 20px;">164 Youth Camps and Programs</p> <p style="padding-left: 20px;">165 Stay and Play</p> <p style="padding-left: 20px;">166 Teens</p> <p style="padding-left: 20px;">167 Special Events</p> <p style="padding-left: 20px;">168 Cultural Arts</p> <p style="padding-left: 20px;">169 Rainbow Theatre</p> <p style="padding-left: 20px;">170 General Classes</p> <p style="padding-left: 20px;">171 Aquatics</p> <p style="padding-left: 20px;">172 Sports and Fitness Classes</p> <p style="padding-left: 20px;">173 Adult Sports</p> <p style="padding-left: 20px;">174 Volunteer Services</p> <p>11 Information Services</p> <p>14 Information Services</p> <p style="padding-left: 20px;">112 Information Services</p> <p>1 Human Resources</p> <p>15 Human Resources</p> <p style="padding-left: 20px;">115 Human Resources</p>	<p>2 City</p> <p>12 City Attorney</p> <p style="padding-left: 20px;">120 City Attorney</p> <p>3 Finance</p> <p>30 Finance Administration</p> <p style="padding-left: 20px;">300 Finance Administration</p> <p>31 Accounting Services</p> <p style="padding-left: 20px;">310 Accounting Services</p> <p>32 Fiscal Services</p> <p style="padding-left: 20px;">322 Receivables</p> <p style="padding-left: 20px;">323 Utilities</p> <p>33 Purchasing</p> <p style="padding-left: 20px;">330 Purchasing</p> <p>4 Public</p> <p>42 Public Works</p> <p style="padding-left: 20px;">400 Public Works Administration</p> <p style="padding-left: 20px;">421 Street Maintenance</p> <p style="padding-left: 20px;">423 Utility Maintenance</p> <p style="padding-left: 20px;">424 Parks Maintenance</p> <p style="padding-left: 20px;">425 Trees & Landscape Maintenance</p> <p style="padding-left: 20px;">426 Fleet Maintenance</p> <p style="padding-left: 20px;">427 Facilities Maintenance</p> <p>41 Engineering</p> <p style="padding-left: 20px;">411 Engineering Administration</p> <p style="padding-left: 20px;">412 Design and Construction</p> <p style="padding-left: 20px;">413 Land Development</p> <p style="padding-left: 20px;">415 Traffic Engineering</p> <p style="padding-left: 20px;">416 Utility Engineering</p> <p style="padding-left: 20px;">417 Special Projects</p> <p style="padding-left: 20px;">430 Solid Waste</p>
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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

- 3164 Hilton Garden Inn
- 3165 Homestead Village
- 3166 Marriott Courtyard
- 3167 Milpitas Travelodge
- 3168 Ooh La Lodge
- 3169 Residence Inn by Marriott
- 3170 Best Value Inn
- 3171 Towneplace
- 3172 Hawthorn Suites

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 Candlewood
 - 3157 Comfort Inn
 - 3158 Audited TOT
 - 3160 Days Inn
 - 3161 Economy Inns of America
 - 3162 Extended Stay of America
 - 3163 Hampton Inn-Milpitas

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
- 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
 - 3321 Urban Runoff Fines

340 Revenues from Use of Money

- 3430 Investments
 - 3430 Interest Income
 - 3431 Pooled Investments-Interest
 - 3432 Cash with Fiscal Agents
 - 3433 Other Interest Income
 - 3435 Gain on Sale of Investments
 - 3436 Market Value Gain/Loss on Inv

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
 - 3554 Federal Contrib-Public Works
 - 3555 Federal Contrib- Eng & Planning

- 3556 Federal Contrib-Recreation
- 3557 Federal Contributions-Police
- 3558 Federal Contributions-Fire
- 3560 State Contributions
 - 3561 State Contrib-General Gov't
 - 3562 POST Grant
 - 3563 State Contributions-Building
 - 3564 State Contrib-Public Works
 - 3565 State Contrib-Eng & Planning
 - 3566 State Contributions-Recreation
 - 3567 State Contributions-Police
 - 3568 State Contributions-Fire
 - 3569 TDA Grant
- 3570 County Contributions
 - 3571 County Contrib-General Gov't
 - 3572 S Bay Water Recycling Prog
 - 3573 County Contributions-Building
 - 3574 County Contrib-Public Works
 - 3575 County Contrib-Eng and Planning
 - 3576 County Contrib-Recreation
 - 3577 County Contributions-Police
 - 3578 County Contributions-Fire
- 3580 Other Restricted Grants
 - 3581 Other Restricted Grants-General
 - 3582 SB90 Grant
 - 3583 Other Restricted Grants-Building
 - 3584 Other Restricted Grants-Pub Wks
 - 3585 Other Restricted Grants-Eng & PI
 - 3586 Other Restricted Grants-Rec
 - 3587 Other Restricted Grants-Police
 - 3588 Other Restricted Grants-Fire
- 3590 Misc Unrestricted Intergovernmental
 - 3591 Misc Unrestricted Intergov'l
 - 3592 ERAF Refund

360 Charges for Services

- 3600 General Government
 - 3601 Gen Government Service Charges
 - 3602 Sales of Maps and Documents-GG
 - 3603 Rents, Lease and Concession-GG
 - 3609 PJ Legal Reimbursement

3610	Engineering and Planning Services	3660	Building Services
3611	PJ Overhead Charges	3661	Sales of Documents-Building
3612	PJ Labor Reimbursement	3662	Records Retention Fee
3613	PJ Vendor Reimbursement	3663	Building Service Charges
3614	Assessment for Capital Purpose	3664	Overhead Chgs Reimbursemt
3615	Eng and Planning Service Charges	3670	Public Works Services
3616	Engineering Plan Check Fee	3671	Public Works Service Charges
3617	Planning Fees	3672	Public Works Cost Recovery
3618	Sales of Maps and Documents-EP		
3619	Rents, Lease and Concession-EP	370	Miscellaneous Revenue
3620	Water and Sewer Charges	3710	Development
3621	Water Charges	3710	Development
3622	Water Service Agreements	3711	Storm Drain Connection Fee
3623	Metered Water Sales	3712	Park Development Fees
3624	Other Water Sales	3713	Sewer Permit Fees
3625	Excess Water Use Charges	3714	Treatment Plant Fees
3626	Construction Water	3715	Connection Fees
3627	Water and Sewer Reimbursements	3716	Fire Hydrant Fees
3628	Sewer Service Charges	3717	Encroachment Permit Fees
3630	Fire Services	3718	Traffic Impact Fees
3631	Paramedic Services	3720	Special Assessments
3632	Firewatch Services	3720	Special Assessments
3633	Fire Cost Recovery	3721	Special Assessments-Prepayments
3634	Unwanted Alarms-Fire	3730	Recycling
3635	Fire Enforcement-Penalties	3730	Recycling
3636	Fire Enforcement-Training	3740	Reimbursements
3637	Fire Service Charges	3741	Repayment
3638	Sales of Maps & Docs-Fire	3742	Principal
3640	Police Services	3743	Interest Income
3641	Police Service Charges	3744	Advance-Principal Repayment
3643	Fingerprints	3745	Advance-Interest Earnings
3644	Sales of Maps & Docs-Police	3746	HazMat Incidents
3645	Police Cost Recovery	3750	Donations
3646	Rents, Lease & Concess-Police	3750	Donations
3647	DUI-Police Cost Recovery	3760	Developer Contribution
3650	Recreation Services	3760	Developer Contribution
3651	Rents, Lease & Concess-Rec	3770	Sale of Property, Plant and Equipment
3652	Recreation Fees	3770	Sale of Property, Plant & Equipment
3653	Senior Nutrition Fees	3771	Fire Safe Program
3654	Sales of Maps & Docs-Rec	3790	Miscellaneous Revenue
3655	Sales of Merchandise-Rec	3791	Cash Over/(Short)
		3799	Miscellaneous Other Revenue

List of Expenditures

410 Personnel Services

- 4110 Wages
 - 4111 Permanent
 - 4112 Temporary
 - 4113 Overtime
 - 4115 Bonus Pay
- 4120 Allowances/Leaves
 - 4121 Allowances
 - 4124 Leave Cashout
 - 4125 Accrued Leave
- 4130 Benefits
 - 4131 PERS
 - 4132 Group Insurance
 - 4133 Medicare
 - 4135 Workers' Compensation
 - 4137 MOU Contractual Agreements
 - 4138 Deferred Compensation
 - 4139 PARS
- 4140 Adjustments-Payroll
 - 4142 Vacancy Factor
 - 4143 Charged to CIPs
 - 4198 Overhead - PJs Contractual Labor

420 Services and Supplies

- 4200 Community Promotions, Grants and Loans
 - 4201 Community Promotions
 - 4202 Community Promotions-CC Allocated
 - 4203 Community Promotions-CC Unallocated
 - 4204 Cultural Arts Grants
 - 4205 Miscellaneous Grants
 - 4206 Sports Grants
 - 4207 Housing Rehab Loans
 - 4208 CDBG Grants
 - 4209 Miscellaneous Loans
- 4210 Department Allocations
 - 4211 Equipment Replacement Amortization
- 4220 Supplies
 - 4221 Office
 - 4223 Departmental
 - 4224 Maintenance
 - 4225 Health and Safety

4230 Services

- 4231 Advertising
- 4232 Blueprinting
- 4237 Contractual Services
- 4238 Contractual Services/PJs'
- 4239 Audit Fees
- 4240 Street Sweeping
- 4241 Repair and Maintenance
- 4242 Rents and Leases
- 4243 Contributions to Non-City
- 4250 Legal Services
 - 4252 Retainers and Fees
 - 4253 ABAG Attorney's Fees
 - 4254 ABAG Settlements
 - 4255 Litigation
- 4280 Elections
 - 4280 Elections

440 Communications and Utilities

- 4410 Communications
 - 4411 Phone-Local
 - 4412 Computer Data Lines
 - 4413 Phone-Long Distance
 - 4414 FAX
 - 4415 Pagers
 - 4416 Cellular Phones
 - 4417 Fire Alarms
 - 4418 Police Alarms
- 4420 Utilities
 - 4421 Gas
 - 4422 Electric
 - 4423 Water
 - 4424 SFWD, Wholesale Water
 - 4425 SCVWD, Wholesale Water
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- 4500 Memberships, Training and Travel
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 - 4702 Principal-COP
 - 4703 Principal-Advance
- 4710 Interest
 - 4711 Interest Expense
 - 4712 Interest-COP
 - 4713 Interest-Advance
- 4720 Contractual Obligation
 - 4720 Contractual Obligation
 - 4721 Cost of Issuance

- 4730 Premium- Bond Prepayment
 - 4730 Premium- Bond Prepayment

480 Capital Outlay > \$5,000

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

490 Capital Outlay < \$5,000

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

Abbreviations and Acronyms

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

PC	Planning Commission
PCR	Police Community Relations
PERS	Public Employees Retirement System
POST	Peace Officers Standards and Training
PPO	Preferred Provider Organization
PRCRC	Parks, Recreation and Cultural Resour Com
PUC	Public Utility Commission
RAP	Recreation Assistance Program
RDA	Redevelopment Agency
RFP	Request for Proposal
RMS	Records Management System
RWQCB	Regional Water Quality Control Board
SAFE	Strategic Actions For Emergencies
SCBA	Self Contained Breathing Apparatus
SCVWD	Santa Clara Valley Water District
SEMS	Standardized Emergency Managemt System
SLETS	Sheriff's Law Enforcement Telecom System
SOP	Standard Operating Procedure
SV-ITS	Silicon Valley Intelligent Transportation System
SWAT	Special Weapons and Tactics
TABs	Tax Allocation Bonds
TIA	Traffic Impact Analysis
TDM	Transportation Demand Management
TOT	Transient Occupancy Tax
UBC	Uniform Building Code
UCR	Uniform Crime Reports
UFC	Uniform Fire Code
VLF	Vehicle License Fee
VTA	Valley Transportation Authority
WMD	Weapons of Mass Destruction
WPCP	Water Pollution Control Plant
YBA	Youth Basketball Association
YSB	Youth Service Bureau
YTD	Year to Date

GLOSSARY OF TERMS

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

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

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

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

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

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

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

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 and trust funds).

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

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

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

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

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

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

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

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

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

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

Encumbrances — Commitments against an approved budget for unperformed (executory) 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).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Services and Supplies — 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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