



2011-2012 Budget & Financial Plan

FINAL BUDGET

New Barbara Lee Senior Center Opened in August 2010



City of Milpitas

CALIFORNIA



2011-2012 Final Budget

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CITY OF MILPITAS

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August 8, 2011

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

Members of the City Council:

It is my pleasure to present to you the Adopted Budget for Fiscal Year 2011-2012. 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 meet fiscal challenges in the most professional and responsive manner to ensure the delivery of quality, timely, and cost effective services to the community. In addition, the Fiscal Year 2011-12 ("FY 11-12") budget was developed to incorporate the following City Council's priorities and policy direction.

Policy Direction

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

In May 2010, the Mayor and the City Council directed the formation of a Citizens Budget Task Force to study and recommend ideas to resolve the City's on-going General Fund budget structural deficit by FY 2012-13. The members of the Citizens Budget Task Force comprised of six citizens or business representatives began to meet in June 2010 to gather information and analyze various aspects of the General Fund budget. The results of the study culminated to a list of recommendations presented to the City Council in November. The recommendations, associated with the estimated fiscal impact, cover areas such as salaries and benefits reduction, cost recovery and additional revenues. The City Council directed staff to incorporate many of the

recommendations that are deemed feasible in the FY 11-12 Adopted Budget. As an example, the City has negotiated with five employee groups to include two-tiered retirement formula for new hires. Reduction of salaries and benefits will be implemented. The City Council also directed staff to classify City services into core functions and non-core functions. The Adopted Budget includes cost savings from contract negotiations with the employee groups and restructuring of non-core services that will be discussed in the Budget Highlight Section. Meanwhile, the City continues to evaluate all functions for service efficiency and cost effectiveness. Some of the considerations included combining or eliminating functions to avoid duplications and where feasible, outsourcing certain services to achieve cost savings.

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

The Redevelopment Agency was successful in assisting the partnership of SunPower Corporation and Flextronics Americas, Inc. to create the only SunPower solar panel fabrication site in the United States, in the City of Milpitas. The Agency provided financial assistance for the purchase of new equipment and fit up costs to accommodate the fabrication lines for the development of solar panel manufacturing. In return, SunPower and Flextronics agreed to create and retain 80 to 90 new jobs targeted for Milpitas residents, for the life of the manufacturing plant.

The adoption of the Transit Area Specific Plan and the Community Facilities District laid the groundwork for future development in the Redevelopment Project Area. However, due to current economic environment and housing downturn, many development projects are on hold. The FY 11-12 budget does not anticipate any major development activities. It is also anticipated that full development of the Transit area will take at least 10 to 20 years. In June 2011, the Legislature approved the latest State Budget proposal which counts on \$1.7 billion from redevelopment agencies. This has created a lot of uncertainties about the future of many planned projects in Milpitas. The FY 11-12 budget was developed with the assumption that the Redevelopment Agency will continue to exist and the California Redevelopment Association ("CRA") will take action to prevent the unconstitutional proposals from becoming law. However, staff is ready to amend the Agency's Adopted Budget pending outcome of the State budget and the CRA lawsuit.

On February 8, 2011, staff provided an in depth analysis on the cost savings and feasibility of the Citizen Budget Task Force's recommendations. On March 15, 2011, a budget study session was held to discuss potential budget solutions for next fiscal year General Fund's deficit. These budget strategies will be discussed in the Budget Highlight section. On April 19, 2011 staff presented an overview of the Draft 2011-16 Capital Improvement Program ("CIP") to the City Council and received comments. A summary of the CIP was also reviewed by Parks, Recreation and Cultural Resources Commission and Finance Subcommittee in March. Both groups recommended the projects for the Council's approval. All these meetings were scheduled with advanced public notices to ensure public participation. Specifically, the City Council's meetings are recorded, broadcast on the government cable channel and live-streamed on the City's website to enable public viewing.

BUDGET HIGHLIGHT

FY 10-11 was one of the most financially challenged year faced by the City. Despite the official end of the Great Recession in June 2009, economic recovery has been slow and unemployment rate remains high. In FY 11-12, excluding operating transfers between funds, staff projected that the General Fund revenues will increase about \$2.45 million or 5%, compared to the FY 10-11

original revenue projection but will be approximately \$291,000 or 0.6% below the FY 10-11 revised revenue projection.

Despite significant increases in employer's pension contribution and medical costs, the General Fund expenditures increase about \$87,000 or 0.1% from the FY 10-11 budget primarily due to salary concessions range from 7% to 16% from the employee groups. While some of the concessions are for short term duration, the City management will continue to negotiate with the union groups to implement some of the Citizens Task Force recommendations to resolve the long term budget structural deficit by FY 2012-13.

In FY 11-12, 115.75 positions, approximately 23% of the 497.5 authorized permanent positions will not be funded. Limited by resources, the FY 11-12 Operating and Capital Budgets were prioritized to provide services that are most cost effective and beneficial to the community and implement capital improvement projects that will bring economic stability to the City. Some significant highlights from the budget are described below:

- Balance the General Fund budget with a combination of salary and benefits concessions, use of reserve and restructuring of several non-core programs.
- Increase work efficiencies by utilizing online technology to save time and costs. For example, basic building permits and building inspection appointments can be scheduled online. Similarly, utility customers can view and pay utility bills online and vendors can bid on City's purchases online.
- Careful evaluation of infrastructure and programming needs in the Five-year Capital Improvement Program to fund and deliver the Council's highest priority projects. Several important projects are proposed to be funded next year. The Adobe Renovation project is of historical significance to the City and will provide additional open space for the community. The Street Pavement project will improve the attractiveness of the residential areas in addition to maintaining traffic and road conditions of major roadways. The Abel Street Transit Connection will install streetscape improvements along Abel Street between Great Mall Parkway and Capitol Avenue. The continued funding of the Well Upgrade project will ensure emergency water supply in case of an earthquake or other catastrophe. The proposed funding for these projects amount to \$15.5 million next year.
- Continue to monitor fee adjustments and fee structure to ensure that customer service revenues keep up with costs. The City will increase facility and park rental fees to offset some of the cost subsidies and continue to provide excellent facilities for rent.
- Retain and recruit businesses in the City. The economic development programs will continue the Business Cooperation Program that will increase sales or use tax revenue to the City, business outreach to the hotel industry, and consideration of several freeway signs for business advertisements.
- Continue to stabilize the General Fund expenditure and revenue in order to maintain a high "AA+" general credit rating.

BUDGET OVERVIEW

The total Annual Budget for FY 2011-12 is \$140,787,115. This is a 8.2% increase from the FY 2010-11 Adopted Budget. Excluding the City's FY 11-12 Capital Improvement Budget, the total operating budget is \$125,261,464, a 0.6% increase from last year. The total budget includes the City's Water and Sewer Utility enterprise budgets of \$16,772,147 and \$13,431,161 respectively. It also includes the City's Redevelopment Agency ("RDA") budget of \$34,357,664. The total annual budget for capital improvements for FY 11-12 is \$15,525,651. A separate CIP budget document is produced annually that provides a detailed description of each project. The CIP document includes all projects for the budget year as well as profiling anticipated community

needs over the subsequent four years. A summary of each project description and funding requirement can be found on pages 175 through 187 of this document.

The General Fund budget is \$65,802,598, an increase of 0.1% compared to FY 2010-11. Salaries and Benefits show an increase of 1.5% or \$845,000 from last year due to a combination of compensation concessions from employees, anticipated increase of medical insurance premium of 10% in January 2012, and increased employer's contribution to the California Public Employees Retirement System ("CalPERS"). Despite technique applied by CalPERS to smooth the impact of rate increase due to investment loss, employer's pension contribution as a percentage of payroll is expected to increase in FY 11-12 and beyond. The employer's contribution percentages for FY 11-12 are 18.626% and 29.573% for the Miscellaneous Employees group and Public Safety Employees group respectively.

The non personnel budget for the General Fund for FY 11-12 decreased 6.8% or \$757,000 compared to the FY 10-11 Adopted Budget. The decrease is due to prioritizing expenditures from all the departments and reduced equipment amortization as the lives of equipment are extended.

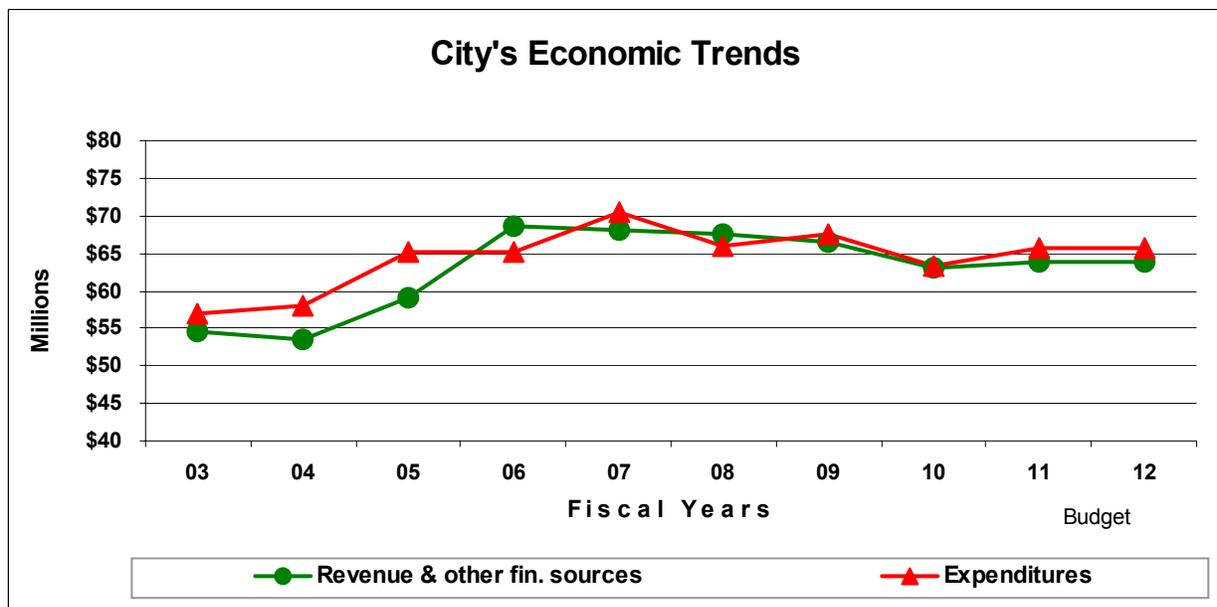
The Annual FY 11-12 General Fund budget anticipates an overall increase of 3.2% in revenue and other financing sources compared to the FY 10-11 original estimate. The economic outlook is not expected to improve significantly in the short term. The City has been challenged with structural budget deficits for at least a decade. Due to the dot-com bust affecting local economy, General fund revenue experienced significant decreases between FY 2002 and 2004. Expenditures however continued to increase thus creating a situation where expenditures began to outpace revenue growth. The recent economic recession further exacerbated the gap between the General Fund revenues and expenditures. To resolve the structural deficit issue, the City implemented strategies in recent years such as prioritizing services, holding vacant positions unfunded, cross-training of employees, layoffs, and reorganization. Simultaneously, the City initiated strategies to increase revenues such as business outreach to retain and recruit businesses, freeway signs for business advertisements, and fee adjustments. There was an initial budget gap of approximately of \$12 million. The gap was closed using the following cost saving measures and strategies:

- Negotiate with various employee groups to reduce payroll costs by 7% to 16% through reduced salaries or contribution to employer's pension costs. It is anticipated that compensation concessions from the employees will save the General fund approximately \$4.3 million in FY 2011-12.
- Reduce Fire Department overtime by approximately \$550,000. Due to the requirement of minimum staffing, the department has used overtime in the past to offset some of the unfunded vacant positions. In FY 11-12, it is anticipated that the Fire Department will fill some of the vacant positions at an optimum level, thus reducing the requirement of overtime by \$550,000.
- Excluding the cost increase in utility costs and reinstatement of booking fee reimbursement to the County, non personnel budget is reduced by approximately \$1.1 million by prioritizing expenditures from all the departments and reducing equipment amortization as the lives of equipment are extended.
- Restructure several non-core programs that are subsidized by the General Fund. The programs that are proposed to be restructured includes DARE, Rainbow Theatre, Pre-school and Tidal Wave swimming program. The net savings is about \$500,000.
- Demand a loan payment of \$3.6 million from the Redevelopment Agency. The Agency purchased several properties from the City for redevelopment purposes. Simultaneously, the Agency entered into a loan agreement with the City for the cost of the properties which amounted to \$26.3 million including interest on unpaid balance. The City has the right to demand payments when needed. Since FY 04-05, the General Fund included

certain amount of RDA loan payment every year to balance the budget. However, the actual usage was always less than budgeted. It is projected that at the end of FY 10-11, approximately \$22.5 million of the loan amount will remain outstanding. By demanding a \$3.6 million RDA loan payment in FY 11-12, the balance will be reduced to \$20.9 million, including interest on unpaid balance.

- Use \$2.0 million reserve out of the \$5.4 million reserve balance designated for PERS Rate stabilization. In FY 11-12, the employer contribution rates will increase significantly due to a combination of two years of loss on the CalPERS investment portfolio and change of actuarial assumptions. The City’s fiscal policy specifically allows the use of this reserve if the employer contribution rates increase by more than 3% of the payroll. Staff recommends using this reserve to offset the increase in rates in FY 11-12.

The following chart provides the historical trend of the General Fund revenues and expenditures from FY 02-03 through FY 10-11, along with the budget projections for FY 11-12.



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 66,790 in 2010 (latest census). The Bay Area has experienced significant employment growth from 1992 through 2000, adding more than 170,000 jobs. However, in 2001, Santa Clara County experienced its first negative job growth since 1992. Between 2001 and 2004, over 130,000 jobs were lost as a result of the dot-com bust. Between 2005 and 2007, local economy began to recover slowly until 2008 when the economy went into global recession due to subprime mortgages, plummeting home sales and meltdown of the financial market. This region is severely impacted due to concentration of the high-tech industry, heavy reliance on exports, decline of home prices, and reduced consumer spending. Milpitas is similarly impacted because of its location and comparable economic mix. The following section entitled “Major Development Activities in the City” will discuss some of the development activities that are occurring in Milpitas.

Letter of Transmittal

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

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

The Redevelopment Agency of Milpitas is one of the top ten redevelopment agencies in the State. The Project area produces over \$35 million in annual tax increment revenue. In November 2003 the RDA issued \$200 million in tax allocation bonds to refund prior bonds and to generate funds for key City and Agency projects including a new library, major infrastructure improvements and a new senior center.

In June 2011, the Legislature approved the latest State Budget proposal which counts on \$1.7 billion from redevelopment agencies. This has created a lot of uncertainties about the future of many planned projects Milpitas. The FY 11-12 Budget was developed with the assumption that the Redevelopment Agency will continue to exist and the CRA will take action to prevent the unconstitutional proposals from becoming law. However, staff is ready to amend the Milpitas Redevelopment Agency's Annual Budget pending outcome of the State budget and the CRA lawsuit.

Major Development Activities in the City

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

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

Letter of Transmittal

Residential Development – Residential development activities in this region were impacted by the soft housing market. Several residential developments that received their application approvals were on hold. Nevertheless, Milpitas represents one of the more affordable alternatives in Santa Clara County, with median home prices at \$475,500. Current residential developments that are under construction include Cerrano (374 apartment units) and Paragon (141 townhouse units).

Non-residential Development – One of the larger commercial developments includes the conversion of the vacant Home Depot Pro site into a Seafood Market shopping mall that includes a 33,000 square foot grocery store and several restaurants. The mall had its grand opening in August 2010. Other non-residential development primarily consists of tenant improvements in existing commercial buildings.

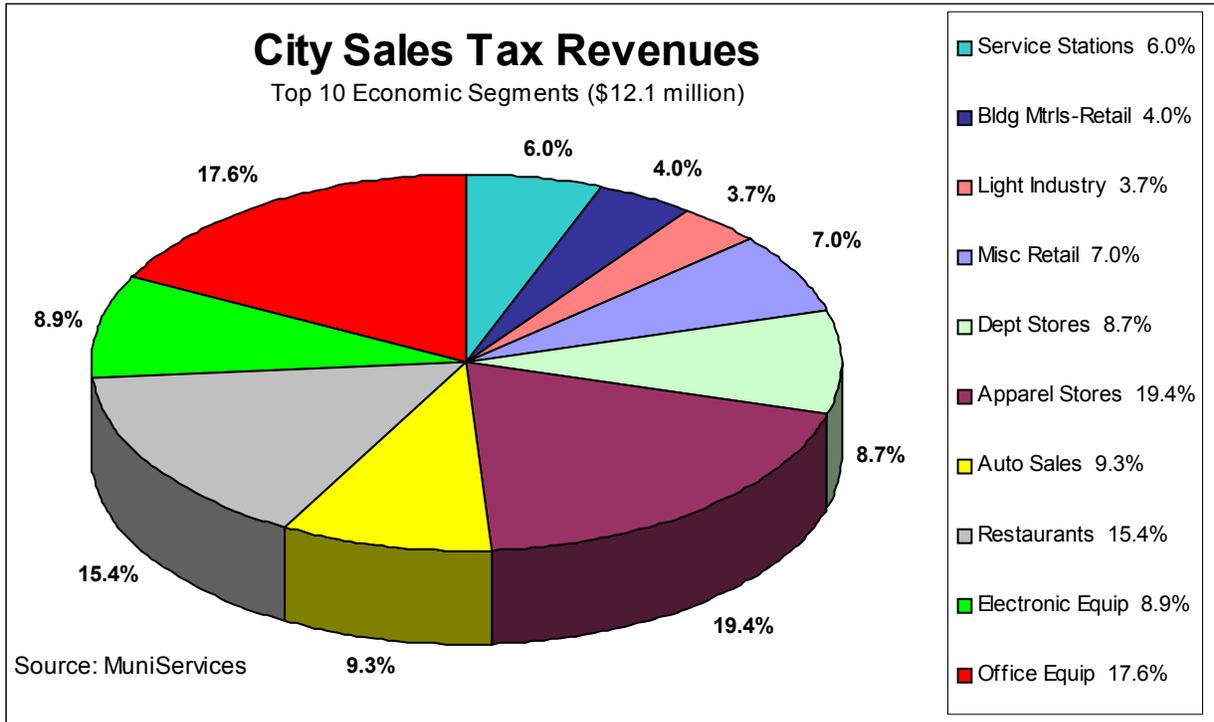
Consumer Confidence Level

Although the consumer confidences recovered from its all time low in February 2009, the latest report showed that the index declined significantly in March 2011 due to inflation expectation particularly attributed to sharp increase in gasoline price. Consumers continue to express concerns about current business and labor market conditions. Their outlook for the next six months is still unfavorable which may impact consumer spending in the near term.



Top Ten Sales Tax Generators by Economic Segment

The chart below provides a snapshot of the City's sales tax revenue by economic segment in the last four quarters. Total amount of sales tax revenue for the latest benchmark year was about \$14.1 million, with the top ten economic segments generated about \$12.1 million. Sectors such as apparel stores and auto sales increased over a year ago while office equipment, department stores, and building materials declined.



REVENUES AND OTHER FINANCING SOURCES

Revenue detail is shown in the Financial Information section of the budget. A summary of revenues and other financing sources including transfers between funds is shown on the following chart as a comparison between the FY 10-11 Adopted Budget and FY 11-12 Adopted Budget.

<u>Fund</u>	<u>Adopted Budget FY 10-11</u>	<u>Adopted Budget FY 11-12</u>	<u>Over (Under) Prior Year</u>
General	\$ 65,715,388	\$ 65,802,598	\$ 87,210
Library	452,901	427,901	(25,000)
Special Revenue	4,061,667	4,196,293	134,626
Capital Project	4,149,499	5,799,351	1,649,852
Redevelopment	31,298,292	34,357,664	3,059,372
Water	13,029,884	16,772,147	3,742,263
Sewer	11,460,354	13,431,161	1,970,807
Total	<u>\$130,167,985</u>	<u>\$140,787,115</u>	<u>\$10,619,130</u>

Revenue Estimates for Fiscal Year 2011-12

Total estimated revenue and other financing sources that include the use of reserves are estimated to increase by \$10.6 million compared to the FY 2010-11 budget. This is due to increased funding for capital improvement projects. The funding sources are primarily from the reserve balances of the Redevelopment Project Fund, Water Fund and Sewer Fund.

In FY 11-12, General Fund revenue and other financing sources are projected to be \$65.8 million, approximately \$87,000 more than the FY 10-11's budgeted revenue and other financing sources of \$65.7 million. The assumptions for projection and analysis of the major revenue sources are discussed below.

General Fund Revenue Estimates

Below is a comparison between the FY10-11 adopted budget, FY10-11 revised budget, and FY11-12 adopted budget.

<u>Revenue</u>	(in thousands)			% change	% change
	<u>Adopted Budget FY 10-11</u>	<u>Revised Budget FY 10-11</u>	<u>Adopted Budget FY 11-12</u>	<u>FY11-12 to FY10-11 Adopted Budget</u>	<u>FY11-12 to FY10-11 Revised Budget</u>
Property Tax	\$17,225	\$16,220	\$ 16,605	(3.6%)	2.4%
Sale & Use Tax	15,366	16,946	16,860	9.7%	(0.5%)
Hotel/Motel Tax	4,059	4,667	4,812	18.6%	3.1%
Other Taxes	3,683	3,682	3,683	0.0%	0.0%
Permit & Inspection	2,597	3,469	3,443	32.6%	(0.8%)
Fines & Forfeitures	709	715	712	0.4%	(0.4%)
Interest Income	371	362	289	(22.1%)	(20.2%)
Intergovernmental	479	1,436	846	76.6%	(41.1%)
Charges for Services	4,053	3,777	3,737	(7.8%)	(1.1%)
Other Revenue	91	99	95	4.5%	(3.9%)
Operating Transfers	9,700	9,700	9,113	(6.1%)	(6.1%)
Total	\$58,333	\$61,073	\$60,195	3.2%	(1.4%)

FY 11-12 General Fund revenues and other financing sources (not including the use of reserves or RDA loan payment) is projected to increase by 3.2% or \$1.86 million more than the FY 10-11 adopted budget revenue. When compared to the FY 10-11 revised revenue projection, it is an estimated 1.4% or \$878,000 decrease. Some of the changes include the following:

Sales tax revenues for FY 10-11 are revised to be more than budget by \$1.58 million. Staff's assumption for FY 11-12 sales tax revenue is a 0.5% decrease from the FY 10-11 revised estimate. FY 10-11 revised sales tax revenue includes a one-time adjustment of \$903,000 from the State for the triple flip sales tax reimbursement. Excluding the one time adjustment, the FY 11-12 sales tax revenue reflects an estimated increase of 5.1% over FY 10-11 revised estimate. The projection is in line with general inflation increase and the modest economic recovery anticipated.

Permit and Inspection revenue for FY 10-11 is estimated to be \$872,000 more than budget due to revenue received from the Cerrano project, for the development of a residential project consisting of 374 apartment units. In FY 11-12, permit and inspection revenues are projected to be \$3.44 million, approximately the same amount as the FY 10-11 revised revenue. The projection is based on the number of recent applications submitted and the potential commencement dates of the construction. Other more routine building permit and inspection revenues from home improvement and commercial tenant improvement are included in the projection.

Letter of Transmittal

Property tax revenues are estimated to increase by 2.4% in FY 11-12 from the FY 10-11 revised revenue. The increase can be attributed to the Proposition 13 inflation adjustment of approximately 0.753% based on California Consumer Price Index ("CCPI") and a modest improvement on the housing market thus adding to the assessed valuation of the secured properties.

Hotel/motel Transient Occupancy Tax revenue showed an increase of \$753,000 or 18.6% from FY 10-11 budget but the projection is only 3.1% increase from FY 10-11 revised projection of \$4.67 million. The hotel industry in the local area has been depressed for the last few years. It has finally stabilized and began to show increases in FY 10-11 and it is anticipated that FY 11-12 will continue with a modest recovery.

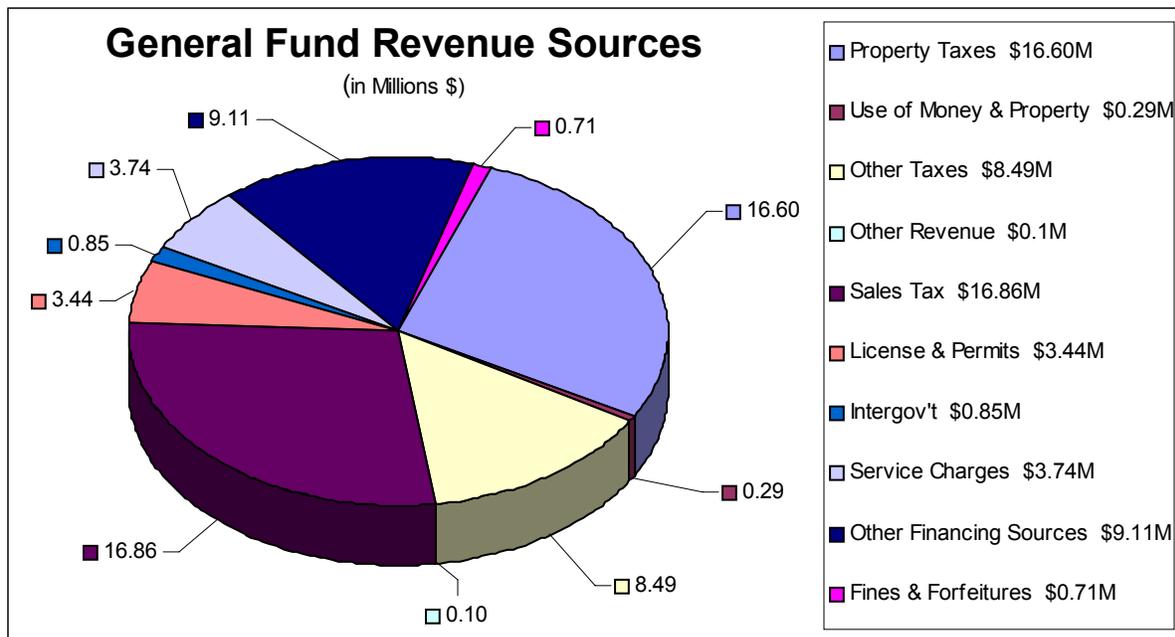
Interest income is anticipated to decrease by \$73,000 compared to the FY 10-11 revised budget, primarily due to lower investment earnings from the pooled portfolio attributable to lower reinvestment yield. Projected interest income for FY 11-12 is approximately \$289,000 for the General Fund. It is assumed that the reinvestment yield for matured securities will be at 1.5%. Investment earnings are allocated to the various funds based on their projected cash balances.

Other Financing Sources shown as operating transfers in the budget document consisted of two sources. The first financing source is a \$3.6 million loan payment from the Redevelopment Agency to the City. This payment will repay a portion of the outstanding principal and interest owed by the Agency pursuant to a loan agreement. The payment was discussed in detail in the Budget Overview section. The second component of the other financing sources are operating transfers between funds primarily to allocate operating costs and capital budget contributions from one project fund to another.

Cost Allocation A cost allocation worksheet is utilized to allocate central service costs that are typically budgeted in the General Fund to various programs and funds in order to determine the full cost of providing City services. In 2007, the City conducted an updated Cost Allocation Plan to calculate the percentage of costs that should be allocated to each major program and major operating fund. The City continues to apply the results from the Plan to the FY 11-12 budget.

For each City service or program, in addition to direct costs such as staff time, supplies and contractual services, it also receives support from the administrative staff and benefited from centralized services such as building occupancy and equipment maintenance. These indirect costs need to be allocated to each major service or program in order to determine the full cost of providing City services. Using the same rationale, the Cost Allocation Study also computed the percentage of indirect costs that should be assigned to other operating funds such as Water and Sewer utility funds and Redevelopment Agency funds. These indirect costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds shares the administrative and overhead costs equitably. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 11-12 can be found on pages 106 to 107.

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



RDA Revenue Estimates

FY 10-11 Redevelopment property tax increment was revised downward by \$605,000 or 1.7% to \$35.5 million primarily due to lower assessed valuation from residential properties that were bought or constructed at the peak of the housing market. FY 11-12 tax increment revenue is expected to be \$35.8 million, at about the same level as the FY 10-11's revised revenue, including Proposition 13 inflation adjustment.

Utility Rates

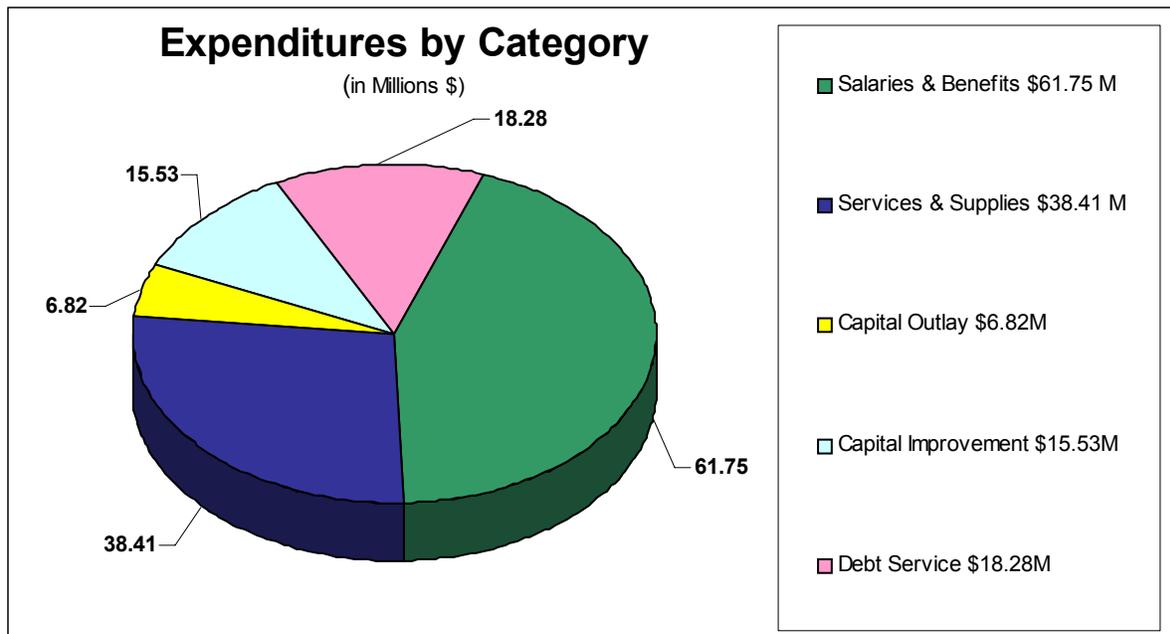
Utility rate increases are approved for both the Water and Sewer operations for FY 2011-12. For residential water utility ratepayers, a four-tiered water rate structure is approved to replace the current two-tiered rates. The increase for water rates range from 0% to 50% depending on the classification of customers, tier and consumption. For sewer utility ratepayers, the approved rate increase averages 7%. The rate increases are incorporated in the FY 11-12 Adopted Budget. In FY 11-12, approximately 56% of the water operation costs and 59% of the sewer operation costs are attributed to outside agencies' costs that need to be passed through to the utility ratepayers. These costs include wholesale water cost from the Santa Clara Valley Water District and the San Francisco Public Utility Commission which are projected to increase 9.4% and 47.4% respectively. City's operation cost is approximately \$3.5 million. The San Jose/Santa Clara Water Pollution Control Plant's operation and capital improvement project costs are also passed through to the sewer utility ratepayers. The City's required share of contribution to the Water Pollution Control Plant is expected to be \$8.9 million next year. The Sewer operation also includes City's operation cost of \$2.3 million and debt service cost of \$688,000.

EXPENDITURES

A budget comparison of appropriations for all funds between FY 10-11 (Adopted Budget) and FY 11-12 (Adopted Budget) is as follows:

<u>Appropriations</u>	<u>Adopted Budget FY 10-11</u>	<u>Adopted Budget FY 11-12</u>	<u>Over (Under) Prior Year</u>
Salaries & Benefits	\$ 61,577,593	\$ 61,751,802	\$ 174,209
Services & Supplies	41,643,329	38,407,218	(3,236,111)
Capital Outlay	620,332	6,821,444	6,201,112
Subtotal	\$ 103,841,254	\$ 106,980,464	\$ 3,139,210
Capital Improvement	5,675,545	15,525,651	9,850,106
Debt Service	20,651,186	18,281,000	(2,370,186)
Total Appropriations	\$ 130,167,985	\$ 140,787,115	\$ 10,619,130

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



Total expenditures represent an overall 8.2% increase from FY 10-11. Operating expenditures, excluding capital improvement and debt service, increased by 3% compared to last year. Following is a summary of the changes in operating expenditures by category:

Salaries and benefits are expected to increase by 0.3%. The total citywide budget increase in this category is \$174,000. The projected FY 11-12 salary and wage increase reflect a combination of factors: projected health insurance premiums increase of 10% in January 2012, projected \$2 million increase in employer PERS contribution and a \$4.3 millions salary and benefits decrease through compensation concessions from the employees. The employer PERS contribution percentages for FY 11-12 for Miscellaneous Employees group and Public Safety Employees group are at 18.626% and 29.573% respectively. In addition, the FY 11-12 budget includes pre-funding of retiree medical benefits in the amount of \$3.2 million citywide and \$2.7 million for the General Fund.

The City's services will be staffed by 381.75 full time employees and 54.75 temporary/seasonal employees. The historical number of authorized positions and funded positions can be found on pages 56 and 57 of this document. The detail for each department's funded positions can be found in their respective sections on pages 113 through 170.

Services and supplies are expected to decrease by \$3.2 million or 7.8% citywide. The services and supplies budget include services that are provided by outside parties. The annual budget reflects efforts to prioritize expenditures from each department. The only significant increase came from the amount that the City has to contribute to the San Jose/Santa Clara Water Pollution Control Plant for capital improvement funding. In FY 11-12, the funding requirement is projected to increase by \$900,000 from FY 10-11.

Capital Outlay - This category includes new and scheduled vehicle and equipment replacements and purchase of real property. Total capital outlay request for FY 11-12 is \$6,821,444 of which \$6 million is for purchase of real property funded by the Redevelopment Agency. Almost all of the equipment and vehicles to be replaced are fully depreciated and will be funded by the Equipment Replacement Fund. Major capital outlay requests include replacement of 4 vehicles, 1 freightliner hydro truck and 1 bucket truck for Public Works. Other capital outlay requests include replacement of technology equipment Citywide and hydrants and water meters for Public Works.

Debt Service in FY 11-12 totals \$18.3 million. Debt service budget is lower than last fiscal year by \$2.4 million due to a non-recurring obligation to pay the State of California \$2.4 million for deposit into the Supplemental Education Revenue Augmentation Fund ("SERAF") in FY 10-11. The debt service category included payments for two outstanding debt issues, the 2003 Redevelopment Agency Tax Allocation Bonds ("2003 TABs"), the 2006 Certificates of Participation (Sewer Bonds) ("2006 COPs), and a \$4 million annual payment to the County of Santa Clara pursuant to a Purchase and Sale Agreement between the County and the Redevelopment Agency.

The City's legal bonded debt limit, as established by the California Government Code, is approximately \$447 million. The 2006 COPs has an outstanding balance of \$8,090,000 and the 2003 TABs has an outstanding balance of \$168,940,000. None of these bonded debts is subject to the legal debt limit. The interest rates of the outstanding bonds range from 3.25% to 5.25% and the final payments will occur between fiscal years 2027 and 2033. The Purchase and Sale Agreement requires an annual payment to the County that ranges from \$4 million to \$6 million. Future payments to the County have been discounted at 5% to a present value of \$33.97 million outstanding balance.

The City's debt policy includes a comprehensive, thorough review and analysis of the City's long-term capital project needs. Once project needs are established and prioritized, funding options are reviewed. Depending on the funding requirements and available reserves, either existing reserves are used or tax-exempt securities are issued. The City will utilize debt financing for

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capital improvement only when the useful life of the improvement is expected to exceed the period of debt service payments.

Pursuant to their debt covenants, the 2003 TABs and the 2006 COPs are required to maintain annual net revenue sufficient to provide debt service coverage of 125% and 115% respectively. The actual debt service coverage based on the FY 09-10 audited results were at 213% and 684% respectively.

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

Year Ending June 30	<u>Redevelopment Project Fund</u>		<u>Sewer Fund</u>	
	Total Principal	Total Interest	Total Principal	Total Interest
2012	8,252,725	9,340,158	380,000	306,527
2013	8,302,357	9,266,176	395,000	292,965
2014	9,048,045	9,490,189	405,000	278,965
2015	9,189,566	9,345,043	420,000	264,527
2016	9,348,396	9,177,587	435,000	249,348
2017-2021	51,470,973	43,994,567	2,435,000	985,309
2022-2026	52,980,904	26,275,262	2,955,000	454,676
2027-2031	45,410,000	7,321,520	665,000	13,965
2032-2033	8,915,000	446,614		
Total	\$202,917,966	\$124,657,116	\$8,090,000	\$2,846,282

CAPITAL IMPROVEMENTS

The Capital Improvement Budget funding for FY 11-12 by Project Category is as follows:

<u>Project Category</u>	<u>Adopted Budget</u>	<u>Percentage of Total</u>
Community Improvements	\$1,919,000	12.37%
Park Improvements	750,000	4.83%
Street Improvements	8,031,651	51.73%
Water improvements	2,425,000	15.62%
Sewer Improvements	1,550,000	9.98%
Storm Drain Improvements	850,000	5.47%
Total	\$15,525,651	100.00%

The City includes the cost of all acquisition, construction, expansion or rehabilitation of the City's physical plant and facilities in the Capital Improvement Budget. Typically, a capital improvement project exceeds \$10,000 and may take more than one year to construct. The cost of the capital project is capitalized as capital assets of the City upon completion. The total FY 11-12 Capital Improvement Program funding is \$9.85 million more than the FY 10-11 CIP, primarily due to FY 11-12 funding of \$8 million for street improvement projects including \$5 million for street resurfacing and reconstruction. The annual Capital Improvement program also includes funding for one time projects such as Well Upgrade for \$1.5 million and design for a new park on Main Street for \$350,000 (construction for the park will be funded next fiscal year). Other on-going project includes funding for Fire Stations improvements for \$1.5 million and annual sewer system replacement for \$1.5 million. Remaining projects included in FY 11-12 are smaller in scale.

The funding for FY 11-12 capital improvement projects is primarily from the fund balances of various funds such as park fund, utility funds and Redevelopment Project Fund. Approximately 22% of the funding comes from outside sources such as grants, developer fees, gas tax revenue and Traffic Congestion Fund. Staff worked with the City Council Finance Subcommittee to prioritize all CIP projects based on available resources and needs.

The Capital Improvement Budget has been reviewed by the Planning Commission to determine its conformance with the City's General Plan. Park improvement projects for FY 11-12 were also reviewed by the Parks, Recreation and Cultural Resources Commission.

Although cost savings is one of the considerations in implementing the capital improvement program, many projects are prioritized for reasons such as health and safety for the public, replacement of deteriorated capital assets or systems, or enhancement of economic development and quality of life for the citizens. New buildings tend to be more energy efficient and replacing deteriorated capital assets tend to save repair costs in the long run. The actual cost savings is difficult to quantify. On the other hand, some of these projects especially those that are not replacement projects will increase operating costs upon completion. These costs, to the extent that they can be estimated, are identified in the Five Year Capital Improvement Program FY 2011-2016. Total estimated maintenance costs is approximately \$219,500 annually. Major maintenance costs included \$50,000 for the new Main Street Park, \$75,000 for the Alviso Adobe and \$50,000 for Well Upgrade and Water Seismic Improvement.

The Capital Budget Section of this document provides a brief description of the projects to be funded in FY 11-12. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2011-2016 prepared by the Engineering Division may be obtained at 455 E. Calaveras Blvd, Milpitas, CA 95035 or at the City's website.

FUND BALANCES

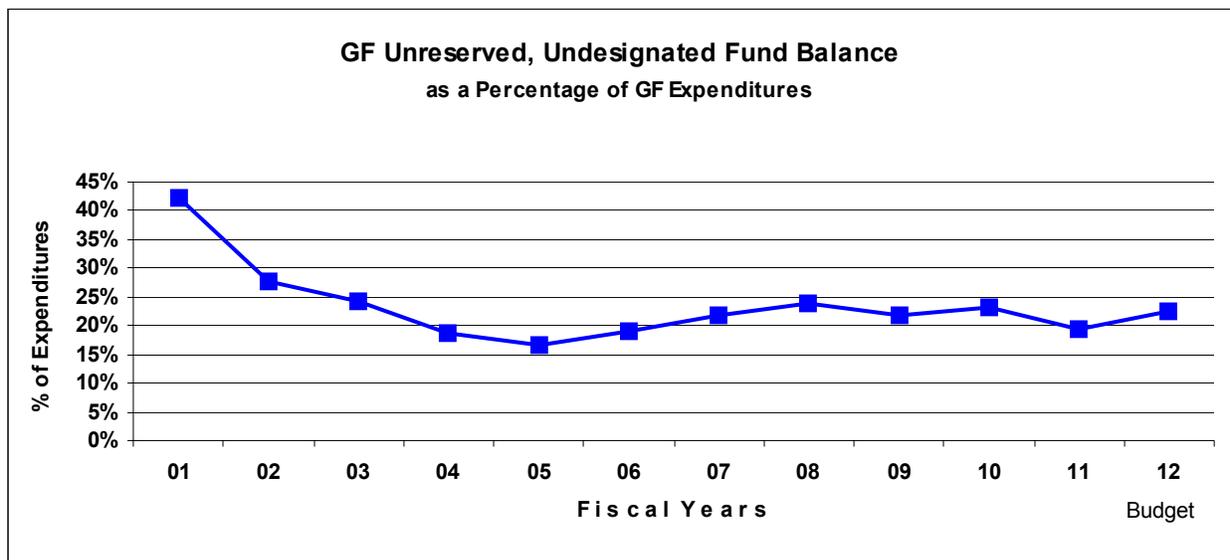
An important resource for a City is the fund balance or reserve that is available for future appropriations and unexpected emergencies. A summary of the revenue, expenditures, transfers, and fund balances is shown in the Financial Information section of the Budget. It is anticipated that the General Fund will use \$2 million of PERS Rate Stabilization reserve to balance the budget shortfall, and Redevelopment Agency Project fund will use a portion of its reserve to pay for the purchase of property at the McCandless Technology Park and the loan payment to the City. Sewer utility fund will need \$2.6 million of its reserve to pay for its share of capital improvement to the San Jose/Santa Clara Water Pollution Control Plant as well as other sewer capital improvement projects of the City. Likewise, water utility fund will use \$389,000 of its reserve to fund capital improvement projects. There are no significant changes to the fund balances of other funds.

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The fund balances are further divided into subcategories to indicate the portion that is reserved, unreserved but designated for specific purpose, and unreserved and undesignated. The reserved portion of the fund balance is either reserved for legal restrictions or reserved for loans, encumbrances, or prepaids and typically indicates that the amounts are unavailable for spending. The unreserved but designated fund balances are imposed by the City Council and reflects future spending plans or concerns about availability of future resources. The unreserved and undesignated fund balances indicate that amounts are unrestricted as to use.

The projected percentage of the estimated unreserved, undesignated fund balance for the General Fund is 22.3% which meets the Council's policy of maintaining a minimum unreserved, undesignated fund balance at 15% of the General Fund budget appropriations. It is also projected that \$3.4 million unreserved fund balance, designated for the PERS Rate Stabilization Reserve will remain at the end of FY 11-12.

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



FIVE YEAR GENERAL FUND FORECAST

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

Five Year General Fund Forecast (in thousands)

	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17
Estimated Revenue					
Property Tax	17,103	17,701	18,320	18,870	19,436
Sales & Use Tax	17,703	18,411	19,056	19,627	20,216
Other Taxes	3,788	3,896	4,006	4,121	4,242
Hotel/Motel Tax	4,955	5,103	5,256	5,412	5,576
License & Permits	3,616	3,869	4,138	4,346	4,476
Charges for Services	3,871	4,021	4,161	4,285	4,414
Other Revenues	1,603	1,645	1,678	1,720	1,769
Operating Transfers	9,195	9,488	9,594	9,676	9,782
Total Estimated Revenues and Other Financing Sources	<u>61,834</u>	<u>64,134</u>	<u>66,209</u>	<u>68,057</u>	<u>69,911</u>
Estimated Expenditures					
Salaries	34,190	34,190	34,190	34,190	34,190
Benefits	22,121	24,105	24,584	25,041	25,520
Supplies & Contractual Services	10,722	10,858	11,150	11,295	11,592
Total Estimated Expenditures	<u>67,033</u>	<u>69,153</u>	<u>69,924</u>	<u>70,526</u>	<u>71,302</u>
Net Operating Deficit	(5,199)	(5,019)	(3,715)	(2,469)	(1,391)

Property tax revenues are expected to increase 3% in FY 12-13, 3.5% in FY 13-14 and FY 14-15, 3% in FY 15-16 through FY 16-17. Although Proposition 13 allows the annual assessed value to increase by the lesser of 2% or the California consumer price index, local area housing market has been in a decline for about 3 years. The County Assessor temporarily reduced the assessed valuation for a lot of properties. Staff projected that the housing market will slowly recover in the next two years. Staff also expected that some of the development activities will resume in the next few years which will add to the assessed valuation and then return to a more normal growth of 3%.

Sales tax revenues are projected to increase 5% in FY 12-13, 4% in FY 13-14, 3.5% in FY 14-15 and 3% in FY 15-16 and FY 16-17. The increase of 5% in FY 12-13 reflects a moderate economic recovery. Given sales tax revenue declined in the last few years, there are some pent-up demands on the consumers side as well as the need to replace inventories on the commercial/industrial sectors. It is anticipated that some of the residential developments that are currently on hold will resume. With the addition of residents as some of residential developments are completed and occupied, it is assumed that Milpitas businesses will capture a portion of the consumers' spending, especially in the retail, auto and restaurant economic segments.

Other Taxes include real estate transfer tax, franchise tax and business license tax. As residential units are being developed and occupied, it is anticipated that the City will collect more real estate transfer tax and franchise tax from utility and cable companies. It is also assumed that utility and cable companies will increase their rates to offset cost increases. The projection is a modest increase of 2.8% in FY 12-13 through FY14-15, and 2.9% and 3% increase respectively in FY 15-16 and FY 16-17.

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Hotel tax revenues are projected to increase 3% in FY 12-13 through FY16-17. Hotel occupancy declined significantly for two years and has stabilized in FY 10-11. It is assumed that the hotel operators will increase room price by the average consumer price index which is approximately 2.4% to recover costs in addition to increased occupancy.

License and permits consist of building permits and fire permits which are primarily construction related. It is projected that these revenues after an average of 28% decline for two years in FY 08-09 and FY 09-10, will begin to pick up significantly. In anticipation of rebound of residential developments in the Midtown and the Transit area, staff projected a higher growth level at 5% in FY 12-13 and at 7% in FY 13-14 through FY14-15. The projections for FY 15-16 and FY 16-17 are 5% and 3% increase respectively.

Charges for Services include charges for private development related services, engineering fees and recreation service charges. It is anticipated that the increases in charges to developers will be similar to the increases for license and permits. The projection for non-development related charges is a 3% increase annually. The combined projection is 3.5% increase in FY 12-13, 3.9% increase in FY 13-14, 3.5% in FY 14-15, and tapering off to 3% increase in FY 15-16 and FY 16-17.

Operating transfers are mainly reimbursements from other funds for the staff support and administrative overhead provided by the General Fund. These transfers will increase in conjunction with operating expenditure increases. The projected increases range from 0.8% to 3.2% in the next five years.

Salaries and benefits other than medical insurance and employer's contribution to CalPERS are anticipated to be flat in the next five years, with 0% increase. One of the long term strategies to deal with structural deficit of the General Fund is to consider compensation as a package to balance various components of the cost increase. Given that health insurance premium is projected to increase from 5% to 8% annually, compensation to employees in terms of salaries and other benefits will have to remain flat in the future. In addition, the City will focus on implementing "cafeteria style" benefit plan to control benefits cost. The projection assumed that employer contribution to the CalPERS will increase 4% in FY 12-13, 14% in FY 13-14, and then remain flat in FY14-15 through FY16-17. The increase in FY13-14 reflects the market value loss suffered by the CalPERS investment portfolio in FY 07-08 and FY 08-09 and actuarial assumption changes. The Five-Year General Fund forecasts also include pre-funding of retiree medical benefits which is projected to increase 3% per year.

Services and Supplies costs are anticipated to increase by 2% annually reflecting consumer price increase but also assuming City departments continue to hold the line on this expenditure category.

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

ACKNOWLEDGEMENTS

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

The overall budget envisions an operating program that carefully considers the general economic climate in conjunction with the many progressive projects and programs the City will be providing to the citizens of Milpitas. The Budget establishes the projected resources to pay for all requested appropriations. The City Council and members of the Redevelopment Agency have guided the City of Milpitas to a very stable financial position that enables the City to undertake new capital improvement projects while maintaining its high level of services for all Milpitas citizens, even during difficult economic situations. The City Council's approval of the FY 11-12 Budget continues its commitment to excellence in citizen services and prudent financial management.

Respectfully submitted,



Thomas C. Williams

City Manager

Budget Guidelines

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

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

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

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

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

SUMMARY OF BUDGET GUIDELINES

1. Basis of Budgeting

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis. For all proprietary funds, revenues and expenditures are budgeted on an accrual basis.

2. Budget Calendar

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

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

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

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

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

4. Adoption of the Budget

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

5. Budget Authority of the City Manager

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

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

6. Budget Amendments by the City Council

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

7. Budget Transfers and Modification Procedures

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

8. Automatic Adjustments and Reappropriations

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

9. Budget Monitoring and Reporting

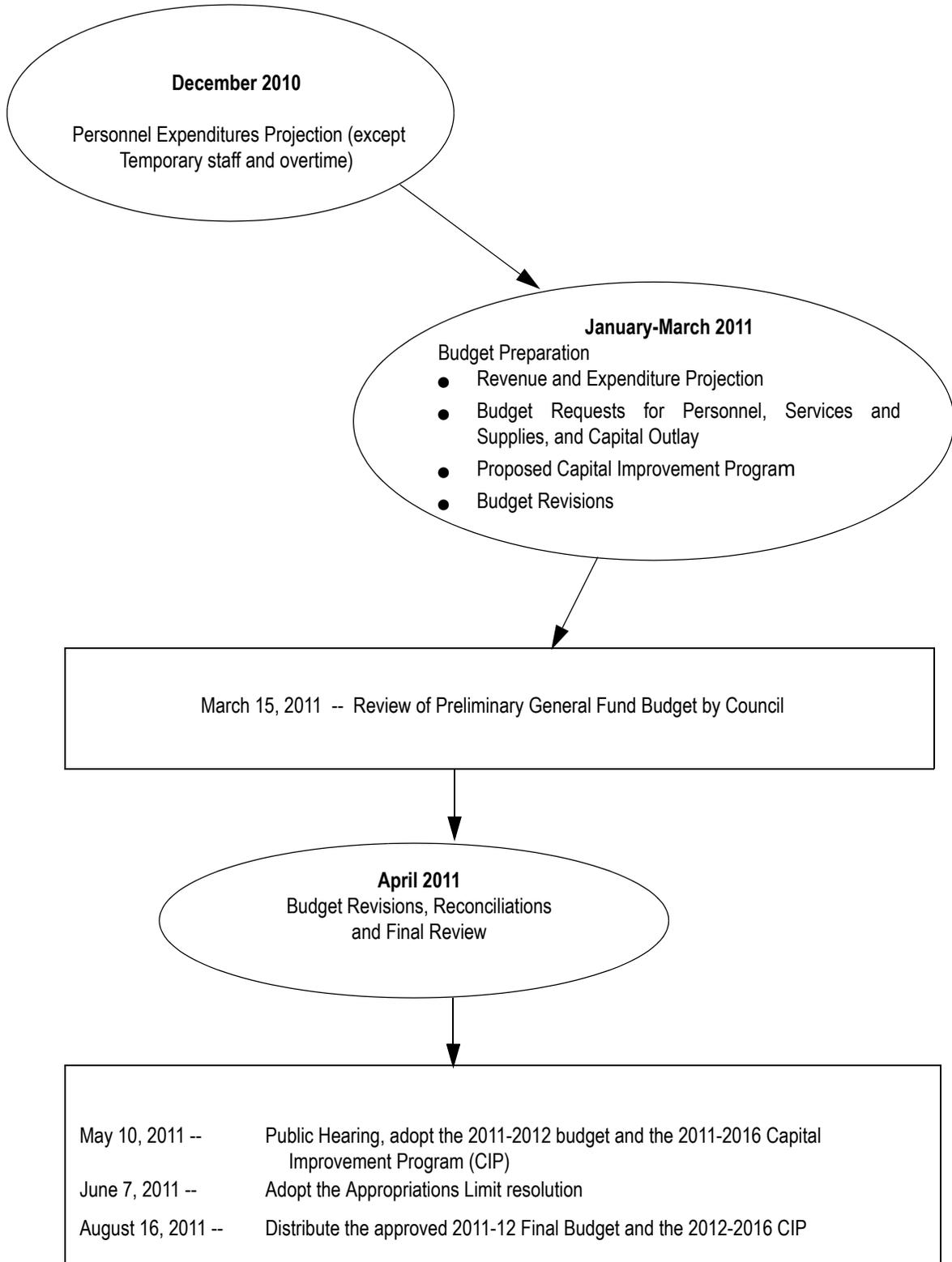
- a. General Monthly Reports - The Director of Financial Services will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads, to facilitate monitoring of the budget.
- b. Periodic Budget Reports - The Director of Financial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

10. Reserves

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

Budget Preparation Process and Timeline

City of Milpitas 2011-2012 Budget Process



CITY OF MILPITAS

**BUDGET PREPARATION TIMELINE
2011-2012 FINANCIAL PLAN**

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
1	12/14/10	Meetings with Senior Staff to discuss programs, service levels, and general financial status overview.	City Manager, Director of Financial Services, Senior Management Staff
2	12/15/10	Management review proposed utility rates	City Manager, Director of Financial Services, Utility Engineering
3	01/03/11	<ul style="list-style-type: none"> • Equipment Inventory changes due to Finance. • Capital Outlay Requests due to Finance. 	Senior Management Staff, Budget Liaisons
4	01/03/11	New Capital Improvement Program (CIP) projects requests are due.	Senior Management Staff
5	01/06/11	2011-12 Budget Preparation “Kick-Off” meeting with Budget Liaisons.	Director of Financial Services, Finance Budget Team, Budget Liaisons
6	01/06/11- 01/11/11	Budget Liaison Training	Finance Budget Team
7	01/12/11	Position Summary Corrections due to Finance.	Senior Management Staff, Budget Liaisons
8	01/24/11- 01/27/11	Conduct Revenue discussions with budget units (Department/ Divisions) and Special Fund expenditure projections and fund balance.	Director of Financial Services, Finance Budget Team
9	01/19/11	Requests for new positions, reclassifications and reallocation of existing positions (including Salary Allocation by Fund) due to Finance, with the City Manager’s initials.	Budget Liaisons
10	01/20/11- 02/10/11	Review new classification or reclassification requests.	HR Director
11	01/14/11 - 01/20/11	Budget projection for Non-Departmental.	Director of Financial Services, Finance Budget Team

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
12	01/26/11	<ul style="list-style-type: none">• Data entry in the BRASS budget system is complete.• Temporary Position Request Forms (one form per function) are due to Finance.• Out of State Travel Form is due to Finance.• Summary of service enhancements or new programs or elimination of services/programs that will impact budget is due to Finance.	Budget Liaisons
13	1/19/11	Finance Subcommittee review of utility rates	Finance Subcommittee Utility Engineering
14	02/01/11	Print and distribute Budget Proformas to Budget Units for review.	Finance Budget Team
15	02/07/11- 02/10/11	Meeting to discuss Capital Outlay Requests.	City Manager, Director of Financial Services, Public Works Director, Accounting Manager
16	02/09/11	<ul style="list-style-type: none">• All budget preparation information due to Finance: narratives, org charts, and mission statements.• Any changes to Budget Proformas are also due to Finance.	Budget Liaisons
17	02/22/11- 02/25/11	Prepare budget reports and distribute to City Manager and Budget Units.	Finance Budget Team
18	02/28/11- 03/04/11	Review the new CIP requests and consider the financial impact.	City Manager, Director of Financial Services, Public Works Director, Accounting Manager
19	02/28/11- 03/04/11	Budget Unit Work sessions - Review Operating Budget requests with the respective budget unit staff.	City Manager, Senior Management Staff Director of Financial Services
20	03/01/11	Mail Prop 218 notices regarding utility rate increases.	Utility Engineering
21	03/07/11	Review Draft Parks projects in the CIP Budget.	PRCRC

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
22	03/07/11- 03/11/11	Review of Proposed CIP document by Finance.	Director of Financial Services, Accounting Manager, CIP Accountant
23	03/11/11	Distribute budget reports to Budget Units for final review.	Finance Budget Team
24	03/14/11- 03/18/11	Final review of budget unit operating budget.	Senior Management Staff, Budget Liaisons
25	03/15/11	Review the Preliminary FY 2011-12 General Fund Operating budget.	City Council
26	03/17/11	Finance Subcommittee: review requests for new and proposed CIP project.	Finance Subcommittee City Manager Public Works Director Director of Financial Services
27	03/18/11	Publish Draft 2011-2016 Capital Improvement Program and distribute.	CIP Staff
28	03/21/11- 03/25/11	Budget Reconciliation: Operating budget and CIP.	Finance Budget Team, CIP Staff
29	03/28/11- 04/01/11	Draft the Transmittal Letter	Director of Financial Services
30	04/04/11- 04/08/11	Review the Transmittal Letter.	City Manager
31	04/04/11- 04/08/11	Final review of proposed budget.	Director of Financial Services, Finance Budget Team
32	04/13/11	Review Draft CIP for information and General Plan conformance findings.	Planning Commission, Public Work Director
33	04/19/11	Review the Draft 2011-2016 Capital Improvement Program.	City Council
34	04/21/11	Publish notice of public hearings regarding the Operating Budget and Capital Improvement Program.	City Clerk
35	05/03/11	City Council adopts utility rates	City Council

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
36	05/10/11	Public hearing and adopt the recommended 2011-2012 Proposed Budget and Financial Plan and the 2011-2016 Capital Improvement Program.	City Council, Senior Management Staff
37	06/07/11	Adopt the 2011-12 Appropriations Limit resolution.	City Council
38	08/16/11	Distribute the approved 2011-12 Final Budget and the 2011-2016 Capital Improvement Program.	Finance Budget Team

Fiscal Policies

GENERAL FINANCIAL GOALS

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

OPERATING BUDGET POLICIES

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

REVENUE POLICIES

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

EXPENDITURE POLICIES

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

UTILITY RATES AND FEES

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

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

CAPITAL BUDGET POLICIES

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

DEBT POLICIES

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

RESERVE POLICIES

32. The City will periodically review and update reserve guidelines, to ensure that the City has sufficient reserve balances to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
33. The City will maintain unreserved, undesignated fund balance of at least 15% of the annual operating expenditures in the General Fund for emergencies and unforeseen operating or capital needs.
34. The City will maintain in the General Fund a \$5 million Public Employees Retirement Rate Stabilization Reserve. This reserve may be drawn on if the required employer contribution rates exceed previous year's contribution rates by more than 3% of payroll. The City Council must approve utilization of this reserve at the time of the budget hearing. This reserve will be replenished from the unreserved, undesignated fund balance after the 15% requirement of the operating expenditures has been met.
35. The City will maintain a Storm Drain replacement reserve to replace and repair storm drain pump stations. Beginning in FY 2009-2010, the City will endeavor to set-aside \$500,000 annually from the General Fund reserve for this purpose.
36. The City will maintain a retiree medical benefits account established by an irrevocable trust and fund the required contribution annually.
37. Other reserves designated in the General Fund for investment portfolio market gain, and sick leave payable will be calculated and adjusted annually at appropriate levels.
38. The City will maintain working capital in the Water and Sewer utility enterprise funds to provide for future capital projects and unanticipated emergencies, such as water main break repairs, pump station

repairs. The City will attempt to maintain a working capital reserve of approximately 30% of the annual operating and maintenance expenses for Water utility fund and 25% of the annual operating and maintenance expenses for Sewer utility fund.

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

INVESTMENT POLICIES

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

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

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

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RESOLUTION NO. 8101

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADOPTING THE APPROPRIATIONS LIMIT FOR THE CITY OF MILPITAS FOR FISCAL YEAR 2011-2012

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 2011-2012 of \$69,082,283. The calculation is attached hereto as Attachment No.1 ("FY 2011-2012 APPROPRIATIONS LIMIT"); and

WHEREAS, documentation used in determining the appropriations limit has been made available to the public for a period of not less than fifteen (15) days prior to City Council consideration of this Resolution.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The appropriations limit for fiscal year 2011-2012 shall be \$69,082,283, as set forth herein.
3. Pursuant to Government Code Section 7910, no judicial action or proceeding to attack, review, set aside, void, or annul the action of the City Council in establishing the appropriations limit for fiscal year 2011-2012 shall be brought unless such action or proceeding shall have been commenced within forty-five (45) days of the date of adoption of this Resolution.

PASSED AND ADOPTED this 7TH day of June 2011, by the following vote:

AYES: (4) Mayor Esteves, Vice Mayor McHugh, and Councilmembers Gomez and Polanski

NOES: (0) None

ABSENT: (1) Councilmember Giordano

ABSTAIN: (0) None

ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Jose S. Esteves, Mayor

APPROVED AS TO FORM:


Michael J. Ogaz, City Attorney

Attachment No. 1

FY 2011-2012 APPROPRIATIONS LIMIT

Per Capita Change	1.02510
* Population Change	1.01230
Calculation Factor FY 11-12 1.0251×1.0123	1.03771
FY 10-11 limit $\$66,571,940 \times 1.03771$	69,082,283
Appropriations Subject to Limit	<u>43,739,315</u>
Appropriations under Limit	<u><u>25,342,968</u></u>

- * On June 5, 1990, the California electorate passed Proposition 111 which modified the method of adjusting the annual appropriations limit. Beginning with the 1990-91 appropriations limit, the City may choose from the following indices when determining the adjustment factor:

The annual growth in the City's population OR the annual growth in the County's population as provided by the State Department of Finance.

AND

The annual growth in the California Per Capita Personal Income OR the growth in the non-residential assessed valuation due to new construction within the City.

In computing the 2011-2012 appropriations limit, the population growth of the City and the California Per Capita Personal Income change were used.

RESOLUTION NO. 8086 / RA416

A RESOLUTION OF THE CITY COUNCIL AND REDEVELOPMENT AGENCY OF THE CITY OF MILPITAS APPROVING THE FINAL BUDGET FOR THE CITY OF MILPITAS FOR THE FISCAL YEAR 2011-2012

WHEREAS, the City Manager/Executive Director submitted a 2011-2012 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 the City Manager/Executive Director's 2011-2012 Proposed Budget and Financial Plan; and

WHEREAS, on May 10, 2011, the City Council and the Redevelopment Agency approved the 2011-2012 Financial Plan and the 2011-2012 Capital Budget.

NOW, THEREFORE, the City Council and the Board of the Redevelopment Agency of the City of Milpitas hereby find, determine, and resolve as follows:

1. The City Council and the Agency Board have considered the full record before them, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to them. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The annual budget for the City of Milpitas for fiscal 2011-2012 is hereby reaffirmed and adopted totaling \$140,787,115 for all appropriated funds. This budget assumes that certain savings shall be achieved through concessions from City employees on total compensation and/or the elimination or reduction of authorized positions (employee layoffs).
3. Appropriations and estimated fund balances are hereby allocated for the various purposes designated in the 2011-2012 Final Budget.
4. The budgets for all departments for the period July 1, 2011 through June 30, 2012, inclusively contained in this 2011-2012 Final Budget Resolution, are approved as the operating budget for those departments for fiscal 2011-2012.
5. Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager/Executive Director, at the end of fiscal 2010-2011 may be reappropriated for continued use in fiscal 2011-2012.
6. 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 particular departments, accounts, and funds set forth herein.
7. The City Manager/Executive Director 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:
 - a. Prior Council/Agency Approval Not Required. Prior approval of the City Council and/or Redevelopment Agency is not required under the following circumstances:
 - i. In order to allocate, redistribute and/or appropriate monies between department and non-department funds so as to reflect the budgetary savings achieved through concessions from City employees on total compensation and/or the elimination or reduction of authorized positions (employee layoffs). Such budgetary revisions may be done on a one-time basis upon the finalization of side letters, memoranda of understanding, lay-off and/or other similar proceedings near the beginning of the budget year.
 - ii. When revisions, which involve transfers from appropriated contingency reserves, are less than the aggregate amount of 1% of General Fund appropriations, or \$658,000 during fiscal 2011-2012,

provided that the Council/Agency is notified in writing of the revision, giving the reason, the amount of the revision and the year-to-date total amount of revisions.

- iii. 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.
 - iv. For Police goods and services to be purchased from Asset Seizure funds, the City Manager/Executive Director or his/her 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 2011-2012 Budget hearing.
- b. Prior Council/Agency Approval Required. Prior approval of the City Council and/or Redevelopment Agency is required if any of the following are involved:
- i. 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.
 - ii. Contract change orders in excess of \$20,000.
 - iii. Changes when in his or her judgment such action would be inconsistent with the purposes and intent of the Budget as adopted.
 - iv. Transfers from contingent reserves, which would cause the aggregate amount of 1% of General Fund appropriations, or \$658,000 during fiscal 2011-2012, to be exceeded.
8. In order to balance the budget for fiscal year 2011-2012, it has been necessary to assume as part of the budget solution the elimination of a number of authorized positions within the City service; and

Information establishing the current budget situation and steps to be taken to present balanced City and Redevelopment Agency Budgets have been presented during this meeting of May 10, 2011, and in prior budget presentations; and

It is the judgment of the City Council that it has become necessary in the interest of economy that the number of authorized positions within the City service be reduced without the right of appeal of the decision to eliminate or reduce the positions. We find that this decision is a fundamental managerial policy decision of the City Council and the Agency Board.

PASSED AND ADOPTED this 10TH day of May 2011, by the following vote:

AYES: (3) Councilmembers/Agency Members Giordano, Gomez and Polanski

NOES: (2) Mayor/Chair Esteves and Vice Mayor/Vice Chair McHugh

ABSENT: (0) None

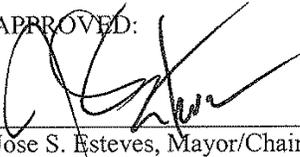
ABSTAIN: (0) None

ATTEST:



Mary Lavelle, City Clerk/Agency Secretary

APPROVED:



Jose S. Esteves, Mayor/Chair

APPROVED AS TO FORM:



Michael J. Ogaz, City Attorney/Agency Counsel

RESOLUTION NO. RA417 / 8087

**A JOINT RESOLUTION OF THE 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 2011-2016 Capital Improvement Program enumerates the capital projects that the Agency and the City of Milpitas wish to undertake, setting forth the desired timing and financing resources for the projects that are 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 10, 2011 at the Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, California; and

WHEREAS, prior to said hearing the 2011-2016 Capital Improvement Program was prepared and made available for public inspection and copying, and the 2011-2016 Capital Budget of the 2011-2016 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 closure thereof the 2011-2016 Capital Budget was approved; and

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

NOW, THEREFORE, the Board of the Redevelopment Agency and the City Council of the City of Milpitas hereby find, determine, and resolve as follows:

1. The Board and the City Council have considered the full record before them, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to them. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The evidence offered by the Agency/City staff and contained in the 2011-2016 Capital Improvement Program sets forth the facts supporting the determinations required to be made pursuant to Section 33445 of the Health and Safety Code and sets forth the redevelopment purpose for which redevelopment funds are being used to pay for the acquisition, construction, and improvements of publicly-owned facilities.
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.
4. The acquisition of land, facilities, buildings, structures, and other improvements to be acquired or constructed as set forth in the 2011-2016 Capital Improvement Program are of benefit to the Project Area and will assist in eliminating blighting conditions within the Project Area or provide housing for low- or moderate-income persons, and are consistent with the latest Five Year Redevelopment Implementation Plan adopted by the Agency pursuant to Health & Safety Code Section 33490.

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

PASSED AND ADOPTED this 10TH day of May 2011, by the following vote:

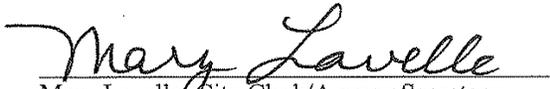
AYES: (3) Agency Members/Councilmembers Giordano, Gomez and Polanski

NOES: (2) Chair/Mayor Esteves and Vice Chair/Vice Mayor McHugh

ABSENT: (0) None

ABSTAIN: (0)None

ATTEST:



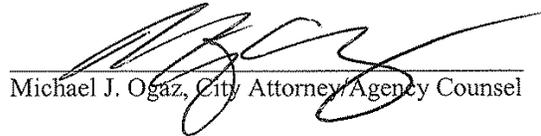
Mary Lavelle, City Clerk/Agency Secretary

APPROVED:



Jose S. Esteves, Mayor/Chair

APPROVED AS TO FORM:



Michael J. Ogaz, City Attorney/Agency Counsel

RESOLUTION NO. RA419

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF MILPITAS DETERMINING THAT THE PLANNING AND ADMINISTRATION EXPENSES TO BE FUNDED IN FISCAL YEAR 2011-2012 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, pursuant to Section 33334.2(a) of the California Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*) not less than 30% 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 the Board of the Redevelopment Agency of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The Redevelopment Agency Board has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. The recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The Redevelopment Agency Board hereby determines that it is necessary to allocate \$1,394,095 of the estimated \$9,943,492 Housing Reserve Fund Budget for the planning and administrative expenses necessary for the production, improvement, and/or preservation of low- and moderate-income housing during the 2011-2012 fiscal year.

PASSED AND ADOPTED this 10TH day of May 2011, by the following vote:

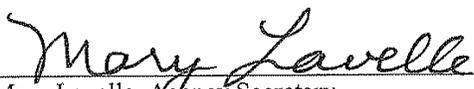
AYES: (3) Agency Members Giordano, Gomez and Polanski

NOES: (2) Chair Esteves and Vice Chair McHugh

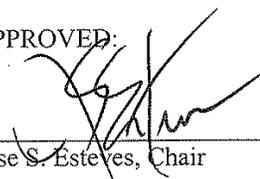
ABSENT: (0) None

ABSTAIN: (0) None

ATTEST:


Mary Lavelle, Agency Secretary

APPROVED:


Jose S. Esteves, Chair

APPROVED AS TO FORM:


Michael J. Ogaz, Agency Counsel

RESOLUTION NO. RA418

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF MILPITAS 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, ("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 the Board of the Redevelopment Agency of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The Redevelopment Agency Board has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. The recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. In return for the City's obligation to acquire, construct and perform such Public Improvements, the Redevelopment Agency shall pay to the City the 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 10TH day of May 2011, by the following vote:

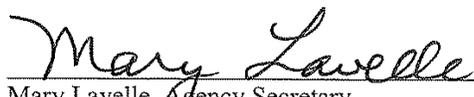
AYES: (3) Agency Members Giordano, Gomez and Polanski

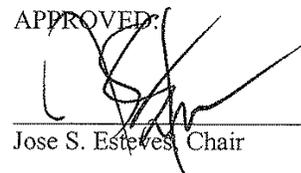
NOES: (2) Chair Esteves and Vice Chair McHugh

ABSENT: (0) None

ABSTAIN: (0) None

ATTEST:


Mary Lavelle, Agency Secretary

APPROVED:

Jose S. Esteves, Chair

APPROVED AS TO FORM:


Michael J. Ogaz, Agency Counsel

ATTACHMENT NO. 1

PUBLIC IMPROVEMENTS
2011-16 CAPITAL IMPROVEMENT PROGRAM
REDEVELOPMENT AGENCY FINANCING

FINANCE SOURCES

RDA Tax Increment	2011-12	2012-13	2013-14	2014-15	2015-16	TOTAL
Community Improvement	150,000	850,000	1,500,000	500,000	1,000,000	4,000,000
Park Improvement	0	0	0	0	0	0
Sewer Improvement	0	0	0	0	0	0
Storm Drain Improvement	562,000	550,000	0	400,000	0	1,512,000
Streets	2,750,000	5,000,000	5,200,000	0	0	12,950,000
Water	0	0	0	0	0	0
RDA Tax Increment Totals	3,462,000	6,400,000	6,700,000	900,000	1,000,000	18,462,000

RDA Bond (1997, 2000, and 2003)	2011-12	2012-13	2013-14	2014-15	2015-16	TOTAL
Community Improvement	209,000	0	0	0	0	209,000
Sewer Improvement	0	0	0	0	0	0
Streets	0	0	0	0	0	0
Water	350,000	0	0	0	0	350,000
RDA Bond Totals	559,000	0	0	0	0	559,000

TOTAL FINANCE SOURCES	4,021,000	6,400,000	6,700,000	900,000	1,000,000	19,021,000
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PROJECT EXPENSES

Community Improvement	2011-12	2012-13	2013-14	2014-15	2015-16	TOTAL
8162 Library Project	134,000	0	0	0	0	134,000
8182 City Building Improvements	75,000	500,000	0	500,000	0	1,075,000
New Fire Station Improvements	0	0	1,500,000	0	1,000,000	2,500,000
New MSC Master Plan Update	150,000	0	0	0	0	150,000
New MSC Pool Resurfacing	0	350,000	0	0	0	350,000
Total	359,000	850,000	1,500,000	500,000	1,000,000	4,209,000

Streets	2011-12	2012-13	2013-14	2014-15	2015-16	TOTAL
4254 Sidewalk Replacement 2011	50,000	0	0	0	0	50,000
8196 Soundwall Renovation	300,000	0	0	0	0	300,000
New RDA Area Pavement Reconstruction	2,000,000	5,000,000	5,000,000	0	0	12,000,000
New Street Light Improvements	400,000	0	200,000	0	0	600,000
Total	2,750,000	5,000,000	5,200,000	0	0	12,950,000

Water	2011-12	2012-13	2013-14	2014-15	2015-16	TOTAL
New Abel Street Pipeline Extension	350,000	0	0	0	0	350,000
Total	350,000	0	0	0	0	350,000

Storm Drain Improvement	2011-12	2012-13	2013-14	2014-15	2015-16	TOTAL
3703 Emergency Pump Station Generators	100,000	0	0	0	0	100,000
3704 Fuel Tank Improvements	112,000	0	0	0	0	112,000
8188 Storm Pump Station Improvements	100,000	400,000	0	400,000	0	900,000
New Berryessa Pump Replacement 2013	0	150,000	0	0	0	150,000
New California Circle Pump Station	250,000	0	0	0	0	250,000
Total	562,000	550,000	0	400,000	0	1,512,000

TOTAL PROJECT EXPENSES	4,021,000	6,400,000	6,700,000	900,000	1,000,000	19,021,000
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City History

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

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

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

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



Higuera Adobe



Alviso Adobe

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

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

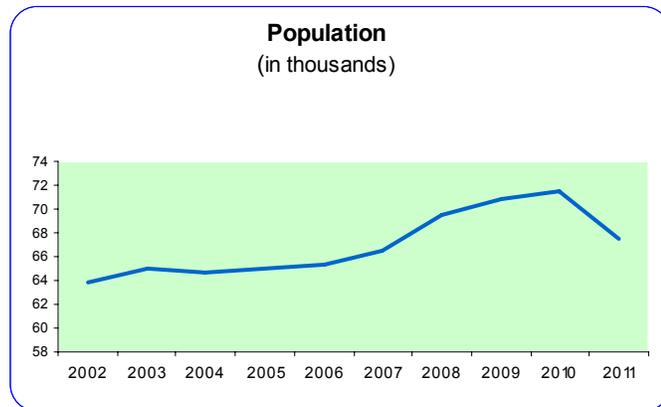
Following the computer firm boom of the 1980s and the opening of one of the nation's largest malls in 1994, the city is now home to more than 67,000 residents.

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

Demographic Profile



Once a small agricultural town and later a stopover point for travelers between Oakland and San Jose, Milpitas has blossomed into one of the world's premier computer and semiconductor producers. Tenants of the burgeoning city of 67,476 are family-centered communities that embrace cultural diversity, quality schooling, conveniently located neighborhood parks and shopping centers.



Incorporated in 1954 with 825 residents, Milpitas is located at the southern tip of the San Francisco Bay. Milpitas covers 13.6 square miles, with grassy foothills and picturesque Mount Hamilton to the east and the Santa Clara Valley Floor to the west. The city is located in Santa Clara County, home to close to 1.8 million residents. To the north is the city of Fremont. To the south lies San Jose, the third largest city in California.

There are approximately 1,380 acres, or 2.6 square miles, designated for various industrial uses. About 271 acres are vacant and available in parcels ranging from 1/2 acres to 75 acres. There are eight existing industrial parks and 550 manufacturing plants in Milpitas. An additional 410 acres are dedicated to regional and community retail centers supporting 3.5 million square feet of commercial shops. The Great Mall of the Bay Area is the largest enclosed mall in Northern California, with approximately 1.1 million square feet of leasable space for retail and entertainment operations. Several local shopping centers serve regional needs for Asian-oriented retail and services.





The two largest employers in Milpitas are Cisco Systems and Great Mall with over 3,000 employees each. Other major employers are KLA-Tencor Corporation; Flextronics Corporation; LSI Logic Corporation; SanDisk Corporation; Linear Technology; and Lifescan, Inc. Several of these top employers have made the City of Milpitas their corporate headquarters as well. Given the City's desirable location for high-tech industry, the day time population of Milpitas increases to 90,000.

The City's largest own-source revenue is property tax. Top ten property tax payers are shown below:

Principal Property Tax Payers		
Fiscal Year 2009-10		
<u>Taxpayers</u>	<u>Taxable Assessed Value</u>	<u>% of Total City Assessed Value</u>
Cisco Technology Inc.	\$488,396,789	4.06%
Milpitas Mills LP	304,656,097	2.53%
KLA Tencor Corporation	211,996,269	1.76%
Silicon Valley California LLC	205,662,096	1.71%
Diversified Real Estate Investors	186,281,172	1.55%
BRE Milpitas LLC	115,842,000	0.96%
Headway Technologies	109,699,393	0.91%
Liner Technology Corporation	109,235,459	0.91%
Lifescan Inc	102,379,831	0.85%
A & P Children Investments LLC	87,330,399	0.73%

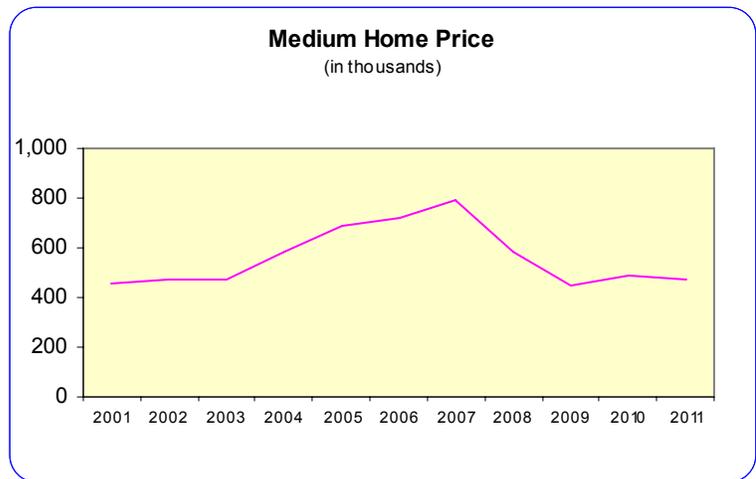
General Information Demographic Profile

Milpitas' neighborhoods are dotted with close to 19,806 households and well-placed parks. Twenty-nine community parks are maintained by Milpitas, in addition to one dog park and 20 tennis courts. The City provides a multitude of outstanding recreational opportunities, including aquatics, cultural arts and theater, sports leagues and activities, youth programming, and senior activities and services.

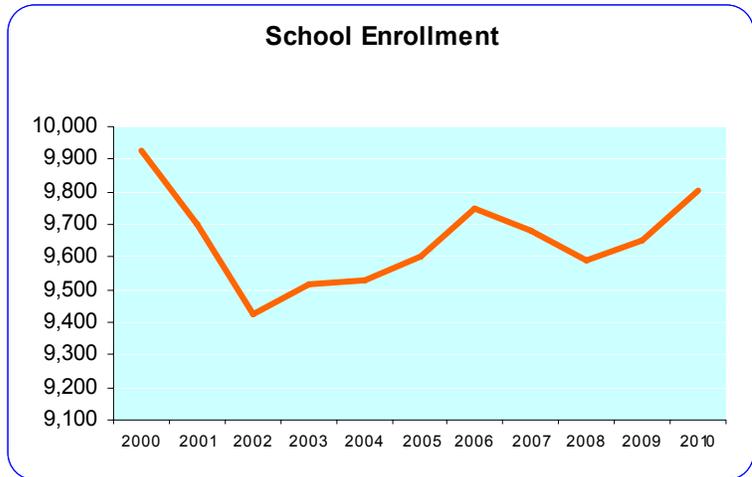


Milpitas' average household income is \$97,870. The percentage of households with incomes more than \$75,000 is close to 77 percent. About 44% of the households earn more than \$100,000 annually.

Close to 62 percent of Milpitan's own their own home. Rental prices vary from \$985 to \$1,485 per month for renters with one and two bedroom apartments and duplexes. Rent for two and three bedroom houses typically run \$1,405 to \$2,295. The median price of a home as of January 2011 in Milpitas is \$475,500. There are 20 suburban residential areas. About 9 percent of the city's population are 5 years old or younger, the lowest in the county. About 21 percent are between 5 and 18 years old. About 68 percent of the population are between 18 and 64 years old. About 8 percent of residents are over 65, also the lowest in the county.



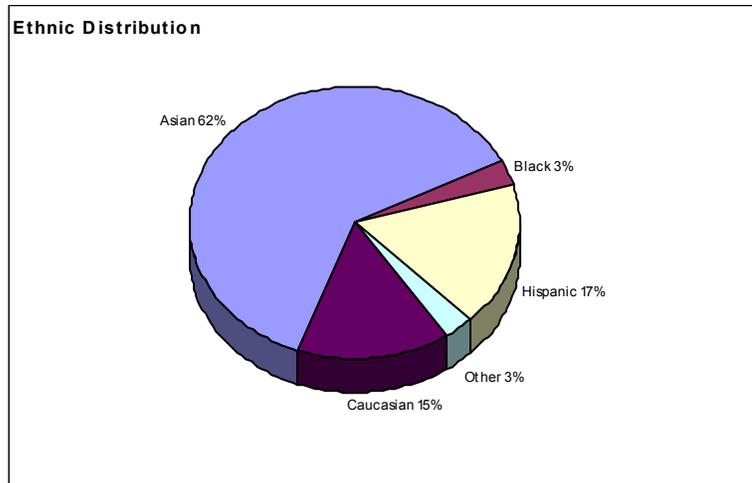
Milpitas public school system has 9 elementary schools, 2 middle schools, 2 high schools, 2 children centers, and an adult education program serving the community. Private school system has 4 elementary schools and 33 preschool/daycare facilities. School enrollment is 9,802.



Milpitas has the highest population of ethnicities in all Santa Clara County. According to the 2010 census, an estimated 62 percent of residents are Asian; 15 percent are Caucasian; 17 percent are Hispanic or Latino; and 3 percent are Black or African-Americans.

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

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



The City Council makes the ultimate planning and policy decisions for residents, and oversees the city's \$141 million budget. The five members carry out twice a month public meetings. At these times, the public's comments are usually heard, under the citizen's forum. The Council's meetings are held the first and third Tuesdays of each month at 7:00 p.m. in the Milpitas City Hall, 455 E. Calaveras Blvd.

There are 16 advisory commissions on which residents can participate - the Planning Commission, Arts Commission, Youth Advisory Commission, Library Advisory Commission and Senior Advisory Commission, to name a few.

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

City of Milpitas at a Glance			
Date of Incorporation	January 26, 1954	Water Utility	
Form of Government	Council-Manager	Number of Customers:	
		Residential	14,255
		Commercial	2,056
		Recycled Water	189
Population (estimated*)	67,476	Average Daily Consumption	
Land Area (Square Miles)	13.6	(in gallons)	9,200,000
Miles of Streets	139	Miles of Water Mains	213
Number of Street Lights	4,496		
Fire Protection		Sewer Utility	
Number of Stations	4	Miles of Sanitary Sewers	178
Number of Firefighters	57	Miles of Storm Drains	110
Fire Apparatus	13		
Number of Fire Hydrants	1,840	Public Schools Serving the Community	
Police Protection		Elementary Schools	9
Number of Stations	2	Middle Schools	2
Number of Sworn Officers	86	High Schools	2
Crossing Guard Posts	38	Parks and Recreation	
Number of Vehicles	75	Acres of Parkland	179
Employees		Number of Parks	29
Permanent	497.50	Number of Swimming Pools	4
Temporary (FTE)	54.75	Number of Tennis Courts	20

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

Vicinity Map



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

City Council

Mayor	Jose S. Esteves
Vice Mayor	Pete McHugh
Councilmember	Debbie Giordano
Councilmember	Armando Gomez, Jr
Councilmember	Althea Polanski

Board, Commissions, and Committee

Arts Commission

Marcella Anthony
George Baker
Bill Foulk
Robin Hays
Harriet McGuire
Tess Santos
Becky Strauss

Public Art Committee

Julie Cherry
Harriet McGuire
Barbara Jo Navarro
Van Phan Nguyen
Larry Voellger

(Plus all Arts Commission Members including Alternates)

**Bicycle Pedestrian
Advisory Commission**

Rene Briones
Aaron Faupell
Jose Leon
Antonio Pablo, Jr.
Nawal Stanojevic

**Emergency Preparedness
Commission**

Michael Berryhill
Michael Caulkins
Don Clendenin
Russ Cherry
Tim Howard
Brian Shreve
Stephen Strauss
Arlyn Swiger

Community Advisory Commission

Samantha Beard
Reena Choudhury
Danny Fang
Jennifer Lind
Rajeev Madnawat
Syed Mohsin
Phong Nguyen
Michael Queenan
Mia Bradway Winter

Economic Development Commission

Ricardo Ablaza
Dhaval J. Brahmhatt
Michelle Yu Bau
Marsha Grilli
Tom McEvoy
Paul Mulder
Minh Nguyen
Cat-Tuong Nguyen
Donald Peoples
Charlene Tsao
Warren Wettenstein

Library Advisory Commission

Trinidad Aoalin
Yu-Lan Chou
Elpidio Estioko
Marilyn Hay
Carmen Montano
Margie Stephens
Sonny S. Wang

Board, Commissions, and Committee

**Mobile Home Park Rental
Review Board**
Beth Garcia

**Parks, Recreation and Cultural
Resources Commission**
George Baltazar
Stephanie Fong
Frances Krommenhock
Naomi Matau
Vishnu Mathur
Steve Munzel
Rebecca Villalobos

Planning Commission
Lawrence "Larry" Ciardella
Sudhir Mandal
Zeya Mohsin
Gurdev "Dave" Sandhu
Noella Tabladillo
Steve Tao
Mark Tiernan

**Recycling and Source Reduction
Advisory Commission**
Echo Arthur
Ed Blake, Jr.
John Cimino
Garrett Dye
Joe Kwong
Christopher Salian
Steve Ybarra

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

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

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

Veterans Commission
Dana Arbaugh
Bruce Choy
Arthur Ebright
David Grundstrom
Mel Hinshaw
Juan Samano
Denny Weisgerber

Youth Advisory Commission
Celine Cacho
Patricia Do
Veenu King
Monica La
Brian Leon
Darren Lim
Isaiah Rigmaiden-Deniels
Diana Tran
Vicky Tu

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Directory of Officials
Fiscal Year 2011 – 2012

City Manager
Thomas C. Williams

Police Chief
Dennis Graham

Director of Financial Services
Emma Karlen, CPA

Fire Chief
Brian Sturdivant

City Clerk
Mary Lavelle

City Attorney
Michael Ogaz

Chief Information Officer
William Marion

Human Resources Director
Carmen Valdez

Public Works Director/City Engineer
Greg Armendariz

Planning & Neighborhd Svc Director
James Lindsay

Chief Building Official
Keyvan Irannejad

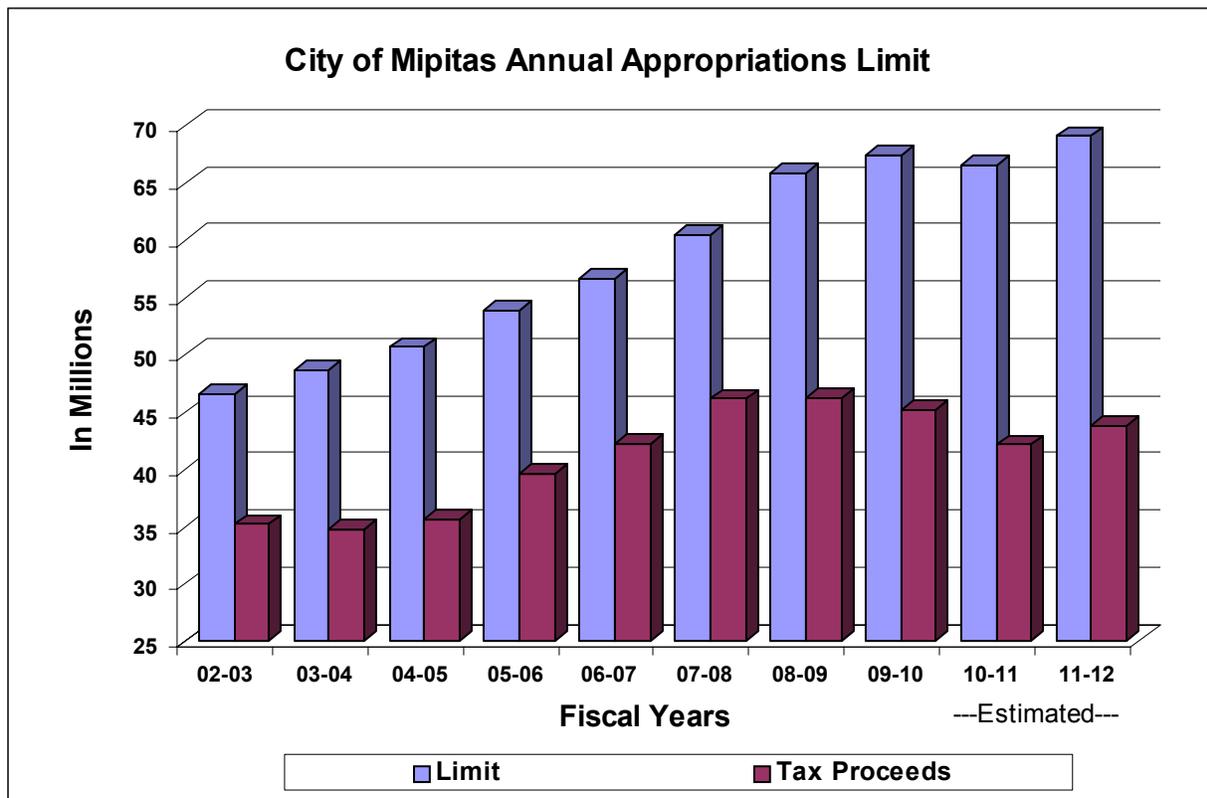
Parks and Recreation Director
Bonnie Greiner

Gann Limit Analysis

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

Each year's limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. The City Council must adopt, by resolution, an Appropriations Limit for the following year. Using the population and per capita personal income change factors provided by the State of California, the City's Appropriations Limit for FY2011-12 has been computed to be \$69,082,283. Appropriations subject to the limitation in FY2011-12 budget total \$43,739,315 that is \$25,342,968 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since Fiscal Year 2002-2003. The City has not exceeded its annual Appropriations Limit in any single fiscal year. The City has been under 90% of the limitation and should not be impacted by the Appropriations Limit.



Computation of Legal Bonded Debt Margin

**City of Milpitas
June 30, 2011**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$11,912,075,436</u>
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (A)	<u>\$446,702,829</u>
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$177,030,000
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Less: Tax Allocation Bonds and Certificates of Participation, not subject to limit	\$177,030,000
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Amount of debt subject to limit	<u>-0-</u>
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LEGAL BONDED DEBT MARGIN	<u><u>\$446,702,829</u></u>
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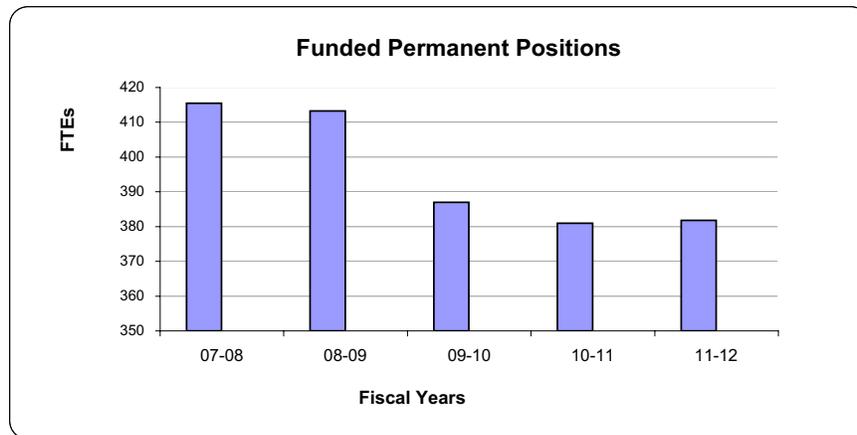
- (a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Authorized Positions by Division

	08 - 09		09 - 10		10 - 11		Change		11 - 12	
	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	4.00	0.00	4.00	0.00	4.00	0.00	0.00	0.00	4.00	0.00
114 City Clerk	10.00	0.00	10.00	0.00	10.00	0.00	0.00	0.00	10.00	0.00
116 RDA & Economic Dvp	1.00	0.00	1.00	0.00	1.00	0.00	0.00	0.00	1.00	0.00
City Manager	<u>20.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>
530 Building and Safety	23.00	3.00	28.00	0.00	28.00	0.00	0.00	0.00	28.00	0.00
Building and Safety	<u>23.00</u>	<u>3.00</u>	<u>28.00</u>	<u>0.00</u>	<u>28.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>28.00</u>	<u>0.00</u>
112 Information Services	20.00	0.00	20.00	0.00	20.00	0.00	0.00	0.00	20.00	0.00
Information Systems	<u>20.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>
115 Human Resources	7.00	0.00	7.00	0.00	6.00	0.50	0.00	0.00	6.00	0.50
Human Resources	<u>7.00</u>	<u>0.00</u>	<u>7.00</u>	<u>0.00</u>	<u>6.00</u>	<u>0.50</u>	<u>0.00</u>	<u>0.00</u>	<u>6.00</u>	<u>0.50</u>
120 City Attorney	4.00	0.00	4.00	0.00	4.00	0.00	0.00	0.00	4.00	0.00
City Attorney	<u>4.00</u>	<u>0.00</u>	<u>4.00</u>	<u>0.00</u>	<u>4.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4.00</u>	<u>0.00</u>
300 Finance Administration	7.00	0.00	7.00	0.00	7.00	0.00	0.00	0.00	7.00	0.00
310 Accounting Services	12.00	0.50	11.00	1.00	11.00	0.75	0.00	0.00	11.00	0.75
320 Fiscal Services	10.00	0.25	10.50	0.00	10.50	0.00	0.00	0.00	10.50	0.00
330 Purchasing	5.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00
Finance	<u>34.00</u>	<u>0.75</u>	<u>33.50</u>	<u>1.00</u>	<u>33.50</u>	<u>0.75</u>	<u>0.00</u>	<u>0.00</u>	<u>33.50</u>	<u>0.75</u>
420 Public Works	75.00	2.50	75.00	4.25	75.00	4.50	0.00	0.00	75.00	4.50
410 Engineering	46.00	1.00	41.00	1.00	40.00	0.50	0.00	0.00	40.00	0.50
Public Works	<u>121.00</u>	<u>3.50</u>	<u>116.00</u>	<u>5.25</u>	<u>115.00</u>	<u>5.00</u>	<u>0.00</u>	<u>0.00</u>	<u>115.00</u>	<u>5.00</u>
510 Planning & Nghbrhd	17.00	0.00	17.00	0.00	18.00	0.00	0.00	0.00	18.00	0.00
Planning & Nghbrhd Srves	<u>17.00</u>	<u>0.00</u>	<u>17.00</u>	<u>0.00</u>	<u>18.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>18.00</u>	<u>0.00</u>
424 Parks	21.00	1.00	21.00	0.00	21.00	0.50	0.00	0.00	21.00	0.50
450 Recreation	27.50	44.00	28.50	44.00	28.50	39.00	0.00	(5.00)	28.50	34.00
Parks and Recreation	<u>48.50</u>	<u>45.00</u>	<u>49.50</u>	<u>44.00</u>	<u>49.50</u>	<u>39.50</u>	<u>0.00</u>	<u>(5.00)</u>	<u>49.50</u>	<u>34.50</u>
700 Police Administration	3.00	0.00	3.00	0.00	3.00	0.00	0.00	0.00	3.00	0.00
710 Police Technical Services	30.50	2.50	30.50	1.75	30.50	1.00	0.00	0.00	30.50	1.00
720 Police Field Services	73.00	13.00	73.00	13.00	74.00	13.00	0.00	0.00	74.00	13.00
730 Special Operations	17.00	0.00	17.00	0.00	16.00	0.00	0.00	0.00	16.00	0.00
Police	<u>123.50</u>	<u>15.50</u>	<u>123.50</u>	<u>14.75</u>	<u>123.50</u>	<u>14.00</u>	<u>0.00</u>	<u>0.00</u>	<u>123.50</u>	<u>14.00</u>
800 Fire Administration	3.00	0.00	3.00	0.00	3.00	0.00	1.00	0.00	4.00	0.00
810 Emerg Resp & Prep Div	67.00	0.00	67.00	0.00	67.00	0.00	(1.00)	0.00	66.00	0.00
820 Prevention Division	10.00	0.00	10.00	0.00	10.00	0.00	0.00	0.00	10.00	0.00
Fire	<u>80.00</u>	<u>0.00</u>	<u>80.00</u>	<u>0.00</u>	<u>80.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>80.00</u>	<u>0.00</u>
TOTAL	<u>498.00</u>	<u>67.75</u>	<u>498.50</u>	<u>65.00</u>	<u>497.50</u>	<u>59.75</u>	<u>0.00</u>	<u>(5.00)</u>	<u>497.50</u>	<u>54.75</u>

Funded Permanent Positions by Department

	07-08		08-09		09-10		10-11		11-12
	Funded	Change	Funded	Change	Funded	Change	Funded	Change	Funded
100 City Council	5.00	0.00	5.00	0.00	5.00	0.00	5.00	0.00	5.00
111 City Manager	2.00	0.00	2.00	0.00	2.00	0.00	2.00	0.00	2.00
114 City Clerk	8.00	0.00	8.00	(2.00)	6.00	0.00	6.00	0.00	6.00
116 RDA & Economic Dvp	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00
City Manager	16.00	0.00	16.00	(2.00)	14.00	0.00	14.00	0.00	14.00
530 Building and Safety	18.00	0.00	18.00	(1.00)	17.00	(0.50)	16.50	0.50	17.00
112 Information Services	16.00	0.00	16.00	(2.00)	14.00	0.00	14.00	0.00	14.00
115 Human Resources	6.00	(1.00)	5.00	(2.00)	3.00	0.00	3.00	0.00	3.00
120 City Attorney	0.00	4.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00
300 Finance	28.00	0.00	28.00	(2.50)	25.50	0.00	25.50	0.00	25.50
420 Public Works	63.00	0.00	63.00	(4.00)	59.00	(0.50)	58.50	0.50	59.00
410 Engineering	34.00	(3.00)	31.00	(5.00)	26.00	(1.00)	25.00	0.00	25.00
510 Planning & Nghbrhd Srves	12.00	0.50	12.50	(1.00)	11.50	1.00	12.50	(1.50)	11.00
450 Parks and Recreation	40.50	(1.50)	39.00	(2.00)	37.00	(1.00)	36.00	(2.75)	33.25
700 Police	114.00	(1.25)	112.75	(2.75)	110.00	1.00	111.00	(1.00)	110.00
800 Fire	68.00	0.00	68.00	(2.00)	66.00	(5.00)	61.00	5.00	66.00
TOTAL	415.50	(2.25)	413.25	(26.25)	387.00	(6.00)	381.00	0.75	381.75



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	Grand Total	General Fund (1)	Measure I TOT
ESTIMATED REVENUES			
PROPERTY TAXES	52,401,000	16,605,000	0
TAXES OTHER THAN PROPERTY	27,057,000	25,355,000	1,203,000
LICENSES AND PERMITS	3,443,000	3,443,000	0
FINES AND FORFEITS	712,000	712,000	0
USE OF MONEY AND PROPERTY	1,988,000	289,000	84,000
INTERGOVERNMENTAL	4,121,589	846,000	0
CHARGES FOR CURRENT SERVICES	36,240,773	3,736,953	0
OTHER REVENUE	1,689,714	95,114	0
sub-total	127,653,076	51,082,067	1,287,000
OTHER FINANCING SOURCES			
(INCREASE) DECREASE IN FUND BALANCE	10,870,693	0	1,140,901
(INCREASE) DECREASE IN CIP RSRV	1,407,500	0	0
(INCREASE) DECREASE IN PERS RSRV	2,007,673	2,007,673	0
(INCREASE) DECREASE IN HOUSING RSRV	(1,151,827)	0	0
RDA LOAN PAYMENT	3,600,000	3,600,000	0
OPERATING TRANSFERS IN	13,409,858	9,112,858	0
OPERATING TRANSFERS OUT	(17,009,858)	0	(2,000,000)
sub-total	13,134,039	14,720,531	(859,099)
TOTAL	140,787,115	65,802,598	427,901
BUDGETED APPROPRIATIONS			
PERSONNEL SERVICES***	61,751,802	55,367,340	0
SUPPLIES & CONTRACTUAL SERVICES	38,407,218	10,435,258	427,901
CAPITAL OUTLAY	6,821,444	0	0
sub-total	106,980,464	65,802,598	427,901
CAPITAL IMPROVEMENTS	15,525,651	0	0
DEBT SERVICE	18,281,000	0	0
sub-total	33,806,651	0	0
TOTAL	140,787,115	65,802,598	427,901
FUND BALANCE			
FUND BALANCE 7/1/2011	153,177,703	24,532,703	6,600,000
NET CHANGES IN FUND BALANCE	(13,134,039)	(2,007,673)	(1,140,901)
FUND BALANCE 6/30/2012	140,043,664	22,525,030	5,459,099
RESERVED	18,210,607	1,299,500	0
UNRESERVED - DESIGNATED	8,559,099	3,100,000	5,459,099
UNRESERVED, DESIGNATED FOR CIP	51,940,500	0	0
UNRESERVED, DESIGNATED FOR PERS	3,425,030	3,425,030	0
UNRESERVED, DESIGNATED FOR HOUSING	11,951,827	0	0
UNRESERVED, UNDESIGNATED	45,956,601	14,700,500	0
TOTAL	140,043,664	22,525,030	5,459,099

*** Includes negotiated compensation reduction.

(1) General Fund includes Abandon Vehicle Abatement Fund.

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

Financial Information Budget Summary

<u>Other Funds (2)</u>	<u>Capital Projects (3)</u>	<u>Redevelopment (4)</u>	<u>Water Fund (5)</u>	<u>Sewer Fund (6)</u>
0	0	35,796,000	0	0
499,000	0	0	0	0
0	0	0	0	0
0	0	0	0	0
193,000	279,000	675,000	231,000	237,000
1,820,938	1,404,651	0	50,000	0
2,528,820	0	0	17,825,000	12,150,000
612,400	262,200	0	300,000	420,000
<u>5,654,158</u>	<u>1,945,851</u>	<u>36,471,000</u>	<u>18,406,000</u>	<u>12,807,000</u>
769,893	0	6,006,440	389,089	2,564,370
0	2,081,500	0	(168,000)	(506,000)
0	0	0	0	0
0	0	(1,151,827)	0	0
0	0	0	0	0
25,000	1,772,000	2,500,000	0	0
(2,252,758)	0	(9,467,949)	(1,854,942)	(1,434,209)
<u>(1,457,865)</u>	<u>3,853,500</u>	<u>(2,113,336)</u>	<u>(1,633,853)</u>	<u>624,161</u>
<u>4,196,293</u>	<u>5,799,351</u>	<u>34,357,664</u>	<u>16,772,147</u>	<u>13,431,161</u>
895,875	0	1,781,681	2,266,548	1,440,358
2,636,315	157,700	2,723,983	12,281,928	9,744,133
664,103	0	6,000,000	148,671	8,670
<u>4,196,293</u>	<u>157,700</u>	<u>10,505,664</u>	<u>14,697,147</u>	<u>11,193,161</u>
0	5,641,651	6,259,000	2,075,000	1,550,000
0	0	17,593,000	0	688,000
<u>0</u>	<u>5,641,651</u>	<u>23,852,000</u>	<u>2,075,000</u>	<u>2,238,000</u>
<u>4,196,293</u>	<u>5,799,351</u>	<u>34,357,664</u>	<u>16,772,147</u>	<u>13,431,161</u>
17,681,000	22,758,000	43,400,000	18,690,000	19,516,000
(769,893)	(2,081,500)	(4,854,613)	(221,089)	(2,058,370)
<u>16,911,107</u>	<u>20,676,500</u>	<u>38,545,387</u>	<u>18,468,911</u>	<u>17,457,630</u>
16,911,107	0	0	0	0
0	0	0	0	0
0	20,676,500	3,700,000	12,958,000	14,606,000
0	0	0	0	0
0	0	11,951,827	0	0
0	0	22,893,560	5,510,911	2,851,630
<u>16,911,107</u>	<u>20,676,500</u>	<u>38,545,387</u>	<u>18,468,911</u>	<u>17,457,630</u>

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

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

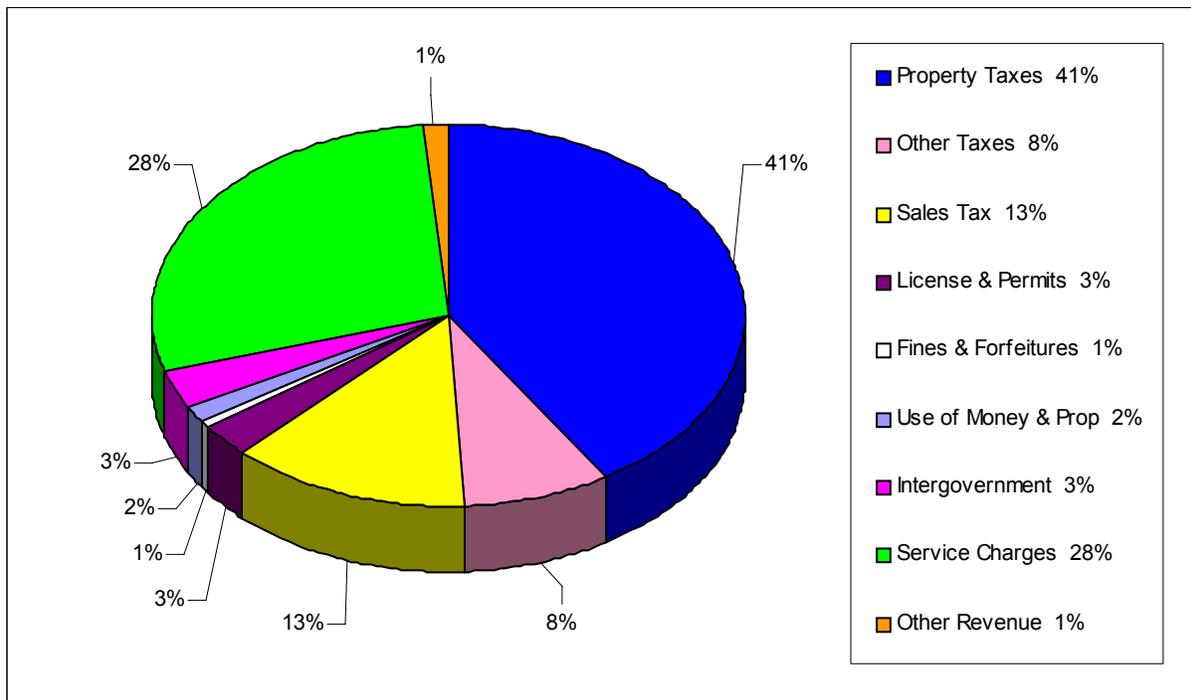
(5) Water Fund includes Water Fund, Water Fund CIP, Water Line Extension Fund, Water Infrastructure Replacement Fund and Recycled Water Fund.

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

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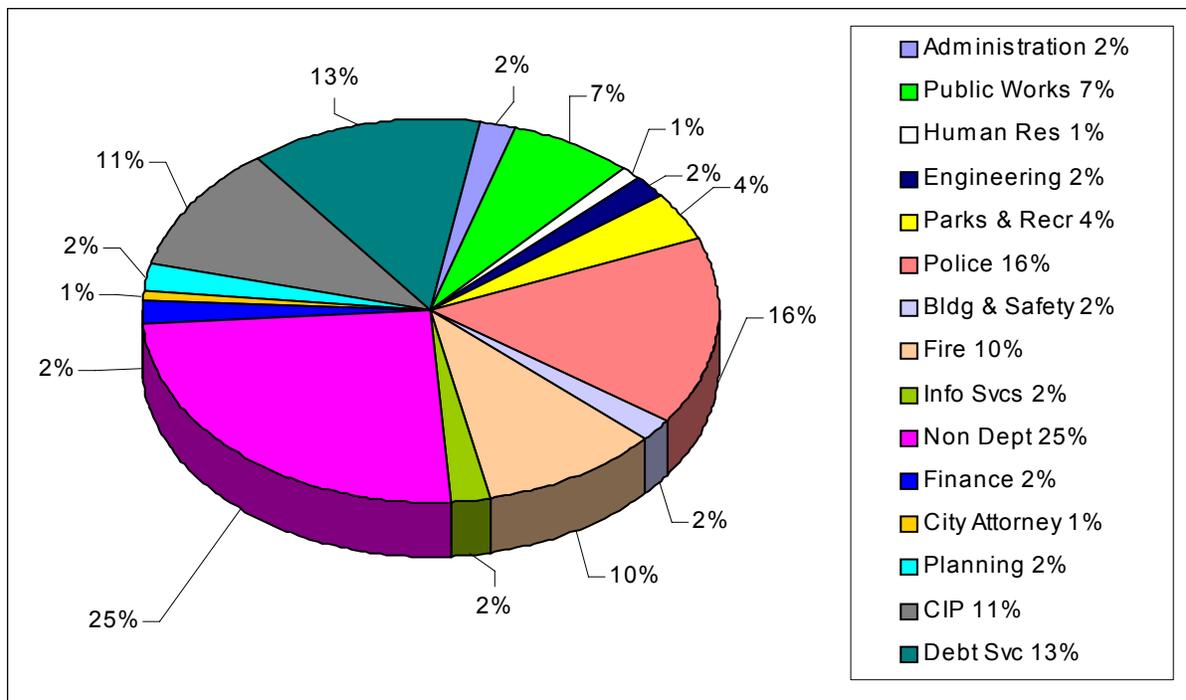
Distribution of Revenues

2011-2012
(All Funds)



Distribution of Expenditures

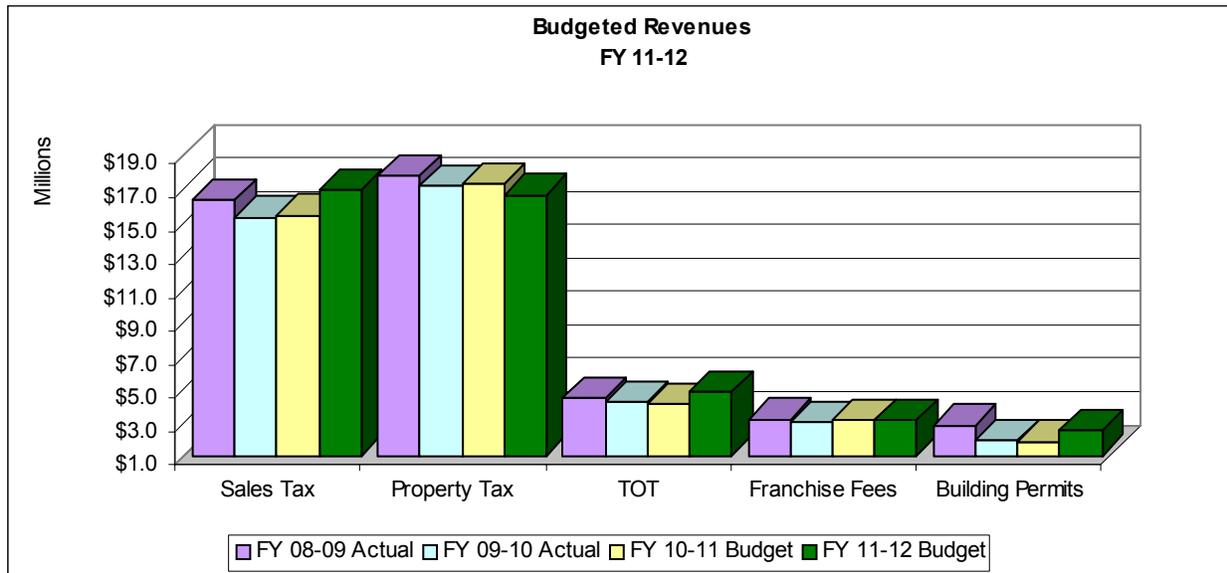
2011-2012
(All Funds)



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General Fund Revenue Assumptions

- CPI** Projected to be 2.4% increase based on the average urban consumer Consumer Price Index in the last 10 years for the San Francisco-Oakland-San Jose Metropolitan Areas.
- Sales Tax** Our assumption for FY 11-12 sales tax revenue is a 0.5% decrease from FY 10-11 revised estimate. FY10-11 revised sales tax revenue includes a one-time adjustment of \$903,000 from the State for the triple flip sales tax reimbursement. Excluding the one time adjustment, the FY11-12 sales tax revenue reflects an estimated increase of 5.1% over FY10-11 revised estimate. The projection is in line with general inflation increase and the modest economic recovery anticipated.
- Property Tax** The property tax revenues are estimated to increase by 2.4% in FY 11-12 from the FY 10-11 revised revenue. The increase can be attributed to the Proposition 13 inflation adjustment of approximately 0.753% based on California Consumer Price Index ("CCPI") and a modest improvement on the housing market thus adding to the assessed valuation of the secured properties.
- Transient Occupancy Tax (TOT)** The TOT revenue showed an increase of \$753,000 or 18.6% from FY 10-11 budget but the projection is only 3.1% increase from FY10-11 revised projection of \$4.67 million. The hotel industry in the local area has been depressed for the last few years. It has finally stabilized and began to show increases in FY10-11 and it is anticipated that FY11-12 will continue with a modest recovery.
- Building Permits** The building permit revenues are projected to be \$2.5 million, approximately \$674,000 more than the FY 10-11 budgeted revenue. The projection is based on the number of recent applications submitted and potential commencement of construction of some of the projects. Other more routine building permit and inspection revenues from home improvement and commercial tenant improvement are included in the projection.



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Revenues by Fund (Summary)

	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
100 General Fund	66,575,888	62,878,531	63,687,658	63,749,925
102 Measure I TOT	1,009,594	808,123	742,750	(713,000)
105 Abandon Veh Abatement	94,176	56,580	45,000	45,000
211 H-Hetch Ground Lease	69,094	34,360	21,285	37,289
212 Public Art Fund-Restricted	407,410	518,703	114,000	(961,000)
213 Public Art Fund-Nonrestricted	7,999	3,730	3,000	2,000
221 Gas Tax Fund	(70,432)	(30,322)	5,000	415,000
235 95-1 Lighting/Lscape Dist	280,817	279,951	280,600	80,600
236 98-1 Lighting/Lscape Dist	36,340	36,411	35,800	35,800
237 05 Community Fclty Dist	112,195	253,066	263,053	301,000
250 HCD Fund	418,684	497,706	651,922	658,938
251 HCD Loan	376,476	3,149	0	0
261 Supplemental Law Enforcement	47,380	119,069	2,000	1,000
262 State Asset Seizure	2,607	14,714	1,000	1,000
263 Federal Asset Seizure	5,253	3,245	2,000	2,000
267 Justice Assistance Grant	15,597	15,787	0	0
268 Justice Assistance Grant 2009	0	67,791	1,000	0
280 Solid Waste Services	14,003	306,865	413,820	287,488
281 Solid Waste Reduction	278,494	275,066	241,983	237,465
290 Housing Reserve Fund	9,615,358	8,580,595	6,856,512	9,474,849
310 Street Fund	2,406,205	(2,202,432)	54,000	(536,800)
311 Street CIP	817,329	4,582,825	1,128,899	4,131,651
312 Traffic Impact Fee	122,824	3,208,483	469,600	79,000
313 Traffic Congestion Relief	425,302	656,642	698,000	(736,000)
320 Park Improvement Fund	109,618	(1,574,514)	(2,489,000)	(608,000)
321 Park Improvement CIP	200,000	2,198,299	2,600,000	750,000
322 Midtown Park Fund	136,738	49,434	37,000	35,000
330 General Government	(24,052)	4,016	16,000	11,000
331 General Government CIP	360,000	50,000	50,000	260,000
332 Technology COP	(8,861)	(118)	0	0
340 Storm Drain Development	(814,920)	142,750	167,000	(176,000)
341 Storm Drain CIP	750,000	175,000	85,000	500,000
350 Transit Area Impact Fee Fund	0	(5,636,455)	(200,000)	8,000
351 Transit Area Impact Fee CIP Fund	0	1,641,000	200,000	0
390 RDA Project Fund	29,081,488	25,840,140	22,432,969	17,169,202
391 Redevelopment CIP	22,930,961	9,663,157	711,646	6,259,000
392 97 RDA TABs	(2,929,783)	(1,087,963)	4,000	(204,000)
395 2003 RDA TABs	(20,959,773)	(6,640,180)	(3,985,000)	(3,196,000)
400 Water M & O Fund	4,594,255	12,815,460	14,360,822	13,918,160
401 Water CIP	9,090,000	5,300,000	565,000	2,075,000
402 Water Line Extension Fund	178,672	(1,606,668)	1,123,000	168,000
405 Water Infrastructure Replmnt	35,953	(1,094,115)	13,000	0
406 Recycled Water Fund	36,784	(884,458)	232,990	389,898
450 Sewer M & O Fund	6,583,283	19,387,698	8,867,008	9,316,791
451 Sewer CIP	3,153,702	1,155,026	385,000	1,550,000
452 Treatment Plant Construction	518,742	1,443,089	3,239,000	453,000
453 Sewer 2006 COPS	(462,083)	38	0	0

Financial Information Revenues by Fund (Summary)

	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
455 Sewer Infrastructure Replmnt	(521,821)	(900,190)	(218,000)	53,000
500 Equipment Mgmt Fund	2,487,440	2,855,716	2,352,380	2,222,820
505 Information Tec Replmt	(14,937)	355,452	79,000	105,000
506 Permit Automation Fund	(35,000)	1,525	0	0
TOTAL	137,545,000	144,621,778	126,347,697	127,653,076

Financial Information Revenues by Fund (Detail)

Description	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
GENERAL FUND (100)				
PROPERTY TAXES				
3010 Property Taxes, Current	17,193,435	16,845,694	16,922,000	16,463,000
3030 Property Taxes, Supplement	555,718	300,387	303,000	142,000
sub-total	17,749,152	17,146,081	17,225,000	16,605,000
TAXES OTHER THAN PROPERTY				
3110 Sales and Use Tax	16,250,920	15,267,613	15,366,000	16,860,000
3120 Real Estate Transfer Tax	287,675	277,384	265,000	286,000
3131 Electric Franchise	1,068,843	1,067,374	1,112,000	1,108,000
3132 Gas Franchise	216,244	148,112	225,000	198,000
3133 Garbage Franchise-Commercial	1,036,931	944,959	950,000	950,000
3134 Garbage Franchise-NonCommercial	412,948	423,919	434,000	434,000
3137 Nitrogen Gas Franchise	43,473	41,720	43,000	43,000
3138 CATV Franchise	372,981	367,428	374,000	374,000
3140 Business License Tax	417,031	389,025	415,000	290,000
3150 Hotel/Motel Tax	4,437,872	4,234,489	4,059,000	4,812,000
sub-total	24,544,917	23,162,022	23,243,000	25,355,000
LICENSES AND PERMITS				
3210 Building Permits	2,803,026	1,903,070	1,863,000	2,537,000
3220 Fire Permits	597,460	642,278	495,000	620,000
3240 Life Safety Annual Permits	222,377	238,453	225,000	240,000
3250 Fire Inspections	64,510	16,852	14,000	46,000
sub-total	3,687,373	2,800,653	2,597,000	3,443,000
FINES AND FORFEITS				
3301 Vehicle Code Fines	374,686	311,815	337,000	308,000
3302 Other Court Fines	418,768	209,255	250,000	262,000
3305 Booking Fees	18,940	12,558	19,000	5,000
3306 NBO Violation Fees	2,700	2,426	4,000	4,000
3307 Impound Fees	57,671	91,636	56,000	84,000
3308 Animal Violations	13,865	15,950	13,000	10,000
3309 False Alarm Fee	44,900	36,700	30,000	39,000
sub-total	931,530	680,340	709,000	712,000
USE OF MONEY AND PROPERTY				
3431 Pooled Investment-Interest	(68,771)	(48,993)	0	0
3433 Other Interest Income	329,002	(83,116)	44,000	20,000
3434 Pooled Interest Allocation	751,552	533,466	327,000	269,000
3435 Gain on Sale of Investments	0	60,254	0	0
sub-total	1,011,784	461,611	371,000	289,000
INTERGOVERNMENTAL				
3511 Motor Vehicle In Lieu Tax	237,440	208,686	172,000	172,000
3521 Homeowners Property Tax Relief	128,788	128,092	128,000	128,000
3532 Off-Highway Tax	0	1,048	0	0
3556 Federal Contributions-Recreation	21,712	16,717	20,000	15,000
3557 Federal Contributions-Police	29,082	31,842	0	0
3558 Federal Contributions-Fire	193,801	80,672	0	0
3562 POST Grant	22,146	11,191	18,000	12,000
3567 State Contributions-Police	43	0	0	0
3568 State Contributions-Fire	492,451	37,776	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
3575 County Cont-Public Works	0	0	0	370,000
3576 County Contributions-Recreation	82,049	71,921	80,000	81,000
3581 Other Restricted Grants-General Gov't	0	0	0	8,000
3582 SB90 Grant	3,803	39,174	15,000	15,000
3591 Misc Unrestricted Intergovernmental	6,843	1,000	1,000	0
sub-total	<u>1,218,158</u>	<u>628,120</u>	<u>434,000</u>	<u>801,000</u>
CHARGES FOR CURRENT SERVICES				
3601 General Government Service Charges	217,465	176,731	161,000	111,000
3602 Sales of Maps and Documents-Gen Gov't	266	283	0	0
3603 Rents, Leases and Concessions-Gen Gov't	239,125	287,507	255,000	253,000
3604 B L Processing Fee	0	28,452	7,000	145,000
3608 PJ Legal Overhead Charge	0	20,984	3,000	16,000
3609 PJ Legal Reimbursement	0	16,041	8,000	7,000
3611 PJ Overhead Charges-PW/E	591,217	331,969	525,800	370,000
3612 PJ Labor Reimbursement-PW/E	265,124	147,435	225,300	160,000
3613 PJ Vendor Reimbursement-PW/E	3,852	534	1,000	2,000
3616 Engineering Plan Check Fee	62,396	13,205	20,000	10,000
3617 Planning Fees	10,399	4,709	6,000	1,000
3618 Sales of Maps and Doc-PW/Engr	6,091	1,406	1,000	1,000
3619 Rent,Lease & Concession-PW/Eng	19,925	28,000	25,000	25,000
3631 Paramedic Service	2,326	1,781	2,000	2,000
3632 Firewatch Services	1,259	787	1,000	1,000
3633 Fire Cost Recovery	1,321	15,773	0	0
3634 Unwanted Alarms-Fire	33,000	12,900	10,000	13,000
3637 Fire Service Charges	200,747	203,999	200,000	200,000
3638 Sale of Maps & Documents-Fire	30	0	0	0
3639 Fire Electroinc Archieve Charge	7,223	9,189	7,000	8,000
3641 Police Service Charges	475,281	404,205	422,000	430,000
3643 Fingerprints	2,581	852	1,000	2,000
3644 Sales of Maps & Documents-Police	11,662	13,214	12,000	12,000
3645 Police Cost Recovery	4,742	1,602	0	2,000
3646 Rents, Leases & Concessions-Police	8,400	4,200	4,000	4,000
3647 DUI-Police Cost Recovery	4,975	5,290	4,000	6,000
3651 Rents, Leases & Concessions-Recreation	127,277	130,475	133,000	135,000
3652 Recreation Fees	1,504,288	1,494,745	1,500,000	1,425,953
3653 Senior Nutrition Fees	22,009	14,486	14,000	20,000
3655 Sales of Merchandise Recreation	1,641	2,053	2,000	2,000
3661 Sales of Maps & Documents-Building	350	124	0	0
3662 Records Retention Fee	36,648	28,383	26,000	30,000
3663 Building Service Charges	1,778	1,082	0	1,000
3665 PJ Overhead Charges-Building	19,337	55,425	103,000	103,000
3666 PJ Labor Reimbursement-Building	8,541	25,148	47,000	47,000
3667 Building State Mandated Standard Fee	2,204	4,224	0	4,000
3672 Public Works Cost Recovery	25,271	50,086	4,000	10,000
3681 PJ Overhead Charge-Planning	201,048	91,938	100,000	90,000
3682 PJ Labor Reimbursement-Planning	93,392	42,545	50,000	40,000
3683 PJ Vendor Reimbursement-Planning	13,322	15,301	20,000	13,000
3685 Housing & Neighborhood Services	25,523	9,004	18,000	18,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
3691 Fire GIS Mapping	0	7	0	0
3692 Fire Automation Fee	0	8,166	0	17,000
sub-total	4,252,033	3,704,240	3,918,100	3,736,953
OTHER REVENUE				
3710 Development	22,400	22,700	20,000	20,000
3730 Recycling	2,169	3,642	2,000	1,000
3740 Reimbursements	2,700,000	4,400,000	0	0
3750 Donations	4,500	2,500	0	6,114
3770 Sale of Property, Plant and Equipment	16,248	4,679	3,000	3,000
3790 Miscellaneous Other Revenue	69,054	83,834	66,000	65,000
sub-total	2,814,372	4,517,355	91,000	95,114
OPERATING TRANSFERS IN				
3806 Op Trfs in from Solid Waste Service	150,574	171,542	134,180	127,512
3807 Op Trfs in from Solid Waste Reduction	103,888	96,476	126,017	112,535
3808 Op Trfs in from Housing Reserves	1,164,782	1,083,675	1,065,811	1,032,754
3810 Op Trfs in from Park Impr	30,028	0	0	0
3811 Op Trfs in from RDA	5,480,504	4,679,032	10,030,655	8,148,195
3812 Op Trfs in from Water M&O	1,780,876	1,848,085	1,788,178	1,703,840
3814 Op Trfs in from Recycled	167,323	119,701	131,010	151,102
3815 Op Trfs in from Sewer M&O	1,768,578	1,509,340	1,470,992	1,434,209
3817 Op Trfs in from Equipment Replacement	465,900	0	0	0
3819 Op Trfs in from Other	3,158	2,800	352,715	2,711
3822 Op Trfs in from General Gov't Fund	0	11,871	0	0
3823 Op Trfs in Storm Drain Fund	0	8,368	0	0
3841 Appn Transfers in from Redevel	0	5,000	0	0
3849 Other Appn Transfers In	40,028	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	260,000	350,000	0	0
sub-total	11,415,638	9,885,890	15,099,558	12,712,858
OPERATING TRANSFERS OUT				
3917 Op Trfs Out To the Equipment Fund	0	(100,000)	0	0
3939 Appn Transfers out to Street F	(1,000,000)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(49,069)	(7,782)	0	0
sub-total	(1,049,069)	(107,782)	0	0
TOTAL (100)	66,575,888	62,878,531	63,687,658	63,749,925
MEASURE I TOT (102)				
3150 Hotel/Motel Tax	1,112,059	1,062,844	1,014,750	1,203,000
3431 Pooled Investment-Interest	(5,380)	(19,599)	0	0
3434 Pooled Interest Allocation	202,916	114,878	78,000	84,000
3901 Op Trfs Out To the General Fund	(260,000)	(350,000)	(350,000)	0
3909 Op Trfs Out To the Street Improvement Fund	0	0	0	(500,000)
3911 Op Trfs Out To the RDA Project Fund	0	0	0	(1,500,000)
3931 Appn Transfers out to General	(40,000)	0	0	0
TOTAL (102)	1,009,594	808,123	742,750	(713,000)
ABANDON VEH ABATEMENT (105)				
3431 Pooled Investment-Interest	95	0	0	0
3434 Pooled Interest Allocation	167	0	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
3577 County Contributions-Police	44,844	48,798	45,000	45,000
3899 Op Trfs in from Subsidiary CIP Fund	49,069	7,782	0	0
TOTAL (105)	94,176	56,580	45,000	45,000
H-HETCH GROUND LEASE (211)				
3431 Pooled Investment-Interest	69,590	10,674	24,000	40,000
3433 Other Interest Income	507	26,119	0	0
3434 Pooled Interest Allocation	2,155	367	0	0
3901 Op Trfs Out To the General Fund	(3,158)	(2,800)	(2,715)	(2,711)
TOTAL (211)	69,094	34,360	21,285	37,289
PUBLIC ART FUND-RESTRICTED (212)				
3431 Pooled Investment-Interest	(1,153)	1,987	0	0
3434 Pooled Interest Allocation	13,880	24,254	14,000	14,000
3602 Sales of Maps and Documents-Gen Gov't	193	183	0	0
3811 Op Trfs in from RDA	394,490	492,280	100,000	25,000
3911 Op Trfs Out To the RDA Project Fund	0	0	0	(1,000,000)
TOTAL (212)	407,410	518,703	114,000	(961,000)
PUBLIC ART FUND-NONRESTRICTED (213)				
3431 Pooled Investment-Interest	1,397	(531)	0	0
3434 Pooled Interest Allocation	6,602	4,261	3,000	2,000
TOTAL (213)	7,999	3,730	3,000	2,000
GAS TAX FUND (221)				
3431 Pooled Investment-Interest	(823)	(601)	0	0
3434 Pooled Interest Allocation	9,478	6,914	5,000	3,000
3545 Sec 2105-Gas Tax	373,144	386,490	365,000	386,000
3546 Sec 2106-Gas Tax	243,641	254,263	237,000	254,000
3547 Sec 2107-Gas Tax	496,630	515,112	492,000	515,000
3548 Sec 2107.5-Gas Tax	7,500	7,500	6,000	7,000
3909 Op Trfs Out To the Street Improvement Fund	(1,200,000)	(1,200,000)	(1,100,000)	(750,000)
TOTAL (221)	(70,432)	(30,322)	5,000	415,000
95-1 LIGHTING/LSCAPE DIST (235)				
3431 Pooled Investment-Interest	(511)	(228)	0	0
3433 Other Interest Income	0	748	0	0
3434 Pooled Interest Allocation	8,193	7,419	4,000	4,000
3720 Special Assessments	273,135	272,012	276,600	276,600
3922 Op Trfs Out To the General Government Fund	0	0	0	(200,000)
TOTAL (235)	280,817	279,951	280,600	80,600
98-1 LIGHTING/LSCAPE DIST (236)				
3431 Pooled Investment-Interest	102	(11)	0	0
3433 Other Interest Income	0	98	0	0
3434 Pooled Interest Allocation	857	837	0	0
3720 Special Assessments	35,382	35,488	35,800	35,800
TOTAL (236)	36,340	36,411	35,800	35,800
05 COMMUNITY FCLTY DIST (237)				
3431 Pooled Investment-Interest	9	89	0	0
3434 Pooled Interest Allocation	43	483	0	1,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
3720 Special Assessments	112,143	272,494	300,000	300,000
3911 Op Trfs Out To the RDA Project Fund	0	(20,000)	(36,947)	0
TOTAL (237)	112,195	253,066	263,053	301,000
HCD FUND (250)				
3555 Federal Contri-Public Works	397,551	480,989	631,922	638,938
3556 Federal Contributions-Recreation	21,134	16,717	20,000	20,000
TOTAL (250)	418,684	497,706	651,922	658,938
HCD LOAN (251)				
3433 Other Interest Income	3,128	3,149	0	0
3555 Federal Contri-Public Works	373,349	0	0	0
TOTAL (251)	376,476	3,149	0	0
SUPPLEMENTAL LAW ENFORCEMENT (261)				
3431 Pooled Investment-Interest	(575)	4	0	0
3434 Pooled Interest Allocation	2,374	2,490	2,000	1,000
3567 State Contributions-Police	45,581	116,576	0	0
TOTAL (261)	47,380	119,069	2,000	1,000
STATE ASSET SEIZURE (262)				
3431 Pooled Investment-Interest	(443)	(200)	0	0
3434 Pooled Interest Allocation	3,050	2,190	1,000	1,000
3567 State Contributions-Police	0	12,725	0	0
TOTAL (262)	2,607	14,714	1,000	1,000
FEDERAL ASSET SEIZURE (263)				
3431 Pooled Investment-Interest	(431)	(452)	0	0
3434 Pooled Interest Allocation	5,684	3,697	2,000	2,000
TOTAL (263)	5,253	3,245	2,000	2,000
JUSTICE ASSISTANCE GRANT (267)				
3431 Pooled Investment-Interest	(50)	(3)	0	0
3434 Pooled Interest Allocation	185	179	0	0
3557 Federal Contributions-Police	15,462	15,611	0	0
TOTAL (267)	15,597	15,787	0	0
JUSTICE ASSISTANCE GRANT 2009 (268)				
3431 Pooled Investment-Interest	0	200	0	0
3434 Pooled Interest Allocation	0	984	1,000	0
3557 Federal Contributions-Police	0	66,607	0	0
TOTAL (268)	0	67,791	1,000	0
SOLID WASTE SERVICES (280)				
3136 Solid Waste-HHW-Contract & Public	116,493	116,139	113,000	113,000
3139 County-wide AB 939 Fee	151,740	107,549	100,000	100,000
3431 Pooled Investment-Interest	(2,490)	(2,163)	0	0
3434 Pooled Interest Allocation	24,048	14,396	10,000	7,000
3615 Public Works and Engr Fees	55,567	60,269	55,000	55,000
3671 Public Works Service Charges	19,220	182,218	270,000	200,000
3901 Op Trfs Out To the General Fund	(150,574)	(171,542)	(134,180)	(127,512)
3922 Op Trfs Out To the General Government Fund	(200,000)	0	0	(60,000)
TOTAL (280)	14,003	306,865	413,820	287,488

Financial Information Revenues by Fund (Detail)

Description	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
SOLID WASTE REDUCTION (281)				
3135 Solid Waste-Community Relations	151,024	154,220	151,000	151,000
3136 Solid Waste-HHW-Contract & Public	134,521	138,866	135,000	135,000
3431 Pooled Investment-Interest	(860)	(907)	0	0
3434 Pooled Interest Allocation	19,620	15,974	10,000	9,000
3565 State Contri-Public Works	17,463	8,616	17,000	0
3615 Public Works and Engr Fees	55,581	49,451	55,000	55,000
3790 Miscellaneous Other Revenue	5,035	5,323	0	0
3901 Op Trfs Out To the General Fund	(103,888)	(96,476)	(126,017)	(112,535)
TOTAL (281)	278,494	275,066	241,983	237,465
HOUSING RESERVE FUND (290)				
3431 Pooled Investment-Interest	(14,315)	(74,619)	0	0
3433 Other Interest Income	327,212	109,955	51,000	51,000
3434 Pooled Interest Allocation	639,118	298,569	232,000	165,000
3603 Rents, Leases and Concessions-Gen Gov't	0	29,910	0	0
3740 Reimbursements	186,706	236,892	0	0
3760 Developer Contribution	2,126,000	1,275,000	0	0
3790 Miscellaneous Other Revenue	1,000	45	0	0
3811 Op Trfs in from RDA	7,876,041	8,175,650	8,027,000	10,679,000
3901 Op Trfs Out To the General Fund	(1,164,782)	(1,083,675)	(1,065,811)	(1,032,754)
3911 Op Trfs Out To the RDA Project Fund	0	0	(387,677)	(387,397)
3941 Appn Transfers out to RDA	(361,621)	(387,131)	0	0
TOTAL (290)	9,615,358	8,580,595	6,856,512	9,474,849
STREET FUND (310)				
3431 Pooled Investment-Interest	(28,101)	(22,941)	0	0
3433 Other Interest Income	90,281	(48,148)	0	0
3434 Pooled Interest Allocation	284,371	183,277	129,000	83,000
3565 State Contri-Public Works	215,458	0	0	0
3760 Developer Contribution	30,885	0	0	0
3802 Op Trfs in from Gas Tax Fund	1,200,000	1,200,000	1,100,000	0
3810 Op Trfs in from Park Impr	23,731	0	0	0
3811 Op Trfs in from RDA	0	1,511	0	0
3822 Op Trfs in from General Gov't Fund	0	3,097	0	0
3831 Appn Transfers in from General	1,000,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	105,000	0	0	0
3911 Op Trfs Out To the RDA Project Fund	(420)	(133,852)	0	0
3941 Appn Transfers out to RDA	(50,000)	(75,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(465,000)	(3,310,377)	(1,175,000)	(619,800)
TOTAL (310)	2,406,205	(2,202,432)	54,000	(536,800)
STREET CIP (311)				
3555 Federal Contri-Public Works	11,636	952,654	0	501,000
3565 State Contri-Public Works	64,158	19,794	225,000	60,924
3575 County Cont-Public Works	0	0	(390,000)	712,000
3585 Other Res Grant-Public Works	30,000	0	68,899	45,727
3710 Development	0	0	50,000	0
3760 Developer Contribution	0	0	0	142,200
3802 Op Trfs in from Gas Tax Fund	0	0	0	750,000
3811 Op Trfs in from RDA	0	0	0	50,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
3818 Op Trfs in from Tax Alloc	21,535	0	0	0
3826 Op Trfs in from Library Fund	0	0	0	500,000
3841 Appn Transfers in from Redevel	0	300,000	0	0
3844 Appn Transfers in from Recycle	330,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	465,000	3,310,377	1,175,000	1,369,800
3999 Op Trfs Out To the Subsidiary CIP Fund	(105,000)	0	0	0
TOTAL (311)	817,329	4,582,825	1,128,899	4,131,651
TRAFFIC IMPACT FEE (312)				
3431 Pooled Investment-Interest	(2,798)	127	0	0
3434 Pooled Interest Allocation	47,543	50,151	24,000	59,000
3710 Development	3,080	3,158,205	445,600	20,000
3941 Appn Transfers out to RDA	75,000	0	0	0
TOTAL (312)	122,824	3,208,483	469,600	79,000
TRAFFIC CONGESTION RELIEF (313)				
3431 Pooled Investment-Interest	895	1,687	0	0
3434 Pooled Interest Allocation	4,220	12,709	7,000	14,000
3565 State Contri-Public Works	590,187	642,246	691,000	0
3939 Appn Transfers out to Street F	(170,000)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(750,000)
TOTAL (313)	425,302	656,642	698,000	(736,000)
PARK IMPROVEMENT FUND (320)				
3431 Pooled Investment-Interest	(18,160)	(20,618)	0	0
3433 Other Interest Income	89,018	(41,671)	0	0
3434 Pooled Interest Allocation	246,668	155,422	111,000	57,000
3710 Development	192,091	0	0	0
3911 Op Trfs Out To the RDA Project Fund	(200,000)	(22,648)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(200,000)	(1,645,000)	(2,600,000)	(665,000)
TOTAL (320)	109,618	(1,574,514)	(2,489,000)	(608,000)
PARK IMPROVEMENT CIP (321)				
3555 Federal Contri-Public Works	0	90,000	0	0
3576 County Contributions-Recreation	0	463,299	0	85,000
3899 Op Trfs in from Subsidiary CIP Fund	200,000	1,645,000	2,600,000	665,000
TOTAL (321)	200,000	2,198,299	2,600,000	750,000
MIDTOWN PARK FUND (322)				
3431 Pooled Investment-Interest	759	(6,825)	0	0
3434 Pooled Interest Allocation	86,280	56,259	37,000	35,000
3710 Development	49,699	0	0	0
TOTAL (322)	136,738	49,434	37,000	35,000
GENERAL GOVERNMENT (330)				
3431 Pooled Investment-Interest	(730)	(1,533)	0	0
3434 Pooled Interest Allocation	30,436	24,160	16,000	11,000
3899 Op Trfs in from Subsidiary CIP Fund	0	118	0	0
3901 Op Trfs Out To the General Fund	(30,028)	(11,871)	0	0
3909 Op Trfs Out To the Street Improvement Fund	(23,731)	(3,097)	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
3911 Op Trfs Out To the RDA Project Fund	0	(2,237)	0	0
3919 Op Trfs Out To Other Miscellaneous Funds	0	(1,525)	0	0
TOTAL (330)	<u>(24,052)</u>	<u>4,016</u>	<u>16,000</u>	<u>11,000</u>
GENERAL GOVERNMENT CIP (331)				
3760 Developer Contribution	0	50,000	50,000	0
3806 Op Trfs in from Solid Waste Service	200,000	0	0	60,000
3817 Op Trfs in from Equipment Replacement	125,000	0	0	0
3819 Op Trfs in from Other	35,000	0	0	0
3827 Op Trfs in from LLMD Fund	0	0	0	200,000
TOTAL (331)	<u>360,000</u>	<u>50,000</u>	<u>50,000</u>	<u>260,000</u>
TECHNOLOGY COP (332)				
3431 Pooled Investment-Interest	(8,951)	0	0	0
3432 Cash with Fiscal Agents	118	0	0	0
3931 Appn Transfers out to General	(28)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(118)	0	0
TOTAL (332)	<u>(8,861)</u>	<u>(118)</u>	<u>0</u>	<u>0</u>
STORM DRAIN DEVELOPMENT (340)				
3431 Pooled Investment-Interest	(2,232)	(2,069)	0	0
3434 Pooled Interest Allocation	30,905	21,998	14,000	12,000
3710 Development	156,407	256,189	203,000	100,000
3811 Op Trfs in from RDA	0	150,000	0	0
3901 Op Trfs Out To the General Fund	0	(8,368)	0	0
3911 Op Trfs Out To the RDA Project Fund	(250,000)	(100,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(750,000)	(175,000)	(50,000)	(288,000)
TOTAL (340)	<u>(814,920)</u>	<u>142,750</u>	<u>167,000</u>	<u>(176,000)</u>
STORM DRAIN CIP (341)				
3811 Op Trfs in from RDA	0	0	35,000	212,000
3899 Op Trfs in from Subsidiary CIP Fund	750,000	175,000	50,000	288,000
TOTAL (341)	<u>750,000</u>	<u>175,000</u>	<u>85,000</u>	<u>500,000</u>
TRANSIT AREA IMPACT FEE FUND (350)				
3431 Pooled Investment-Interest	0	8,364	0	0
3434 Pooled Interest Allocation	0	41,181	0	8,000
3941 Appn Transfers out to RDA	0	(1,330,000)	0	0
3945 Appn Transfers out to Sewer M&	0	(4,356,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(200,000)	0
TOTAL (350)	<u>0</u>	<u>(5,636,455)</u>	<u>(200,000)</u>	<u>8,000</u>
TRANSIT AREA IMPACT FEE CIP FUND (351)				
3811 Op Trfs in from RDA	0	341,000	0	0
3814 Op Trfs in from Recycled	0	1,300,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	200,000	0
TOTAL (351)	<u>0</u>	<u>1,641,000</u>	<u>200,000</u>	<u>0</u>
RDA PROJECT FUND (390)				
3010 Property Taxes, Current	34,614,306	36,031,498	35,440,000	35,596,000
3030 Property Taxes, Supplement	1,553,121	1,130,783	625,000	200,000
3431 Pooled Investment-Interest	(75,888)	(115,947)	0	0
3432 Cash with Fiscal Agents	6,161	0	8,000	8,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
3433 Other Interest Income	591,729	(170,711)	53,000	26,000
3434 Pooled Interest Allocation	1,689,991	1,190,116	749,000	384,000
3790 Miscellaneous Other Revenue	0	19,693	0	0
3808 Op Trfs in from Housing Reserves	0	0	387,677	387,397
3809 Op Trfs in from Street Fund	420	8,852	0	0
3810 Op Trfs in from Park Impr	0	22,648	0	0
3819 Op Trfs in from Other	0	20,000	36,947	0
3822 Op Trfs in from General Gov't Fund	0	2,237	0	0
3838 Appn Transfers in from Housing	361,621	387,131	0	0
3854 Appn Tfr in from Transit Area Fund	0	1,330,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	8,544,162	1,628,925	4,000,000	2,882,000
3901 Op Trfs Out To the General Fund	(5,480,504)	(4,679,032)	(10,030,655)	(8,148,195)
3903 Op Trfs Out To the Public Art Fund	(394,490)	(492,280)	(100,000)	(25,000)
3908 Op Trfs Out To the Housing Reserve Fund	(7,876,041)	(8,175,650)	(8,027,000)	(10,679,000)
3909 Op Trfs Out To the Street Improvement Fund	0	(1,511)	0	(50,000)
3912 Op Trfs Out To the Water Fund	0	(1,511)	0	0
3915 Op Trfs Out To the Sewer Fund	0	(1,511)	0	0
3923 Op Trfs Out To the Storm Drain Fund	0	(150,000)	(35,000)	(212,000)
3924 Op Trfs Out To the Transit Area Impact Fund	0	(341,000)	0	0
3931 Appn Transfers out to General	0	(5,000)	0	0
3939 Appn Transfers out to Street F	0	(300,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(4,453,100)	(1,497,590)	(674,000)	(3,200,000)
TOTAL (390)	29,081,488	25,840,140	22,432,969	17,169,202
REDEVELOPMENT CIP (391)				
3555 Federal Contri-Public Works	806,317	1,656,906	0	0
3565 State Contri-Public Works	989,623	0	0	0
3575 County Cont-Public Works	20,000	0	0	0
3585 Other Res Grant-Public Works	0	0	37,646	0
3760 Developer Contribution	92,400	0	0	0
3790 Miscellaneous Other Revenue	31,646	0	0	0
3803 Op Trfs in from Public Art Fund	0	0	0	1,000,000
3809 Op Trfs in from Street Fund	0	125,000	0	0
3810 Op Trfs in from Park Impr	200,000	0	0	0
3823 Op Trfs in Storm Drain Fund	250,000	100,000	0	0
3826 Op Trfs in from Library Fund	0	0	0	1,500,000
3839 Appn Transfers in from Street	50,000	75,000	0	0
3842 Appn Transfers in from Water M	0	10,000	0	0
3845 Appn Transfers in from Sewer M	0	10,000	0	0
3849 Other Appn Transfers In	95,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	20,395,975	9,313,651	674,000	3,759,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(1,627,400)	0	0
TOTAL (391)	22,930,961	9,663,157	711,646	6,259,000
97 RDA TABS (392)				
3431 Pooled Investment-Interest	(25,683)	(17,647)	0	0
3434 Pooled Interest Allocation	99,386	16,573	4,000	5,000
3909 Op Trfs Out To the Street Improvement Fund	(21,535)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(2,981,951)	(1,086,889)	0	(209,000)
TOTAL (392)	(2,929,783)	(1,087,963)	4,000	(204,000)

Financial Information Revenues by Fund (Detail)

Description	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
2003 RDA TABS (395)				
3431 Pooled Investment-Interest	540,285	100,011	15,000	32,000
3433 Other Interest Income	23,009	(4,825)	0	0
3434 Pooled Interest Allocation	16	356	0	4,000
3899 Op Trfs in from Subsidiary CIP Fund	0	80,510	0	0
3915 Op Trfs Out To the Sewer Fund	(17,997)	(5,026)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(21,505,086)	(6,811,207)	(4,000,000)	(3,232,000)
TOTAL (395)	(20,959,773)	(6,640,180)	(3,985,000)	(3,196,000)
WATER M & O FUND (400)				
3431 Pooled Investment-Interest	(10,045)	(24,486)	0	0
3433 Other Interest Income	167,223	(88,704)	0	0
3434 Pooled Interest Allocation	509,940	410,615	260,000	205,000
3622 Water Service Agreements	22,015	23,810	15,000	5,000
3623 Metered Water Sales	13,657,436	13,859,279	15,040,000	16,200,000
3626 Construction Water	46,469	25,497	20,000	20,000
3627 Water & Sewer Reimbursements	525	188	0	0
3672 Public Works Cost Recovery	100	6,360	0	0
3790 Miscellaneous Other Revenue	146,468	121,229	130,000	130,000
3811 Op Trfs in from RDA	0	1,511	0	0
3814 Op Trfs in from Recycled	500,000	0	879,000	1,137,000
3844 Appn Transfers in from Recycle	0	836,679	0	0
3901 Op Trfs Out To the General Fund	(1,780,876)	(1,848,085)	(1,788,178)	(1,703,840)
3941 Appn Transfers out to RDA	0	(10,000)	0	0
3981 Contributions-Proprietary Fund	0	1,501,567	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(8,665,000)	(2,000,000)	(195,000)	(2,075,000)
TOTAL (400)	4,594,255	12,815,460	14,360,822	13,918,160
WATER CIP (401)				
3814 Op Trfs in from Recycled	425,000	0	300,000	0
3899 Op Trfs in from Subsidiary CIP Fund	8,665,000	5,300,000	265,000	2,075,000
TOTAL (401)	9,090,000	5,300,000	565,000	2,075,000
WATER LINE EXTENSION FUND (402)				
3431 Pooled Investment-Interest	(2,772)	(10,595)	0	0
3434 Pooled Interest Allocation	77,358	28,419	28,000	8,000
3710 Development	104,086	561,076	1,165,000	160,000
3790 Miscellaneous Other Revenue	0	14,432	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(2,200,000)	(70,000)	0
TOTAL (402)	178,672	(1,606,668)	1,123,000	168,000
WATER INFRASTRUCTURE REPLMNT (405)				
3431 Pooled Investment-Interest	(2,191)	(5,714)	0	0
3434 Pooled Interest Allocation	38,144	11,600	13,000	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(1,100,000)	0	0
TOTAL (405)	35,953	(1,094,115)	13,000	0
RECYCLED WATER FUND (406)				
3431 Pooled Investment-Interest	(7,303)	(10,766)	0	0
3433 Other Interest Income	27,619	(10,742)	0	0
3434 Pooled Interest Allocation	103,303	54,578	45,000	18,000
3585 Other Res Grant-Public Works	47,913	78,685	80,000	50,000

Financial Information Revenues by Fund (Detail)

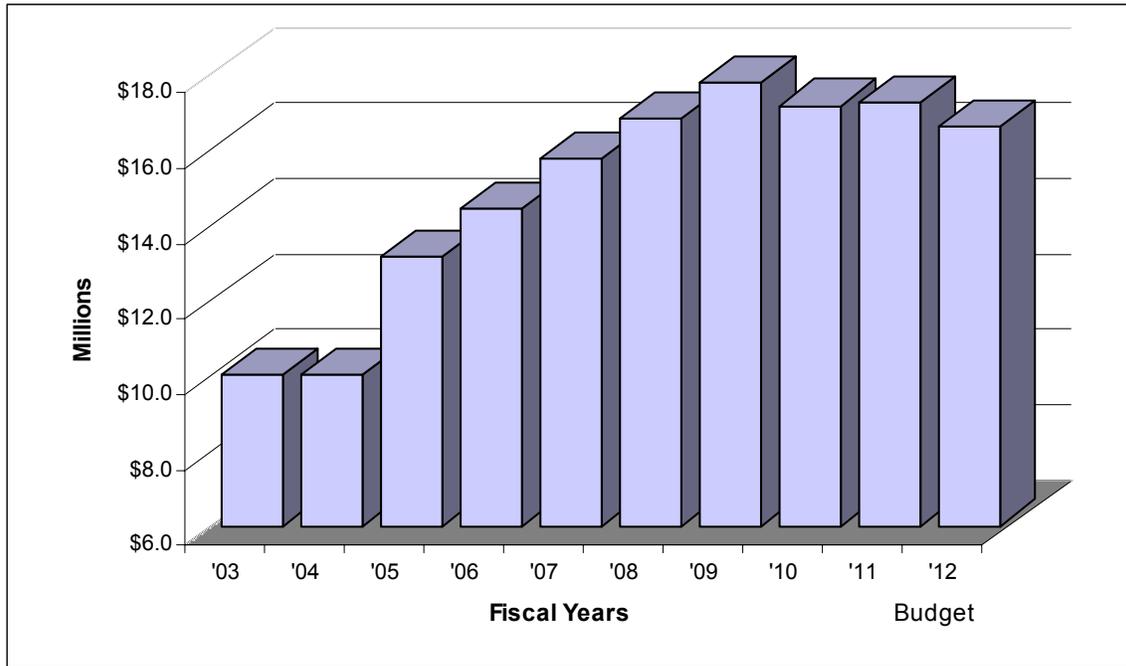
Description	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
3622 Water Service Agreements	212	3,416	0	0
3623 Metered Water Sales	1,275,981	1,246,563	1,408,000	1,600,000
3790 Miscellaneous Other Revenue	11,383	10,188	10,000	10,000
3901 Op Trfs Out To the General Fund	(167,323)	(119,701)	(131,010)	(151,102)
3912 Op Trfs Out To the Water Fund	(925,000)	0	(1,179,000)	(1,137,000)
3924 Op Trfs Out To the Transit Area Impact Fund	0	(1,300,000)	0	0
3939 Appn Transfers out to Street F	(330,000)	0	0	0
3942 Appn Transfers out to Water M&	0	(836,679)	0	0
TOTAL (406)	36,784	(884,458)	232,990	389,898
SEWER M & O FUND (450)				
3431 Pooled Investment-Interest	(43,159)	(39,284)	0	0
3433 Other Interest Income	194,804	131,854	0	0
3434 Pooled Interest Allocation	342,282	162,990	103,000	91,000
3628 Sewer Service Charges	9,727,979	10,372,361	10,260,000	12,150,000
3760 Developer Contribution	53,467	(43,025)	0	0
3790 Miscellaneous Other Revenue	67,728	63,903	60,000	60,000
3811 Op Trfs in from RDA	0	1,511	0	0
3854 Appn Tfr in from Transit Area Fund	0	4,356,000	0	0
3901 Op Trfs Out To the General Fund	(1,768,578)	(1,509,340)	(1,470,992)	(1,434,209)
3941 Appn Transfers out to RDA	0	(10,000)	0	0
3981 Contributions-Proprietary Fund	3,760	6,050,727	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(1,995,000)	(150,000)	(85,000)	(1,550,000)
TOTAL (450)	6,583,283	19,387,698	8,867,008	9,316,791
SEWER CIP (451)				
3818 Op Trfs in from Tax Alloc	17,997	5,026	0	0
3899 Op Trfs in from Subsidiary CIP Fund	3,135,705	1,150,000	385,000	1,550,000
TOTAL (451)	3,153,702	1,155,026	385,000	1,550,000
TREATMENT PLANT CONSTRUCTION (452)				
3431 Pooled Investment-Interest	10,544	(9,821)	0	0
3434 Pooled Interest Allocation	197,564	157,441	99,000	93,000
3710 Development	310,634	1,295,469	3,140,000	360,000
TOTAL (452)	518,742	1,443,089	3,239,000	453,000
SEWER 2006 COPS (453)				
3431 Pooled Investment-Interest	(21,518)	(4)	0	0
3432 Cash with Fiscal Agents	83	0	0	0
3434 Pooled Interest Allocation	58	42	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(440,705)	0	0	0
TOTAL (453)	(462,083)	38	0	0
SEWER INFRASTRTURE REPLMNT (455)				
3431 Pooled Investment-Interest	(14,968)	(16,335)	0	0
3434 Pooled Interest Allocation	188,722	116,145	82,000	53,000
3710 Development	4,425	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(700,000)	(1,000,000)	(300,000)	0
TOTAL (455)	(521,821)	(900,190)	(218,000)	53,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
EQUIPMENT MGNT FUND (500)				
3431 Pooled Investment-Interest	(13,887)	(16,511)	0	0
3433 Other Interest Income	74,157	(39,511)	0	0
3434 Pooled Interest Allocation	264,037	193,743	127,000	104,000
3671 Public Works Service Charges	2,354,939	2,456,495	2,225,380	2,118,820
3760 Developer Contribution	109,233	0	0	0
3770 Sale of Property, Plant and Equipment	21,058	166,748	0	0
3790 Miscellaneous Other Revenue	976	0	0	0
3901 Op Trfs Out To the General Fund	(465,900)	0	0	0
3981 Contributions-Proprietary Fund	142,827	94,752	0	0
TOTAL (500)	2,487,440	2,855,716	2,352,380	2,222,820
INFORMATION TEC REPLMT (505)				
3431 Pooled Investment-Interest	(807)	(1,382)	0	0
3434 Pooled Interest Allocation	13,323	7,073	4,000	5,000
3581 Other Restricted Grants-General Gov't	0	3,677	0	0
3601 General Government Service Charges	81,997	246,084	75,000	100,000
3790 Miscellaneous Other Revenue	15,551	0	0	0
3801 Op Trfs in from General Fund	0	100,000	0	0
3922 Op Trfs Out To the General Government Fund	(125,000)	0	0	0
TOTAL (505)	(14,937)	355,452	79,000	105,000
PERMIT AUTOMATION FUND (506)				
3822 Op Trfs in from General Gov't Fund	0	1,525	0	0
3922 Op Trfs Out To the General Government Fund	(35,000)	0	0	0
TOTAL (506)	(35,000)	1,525	0	0
TOTAL	137,545,000	144,621,778	126,347,697	127,653,076

History of Property Tax Revenue

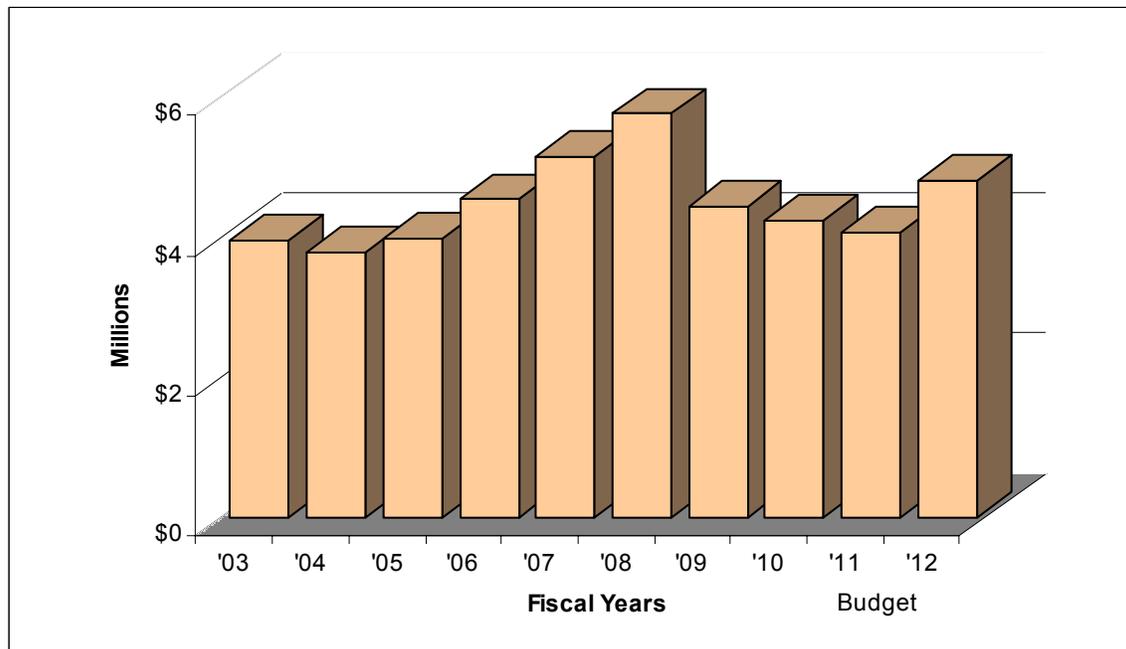
General Fund 2003 through 2012



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

History of Transient Occupancy Tax Revenue

General Fund 2003 through 2012

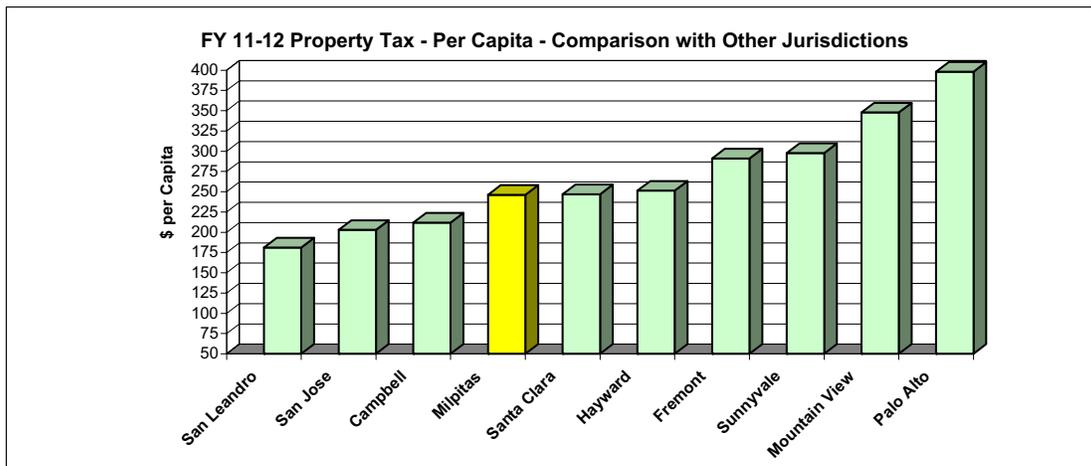


The City of Milpitas Transient Occupancy Rate is currently 10%

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Property Tax, Comparison with Other Jurisdictions FY 2007-08 through FY2011-12

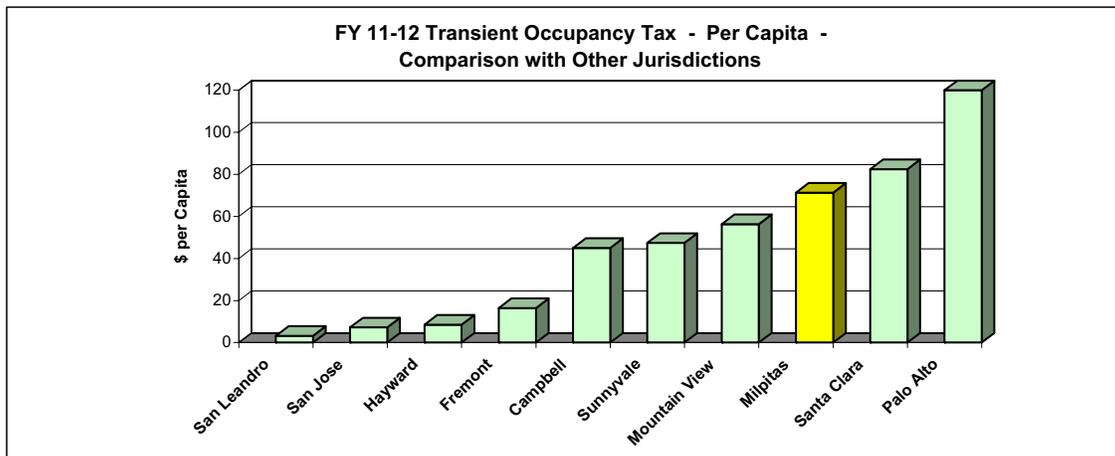
City	Actual 2007-08	Actual 2008-09	Actual 2009-10	Budgeted 2010-11	Budgeted 2011-12
Milpitas	\$16,800,792	\$17,749,152	\$17,146,081	\$17,225,000	\$16,605,000
% of General Fund	25%	27%	27%	27%	26%
Per Capita	252.75	255.68	242.12	240.73	246.09
Campbell	\$8,322,288	\$8,882,191	\$8,761,391	\$8,977,000	\$8,664,000
% of General Fund	24%	27%	28%	27%	25%
Per Capita	209.38	221.16	216.76	219.70	212.04
Fremont	\$59,306,000	\$62,833,000	\$61,941,000	\$61,233,000	\$62,763,000
% of General Fund	46%	49%	52%	51%	50%
Per Capita	282.20	294.28	287.25	286.59	290.96
Hayward	\$38,464,000	\$40,700,000	\$37,293,000	\$36,261,000	\$36,654,000
% of General Fund	37%	39%	34%	33%	33%
Per Capita	258.26	269.57	247.17	236.84	251.33
Mountain View	\$23,681,223	\$25,647,300	\$26,017,182	\$26,418,230	\$25,987,162
% of General Fund	27%	29%	30%	30%	29%
Per Capita	323.24	346.90	348.00	356.68	347.78
Palo Alto	\$23,100,000	\$25,445,000	\$25,981,000	\$25,907,000	\$26,052,000
% of General Fund	18%	18%	20%	19%	18%
Per Capita	364.54	401.55	397.21	396.08	398.30
San Jose	\$208,878,360	\$210,843,575	\$202,186,036	\$194,909,000	\$201,454,000
% of General Fund	30%	32%	31%	25%	30%
Per Capita	211.99	209.38	213.73	201.04	202.87
San Leandro	\$16,363,160	\$16,697,676	\$16,118,173	\$15,300,000	\$15,400,000
% of General Fund	22%	23%	22%	23%	21%
Per Capita	199.91	202.46	195.37	184.34	181.28
Santa Clara	\$27,591,808	\$29,918,830	\$29,432,789	\$29,110,000	\$29,637,000
% of General Fund	19%	21%	22%	21%	20%
Per Capita	241.53	255.19	253.06	246.34	246.98
Sunnyvale	\$38,948,749	\$42,259,090	\$43,699,859	\$41,937,637	\$42,033,969
% of General Fund	29%	37%	37%	36%	35%
Per Capita	286.98	309.93	314.78	298.59	297.90



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Transient Occupancy Tax, Comparison with Other Jurisdictions FY 2007-08 through FY2011-12

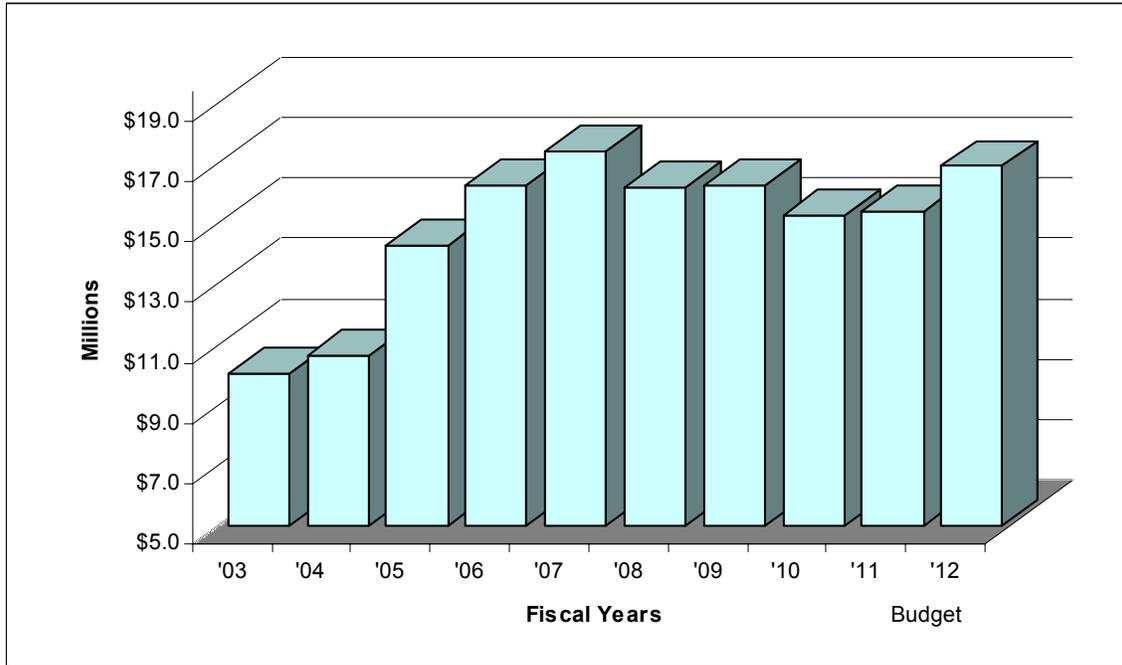
City	Actual 2007-08	Actual 2008-09	Actual 2009-10	Budgeted 2010-11	Budgeted 2011-12
Milpitas	\$5,755,842	\$4,437,872	\$4,234,489	\$4,059,000	\$4,812,000
% of General Fund	9%	7%	7%	6%	8%
Per Capita	86.59	63.93	59.79	56.73	71.31
Campbell	\$1,617,111	\$1,287,184	\$1,297,573	\$1,476,000	\$1,839,000
% of General Fund	5%	4%	4%	4%	5%
Per Capita	40.68	32.05	32.10	36.12	45.01
Fremont	\$3,181,000	\$2,864,000	\$2,867,000	\$2,861,000	\$3,538,000
% of General Fund	2%	2%	2%	2%	3%
Per Capita	15.14	13.41	13.30	13.39	16.40
Hayward	\$1,554,000	\$1,325,000	\$1,110,000	\$1,250,000	\$1,250,000
% of General Fund	2%	1%	1%	1%	1%
Per Capita	10.43	8.78	7.36	8.16	8.57
Mountain View	\$4,298,983	\$3,154,885	\$3,266,982	\$3,333,490	\$4,208,892
% of General Fund	5%	4%	4%	4%	5%
Per Capita	58.68	42.67	43.70	45.01	56.33
Palo Alto	\$8,000,000	\$7,111,000	\$6,858,000	\$7,021,000	\$8,204,000
% of General Fund	6%	5%	5%	5%	6%
Per Capita	126.25	112.22	104.85	107.34	125.43
San Jose	\$9,560,000	\$7,795,177	\$6,900,000	\$6,684,000	\$7,202,000
% of General Fund	1%	1%	1%	1%	1%
Per Capita	9.70	7.74	7.29	6.89	7.25
San Leandro	\$320,508	\$294,496	\$304,454	\$250,000	\$275,000
% of General Fund	0.43%	0.41%	0.42%	0.37%	0.38%
Per Capita	3.92	3.57	3.69	3.01	3.24
Santa Clara	\$11,278,026	\$9,762,655	\$8,106,319	\$8,514,000	\$9,900,000
% of General Fund	8%	7%	6%	6%	7%
Per Capita	98.72	83.27	69.70	72.05	82.50
Sunnyvale	\$7,350,255	\$5,686,217	\$5,578,196	\$6,430,805	\$6,689,607
% of General Fund	5%	5%	5%	5%	6%
Per Capita	54.16	41.70	40.18	45.79	47.41



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History of Sales Tax Revenue

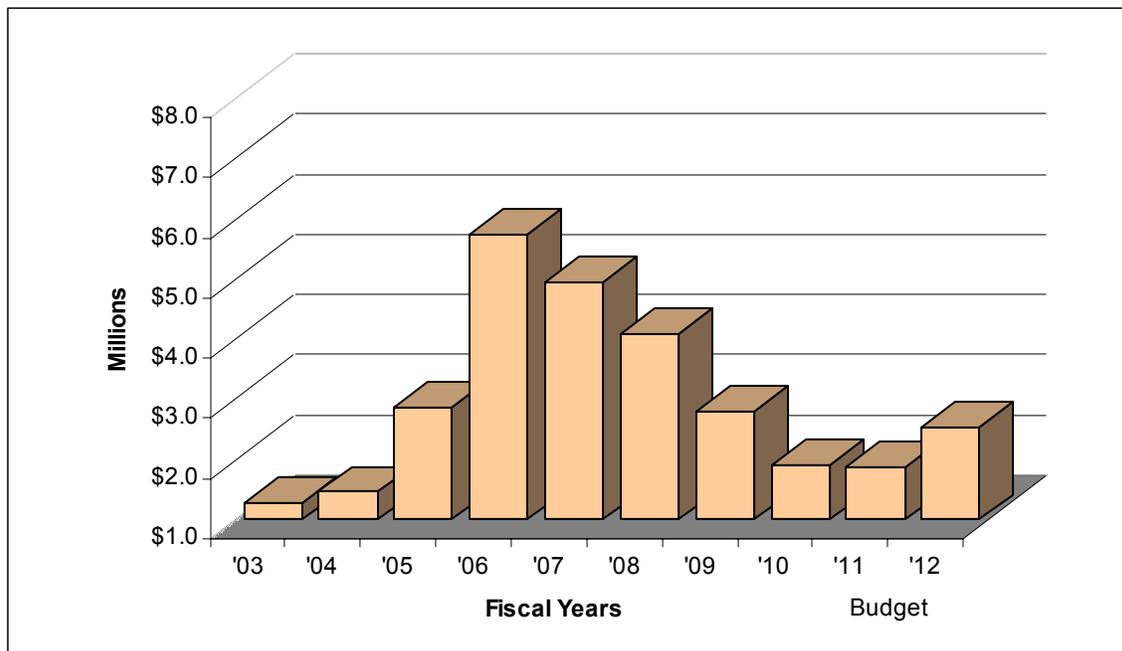
General Fund 2003 through 2012



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

History of Building Permit

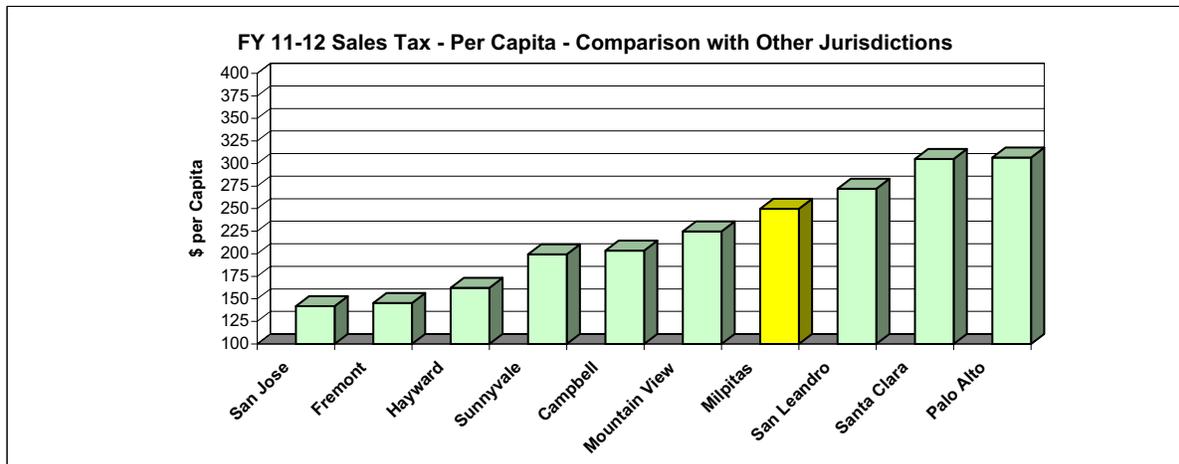
General Fund 2003 through 2012



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Sales Tax, Comparison with Other Jurisdictions FY 2007-08 through FY 2011-12

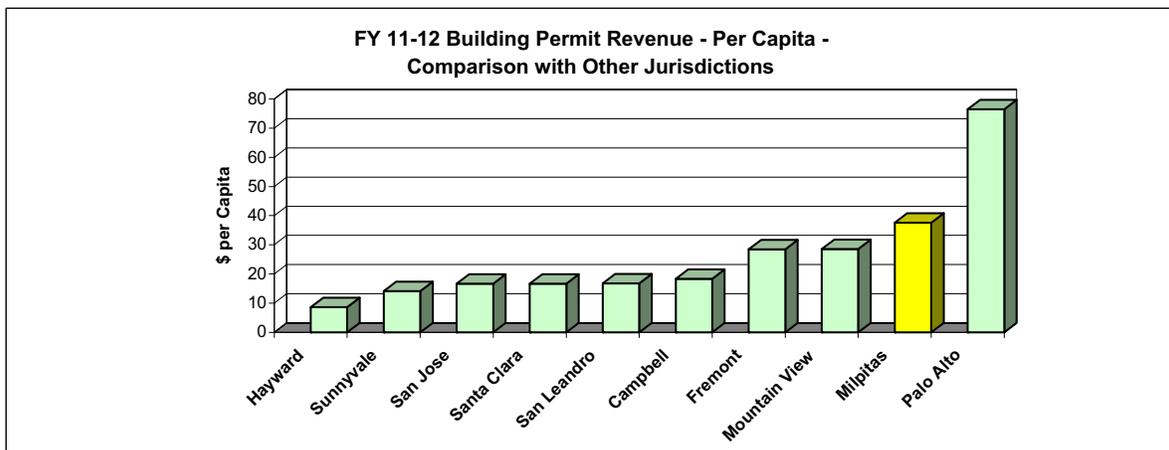
City	Actual 2007-08	Actual 2008-09	Actual 2009-10	Budgeted 2010-11	Budgeted 2011-12
Milpitas	\$16,173,366	\$16,250,920	\$15,267,613	\$15,366,000	\$16,860,000
% of General Fund	24%	24%	24%	24%	26%
Per Capita	243.31	234.10	215.59	214.75	249.87
Campbell	\$10,334,830	\$9,685,398	\$7,967,190	\$7,930,000	\$8,318,000
% of General Fund	30%	29%	25%	23%	24%
Per Capita	260.01	241.16	197.11	194.08	203.57
Fremont	\$35,584,000	\$31,632,000	\$26,770,000	\$27,772,000	\$31,335,000
% of General Fund	28%	25%	22%	23%	25%
Per Capita	169.32	148.15	124.14	129.98	145.26
Hayward	\$28,513,000	\$25,630,000	\$23,509,000	\$22,684,000	\$23,647,000
% of General Fund	28%	24%	22%	21%	21%
Per Capita	191.45	169.75	155.81	148.16	162.14
Mountain View	\$17,273,548	\$16,263,633	\$15,241,857	\$15,663,910	\$16,802,480
% of General Fund	20%	18%	18%	18%	19%
Per Capita	235.78	219.98	203.87	211.49	224.86
Palo Alto	\$22,600,000	\$20,089,000	\$17,991,000	\$18,218,000	\$20,052,000
% of General Fund	18%	14%	14%	13%	14%
Per Capita	356.65	317.03	275.06	278.53	306.57
San Jose	\$157,814,015	\$132,005,205	\$127,237,778	\$134,679,000	\$140,906,000
% of General Fund	23%	20%	20%	17%	21%
Per Capita	160.17	131.09	134.50	138.92	141.90
San Leandro	\$22,531,357	\$19,351,645	\$17,826,272	\$17,850,000	\$23,110,000
% of General Fund	30%	27%	25%	27%	32%
Per Capita	275.27	234.65	216.08	215.06	272.04
Santa Clara	\$41,691,543	\$35,780,564	\$30,102,296	\$32,232,000	\$36,625,000
% of General Fund	28%	25%	22%	23%	25%
Per Capita	364.95	305.19	258.82	272.76	305.21
Sunnyvale	\$29,705,343	\$25,071,916	\$25,431,711	\$27,286,190	\$28,144,466
% of General Fund	22%	22%	22%	23%	24%
Per Capita	218.87	183.88	183.19	194.28	199.47



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Building Permits, Comparison with Other Jurisdictions FY 2007-08 through 2011-12

City	Actual 2007-08	Actual 2008-09	Actual 2009-10	Budgeted 2010-11	Budgeted 2011-12
Milpitas	\$4,096,505	\$2,803,026	\$1,903,070	\$1,863,000	\$2,537,000
% of General Fund	6%	4%	3%	3%	4%
Per Capita	61.63	40.38	26.87	26.04	37.60
Campbell	\$1,395,014	\$750,000	\$455,803	\$750,000	\$750,000
% of General Fund	4%	2%	1%	2%	2%
Per Capita	35.10	18.67	11.28	18.36	18.36
Fremont *	\$5,742,607	\$4,506,030	\$5,956,977	\$5,359,813	\$6,148,484
% of General Fund	4%	3%	5%	4%	5%
Per Capita	27.33	21.10	27.63	25.09	28.50
Hayward	\$1,916,000	\$1,516,000	\$1,502,000	\$1,240,000	\$1,263,000
% of General Fund	2%	1%	1%	1%	1%
Per Capita	12.86	10.04	9.96	8.10	8.66
Mountain View *	\$3,177,783	\$1,561,174	\$1,852,634	\$1,514,144	\$2,131,011
% of General Fund	3%	2%	2%	2%	2%
Per Capita	43.38	21.12	24.78	20.44	28.52
Palo Alto	\$3,400,000	\$2,777,300	\$4,036,139	\$3,843,131	\$4,998,556
% of General Fund	3%	2%	3%	3%	3%
Per Capita	53.66	43.83	61.71	58.76	76.42
San Jose	\$19,700,000	\$17,505,815	\$16,303,336	\$16,191,986	\$16,551,000
% of General Fund	3%	3%	3%	2%	2%
Per Capita	19.99	17.38	17.23	16.70	16.67
San Leandro	\$1,179,111	\$1,296,892	\$1,084,540	\$1,475,000	\$1,425,000
% of General Fund	2%	2%	1%	2%	2%
Per Capita	14.41	15.73	13.15	17.77	16.77
Santa Clara	\$1,785,221	\$1,727,802	\$1,150,852	\$1,200,000	\$2,000,000
% of General Fund	1%	1%	1%	1%	1%
Per Capita	15.63	14.74	9.89	10.15	16.67
Sunnyvale	\$3,587,657	\$1,924,519	\$1,537,860	\$1,963,426	\$1,997,126
% of General Fund	3%	2%	1%	2%	2%
Per Capita	26.43	14.11	11.08	13.98	14.15

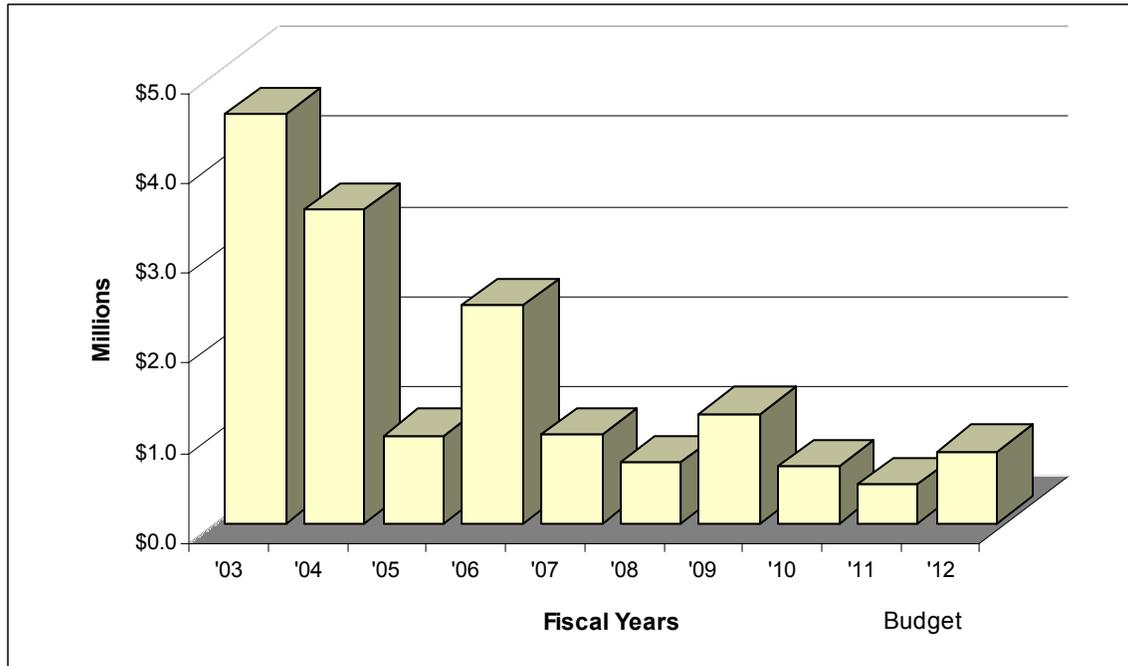


* For the Cities of Fremont and Mountain View Building permits are not part of the General Fund revenues, but for comparison purposes, we included this revenue as part of the General Fund.

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History of Intergovernmental Revenue

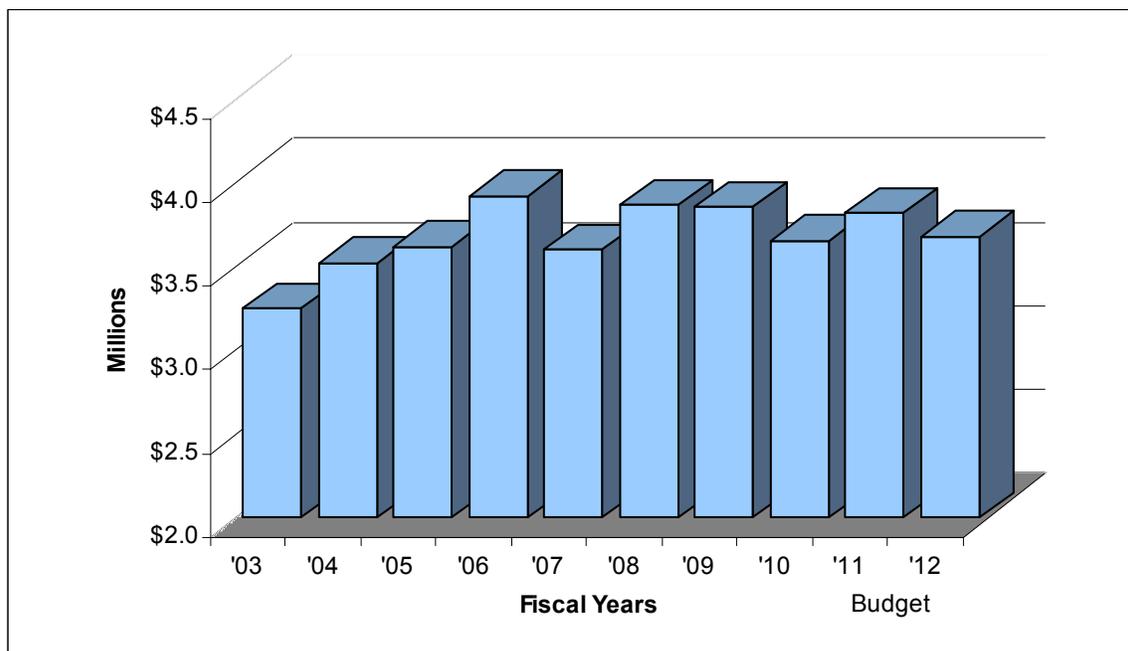
General Fund 2003 through 2012



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

History of "Other" Tax Revenue

General Fund 2003 through 2012

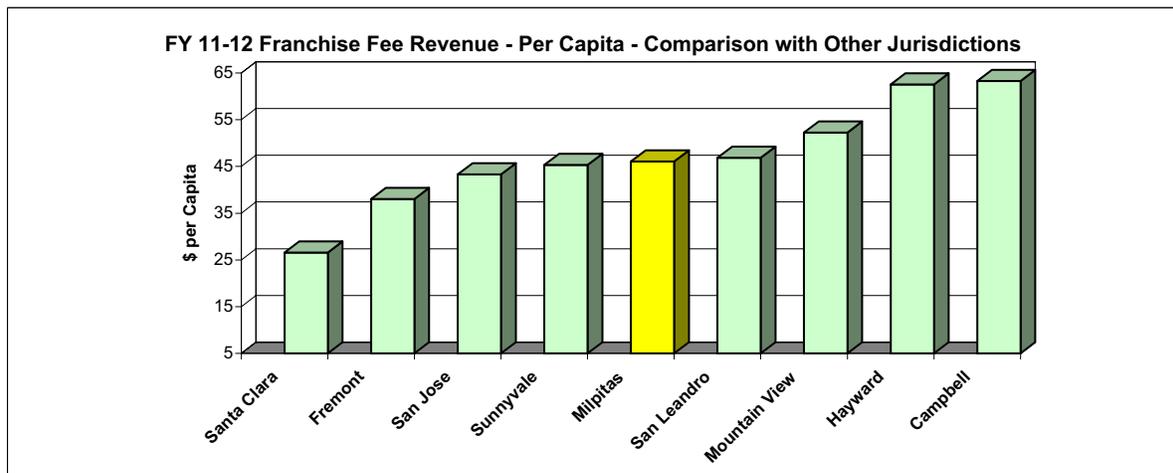


"Other" Tax Revenue include: Real Estate Transfer Tax, Franchise Fees and Business License Tax.

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Franchise Fees, Comparison with Other Jurisdictions FY 2007-08 through 2011-12

City	Actual 2007-08	Actual 2008-09	Actual 2009-10	Budgeted 2010-11	Budgeted 2011-12
Milpitas	\$2,967,817	\$3,151,420	\$2,993,512	\$3,138,000	\$3,107,000
% of General Fund	4%	5%	5%	5%	5%
Per Capita	44.65	45.40	42.27	43.86	46.05
Campbell	\$2,323,063	\$2,225,000	\$2,337,022	\$2,588,000	\$2,586,000
% of General Fund	7%	7%	7%	8%	7%
Per Capita	58.44	55.40	57.82	63.34	63.29
Fremont	\$7,954,000	\$8,329,000	\$7,929,000	\$7,825,000	\$8,208,000
% of General Fund	6%	7%	7%	6%	7%
Per Capita	37.85	39.01	36.77	36.62	38.05
Hayward	\$8,699,000	\$8,786,000	\$8,601,000	\$9,135,000	\$9,126,000
% of General Fund	8%	8%	8%	8%	8%
Per Capita	58.41	58.19	57.01	59.67	62.58
Mountain View	\$2,955,434	\$2,940,485	\$2,833,880	\$3,086,292	\$3,903,894
% of General Fund	3%	3%	3%	4%	4%
Per Capita	40.34	39.77	37.91	41.67	52.24
San Jose	\$41,063,799	\$41,067,393	\$38,410,068	\$42,271,000	\$43,025,000
% of General Fund	6%	6%	6%	5%	6%
Per Capita	41.68	40.78	40.60	43.60	43.33
San Leandro	\$4,119,765	\$4,103,027	\$4,005,464	\$3,940,000	\$3,983,000
% of General Fund	5%	6%	6%	6%	6%
Per Capita	50.33	49.75	48.55	47.47	46.89
Santa Clara	\$3,281,082	\$3,369,990	\$3,000,696	\$3,215,000	\$3,185,900
% of General Fund	2%	2%	2%	2%	2%
Per Capita	28.72	28.74	25.80	27.21	26.55
Sunnyvale	\$5,855,124	\$6,127,049	\$5,979,301	\$6,309,686	\$6,398,220
% of General Fund	4%	5%	5%	5%	5%
Per Capita	43.14	44.94	43.07	44.92	45.35



Note: Palo Alto does not collect Franchise Tax Fees.

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Expenditures by Fund (Summary)

	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
100 General Fund	67,472,144	63,350,249	65,670,388	65,757,098
102 Measure I TOT	387,315	376,938	452,901	427,901
105 Abandon Veh Abatement	93,522	55,619	45,000	45,500
211 H-Hetch Ground Lease	26,576	26,749	28,000	29,000
212 Public Art Fund-Restricted	0	80,230	38,500	232,500
213 Public Art Fund-Nonrestricted	0	10,000	0	0
235 95-1 Lighting/Lscape Dist	197,305	266,883	320,130	312,267
236 98-1 Lighting/Lscape Dist	19,631	29,373	38,672	16,551
237 05 Community Fclty Dist	110,759	150,936	209,071	185,040
250 HCD Fund	418,343	497,706	408,632	413,556
251 HCD Loan	17,150	38,995	243,260	226,370
261 Supplemental Law Enforcement	45,581	121,683	0	0
262 State Asset Seizure	21,794	0	44,105	30,000
263 Federal Asset Seizure	15,277	8,351	57,170	54,712
267 Justice Assistance Grant	15,462	16,203	0	0
268 Justice Assistance Grant 2009	0	66,607	0	0
280 Solid Waste Services	109,174	430,105	426,010	407,174
281 Solid Waste Reduction	196,911	180,523	237,708	203,496
290 Housing Reserve Fund	4,843,170	3,621,551	7,476,110	8,323,022
310 Street Fund	99,870	87,722	135,600	157,700
311 Street CIP	3,610,222	3,325,861	1,128,899	4,131,651
321 Park Improvement CIP	409,785	2,695,436	2,600,000	750,000
322 Midtown Park Fund	481,453	0	0	0
331 General Government CIP	91,847	87,312	0	260,000
341 Storm Drain CIP	174,465	177,515	85,000	500,000
350 Transit Area Impact Fee Fund	206,493	5,070,919	0	0
351 Transit Area Impact Fee CIP Fund	0	946,334	200,000	0
390 RDA Project Fund	21,829,289	33,693,694	23,110,536	19,775,642
391 Redevelopment CIP	16,881,182	10,510,722	711,646	6,259,000
400 Water M & O Fund	10,938,648	10,728,093	11,909,996	14,093,375
401 Water CIP	1,479,554	4,319,303	565,000	2,075,000
406 Recycled Water Fund	555,596	455,591	554,888	603,772
450 Sewer M & O Fund	10,217,192	6,479,932	11,075,354	11,881,161
451 Sewer CIP	2,879,591	669,091	385,000	1,550,000
500 Equipment Mgnt Fund	1,739,658	1,426,959	1,795,209	1,890,427
505 Information Tec Replmt	164,814	18,706	167,200	167,200
506 Permit Automation Fund	0	40,000	48,000	28,000
TOTAL	145,749,775	150,061,891	130,167,984	140,787,115

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
GENERAL FUND						
City Council	207,845	126,015	0	0	0	333,860
City Manager	423,840	15,219	0	0	0	439,059
City Clerk	706,722	46,000	0	0	0	752,722
Building Inspection Services	867,138	39,257	0	0	0	906,395
Plan Checking	440,428	12,675	0	0	0	453,103
Building Administration	214,748	10,330	0	0	0	225,078
Permit Center	455,656	45,250	0	0	0	500,906
Public Works Inspection Services	89,088	3,625	0	0	0	92,713
Information Services	2,050,964	640,141	0	0	0	2,691,105
Human Resources	468,556	453,589	0	0	0	922,145
City Attorney	622,446	22,040	0	0	0	644,486
Finance Administration	590,240	54,960	0	0	0	645,200
Accounting Services	1,081,763	14,700	0	0	0	1,096,463
Receivables	208,105	6,260	0	0	0	214,365
Purchasing	375,174	76,716	0	0	0	451,890
Public Works Administration	147,482	8,104	0	0	0	155,586
Street Maintenance	1,205,538	418,998	0	0	0	1,624,536
Trees & Landscape Mnt	1,111,811	198,288	0	0	0	1,310,099
Facilities Maintenance	1,503,048	641,740	0	0	0	2,144,788
Engineering Administration	129,582	11,946	0	0	0	141,528
Design & Construction	212,702	917	0	0	0	213,619
Land Development	290,973	56,443	0	0	0	347,416
Traffic Engineering	36,354	0	0	0	0	36,354
Utility Engineering	0	123,500	0	0	0	123,500
Planning	656,129	119,700	0	0	0	775,829
Neighborhood Services	259,948	275,200	0	0	0	535,148
Park Maintenance	1,521,889	299,773	0	0	0	1,821,662
Recreation Administration	1,024,169	81,655	0	0	0	1,105,824
Senior Citizen Services	430,897	200,537	0	0	0	631,434
Youth Programs	348,681	32,040	0	0	0	380,721
Teens	162,213	8,129	0	0	0	170,342
Special Events	35,030	60,795	0	0	0	95,825
Cultural Arts	0	19,805	0	0	0	19,805
Rainbow Theatre	134,839	7,594	0	0	0	142,433
General Classes	65,708	293,909	0	0	0	359,617
Aquatics	344,648	16,996	0	0	0	361,644
Sports & Fitness Classes	233,657	185,437	0	0	0	419,094
Adult Sports	37,809	11,860	0	0	0	49,669
Volunteer Services	32,852	3,500	0	0	0	36,352
Police Administration	653,557	19,736	0	0	0	673,293
Records	1,069,039	189,337	0	0	0	1,258,376
Personnel & Training	238,852	84,248	0	0	0	323,100
Communications	2,377,066	205,758	0	0	0	2,582,824

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Patrol Services	11,482,014	370,031	0	0	0	11,852,045
Traffic	2,608,396	95,210	0	0	0	2,703,606
Crossing Guards	287,490	2,000	0	0	0	289,490
Community Relations	826,272	23,646	0	0	0	849,918
Investigations	1,891,065	353,059	0	0	0	2,244,124
Fire Administration	459,643	47,273	0	0	0	506,916
A/B/C Battalions Operations	11,716,346	1,091,911	0	0	0	12,808,257
Disaster Prep & Public Ed	164,418	52,261	0	0	0	216,679
Prevention Div Admin	328,110	35,403	0	0	0	363,513
Fire Insptin, Plan Check & Invstg	600,546	99,728	0	0	0	700,274
Non-Departmental	1,913,354	3,099,014	0	0	0	5,012,368
sub-total (100)	55,344,840	10,412,258	0	0	0	65,757,098
MEASURE I TOT						
City Manager	0	427,901	0	0	0	427,901
sub-total (102)	0	427,901	0	0	0	427,901
ABANDON VEH ABATEMENT						
Neighborhood Services	0	23,000	0	0	0	23,000
Traffic	22,500	0	0	0	0	22,500
sub-total (105)	22,500	23,000	0	0	0	45,500
H-HETCH GROUND LEASE						
Non-Departmental	0	29,000	0	0	0	29,000
sub-total (211)	0	29,000	0	0	0	29,000
PUBLIC ART FUND-RSTRCTD						
Non-Departmental	0	232,500	0	0	0	232,500
sub-total (212)	0	232,500	0	0	0	232,500
95-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	12,137	234,000	0	0	0	246,137
Land Development	5,000	61,130	0	0	0	66,130
sub-total (235)	17,137	295,130	0	0	0	312,267
98-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	2,021	10,400	0	0	0	12,421
Land Development	3,000	1,130	0	0	0	4,130
sub-total (236)	5,021	11,530	0	0	0	16,551
05 COMMUNITY FCLTY DIST						
Trees & Landscape Mnt	37,925	92,500	0	0	0	130,425
Park Maintenance	0	67,000	0	0	0	67,000
Non-Departmental	(18,385)	6,000	0	0	0	(12,385)
sub-total (237)	19,540	165,500	0	0	0	185,040
HCD FUND						
Building Inspection Services	13,492	0	0	0	0	13,492
Accounting Services	14,800	0	0	0	0	14,800
Neighborhood Services	81,194	300,780	0	0	0	381,974
Non-Departmental	(2,710)	6,000	0	0	0	3,290
sub-total (250)	106,776	306,780	0	0	0	413,556

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
HCD LOAN						
Neighborhood Services	0	226,370	0	0	0	226,370
sub-total (251)	0	226,370	0	0	0	226,370
STATE ASSET SEIZURE						
Investigations	0	0	30,000	0	0	30,000
sub-total (262)	0	0	30,000	0	0	30,000
FEDERAL ASSET SEIZURE						
Patrol Services	0	0	24,712	0	0	24,712
Investigations	0	0	30,000	0	0	30,000
sub-total (263)	0	0	54,712	0	0	54,712
SOLID WASTE SERVICES						
Utility Engineering	22,810	0	0	0	0	22,810
Solid Waste	79,764	304,600	0	0	0	384,364
sub-total (280)	102,574	304,600	0	0	0	407,174
SOLID WASTE REDUCTION						
Solid Waste	66,396	137,100	0	0	0	203,496
sub-total (281)	66,396	137,100	0	0	0	203,496
HOUSING RESERVE FUND						
RDA & Economic Dvp	37,262	14,050	0	0	0	51,312
Planning	52,006	3,500	0	0	0	55,506
Neighborhood Services	176,440	0	0	0	0	176,440
Non-Departmental	(122,236)	2,162,000	6,000,000	0	0	8,039,764
sub-total (290)	143,472	2,179,550	6,000,000	0	0	8,323,022
STREET FUND						
Non-Departmental	0	157,700	0	0	0	157,700
sub-total (310)	0	157,700	0	0	0	157,700
STREET CIP						
Capital Improvement Projects	0	0	0	0	4,131,651	4,131,651
sub-total (311)	0	0	0	0	4,131,651	4,131,651
PARK IMPROVEMENT CIP						
Capital Improvement Projects	0	0	0	0	750,000	750,000
sub-total (321)	0	0	0	0	750,000	750,000
GENERAL GOVERNMENT CIP						
Capital Improvement Projects	0	0	0	0	260,000	260,000
sub-total (331)	0	0	0	0	260,000	260,000
STORM DRAIN CIP						
Capital Improvement Projects	0	0	0	0	500,000	500,000
sub-total (341)	0	0	0	0	500,000	500,000
RDA PROJECT FUND						
City Council	0	20,000	0	0	0	20,000
RDA & Economic Dvp	149,046	74,818	0	0	0	223,864
Building Inspection Services	47,204	0	0	0	0	47,204
Public Works Inspection Services	71,942	0	0	0	0	71,942
City Attorney	109,846	40,040	0	0	0	149,886
Public Works Administration	95,644	960	0	0	0	96,604

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Design & Construction	321,656	917	0	0	0	322,573
Land Development	346,032	361	0	0	0	346,393
Traffic Engineering	34,071	15,737	0	0	0	49,808
Solid Waste	0	0	0	0	0	0
Planning	208,068	0	0	0	0	208,068
Non-Departmental	254,700	391,600	0	0	0	646,300
Debt Service	0	0	0	17,593,000	0	17,593,000
sub-total (390)	1,638,209	544,433	0	17,593,000	0	19,775,642
REDEVELOPMENT CIP						
Capital Improvement Projects	0	0	0	0	6,259,000	6,259,000
sub-total (391)	0	0	0	0	6,259,000	6,259,000
WATER M & O FUND						
Receivables	323,192	0	0	0	0	323,192
Utilities	176,134	76,972	30,000	0	0	283,106
Public Works Administration	90,398	480	0	0	0	90,878
Utility Maintenance	862,948	541,666	118,671	0	0	1,523,285
Utility Engineering	411,166	246,568	0	0	0	657,734
Solid Waste	59,824	0	0	0	0	59,824
Non-Departmental	138,456	11,016,900	0	0	0	11,155,356
sub-total (400)	2,062,118	11,882,586	148,671	0	0	14,093,375
WATER CIP						
Capital Improvement Projects	0	0	0	0	2,075,000	2,075,000
sub-total (401)	0	0	0	0	2,075,000	2,075,000
RECYCLED WATER FUND						
Receivables	21,574	0	0	0	0	21,574
Utilities	6,740	157	0	0	0	6,897
Utility Maintenance	57,220	11,059	0	0	0	68,279
Land Development	8,000	0	0	0	0	8,000
Utility Engineering	117,426	1,126	0	0	0	118,552
Non-Departmental	(6,530)	387,000	0	0	0	380,470
sub-total (406)	204,430	399,342	0	0	0	603,772
SEWER M & O FUND						
Receivables	86,148	0	0	0	0	86,148
Utilities	48,510	73,995	0	0	0	122,505
Public Works Administration	90,344	479	0	0	0	90,823
Utility Maintenance	741,573	199,488	8,670	0	0	949,731
Utility Engineering	313,579	68,771	0	0	0	382,350
Solid Waste	59,824	0	0	0	0	59,824
Non-Departmental	100,380	9,401,400	0	0	0	9,501,780
Debt Service	0	0	0	688,000	0	688,000
sub-total (450)	1,440,358	9,744,133	8,670	688,000	0	11,881,161
SEWER CIP						
Capital Improvement Projects	0	0	0	0	1,550,000	1,550,000
sub-total (451)	0	0	0	0	1,550,000	1,550,000

Financial Information Expenditures by Fund (Detail)

<u>Fund/Function</u>	<u>Personnel Services</u>	<u>Supplies & Contractual Svcs</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Total</u>
EQUIPMENT MGNT FUND						
Fleet Maintenance	568,431	798,605	0	0	0	1,367,036
Non-Departmental	0	34,000	0	0	0	34,000
Equipment to be Depreciated	0	0	489,391	0	0	489,391
sub-total (500)	<u>568,431</u>	<u>832,605</u>	<u>489,391</u>	<u>0</u>	<u>0</u>	<u>1,890,427</u>
INFORMATION TEC REPLMT						
Information Services	0	77,200	90,000	0	0	167,200
sub-total (505)	<u>0</u>	<u>77,200</u>	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>167,200</u>
PERMIT AUTOMATION FUND						
Information Services	10,000	18,000	0	0	0	28,000
sub-total (506)	<u>10,000</u>	<u>18,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,000</u>
TOTAL	<u>61,751,802</u>	<u>38,407,218</u>	<u>6,821,444</u>	<u>18,281,000</u>	<u>15,525,651</u>	<u>140,787,115</u>

Financial Information Expenditures by Function by Fund

Function	General Fund	RDA Fund	Water Fund	Sewer Fund	Other Funds	Total
City Council	333,860	20,000	0	0	0	353,860
City Manager	439,059	0	0	0	427,901	866,960
City Clerk	752,722	0	0	0	0	752,722
RDA & Economic Dvp	0	275,176	0	0	0	275,176
Building Inspection Services	906,395	47,204	0	0	13,492	967,091
Plan Checking	453,103	0	0	0	0	453,103
Building Administration	225,078	0	0	0	0	225,078
Permit Center	500,906	0	0	0	0	500,906
Public Works Inspection Srv	92,713	71,942	0	0	0	164,655
Information Services	2,691,105	0	0	0	195,200	2,886,305
Human Resources	922,145	0	0	0	0	922,145
City Attorney	644,486	149,886	0	0	0	794,372
Finance Administration	645,200	0	0	0	0	645,200
Accounting Services	1,096,463	0	0	0	14,800	1,111,263
Receivables	214,365	0	344,766	86,148	0	645,279
Utilities	0	0	290,003	122,505	0	412,508
Purchasing	451,890	0	0	0	0	451,890
Public Works Administration	155,586	96,604	90,878	90,823	0	433,891
Street Maintenance	1,624,536	0	0	0	0	1,624,536
Utility Maintenance	0	0	1,591,564	949,731	0	2,541,295
Trees & Landscape Mnt	1,310,099	0	0	0	388,983	1,699,082
Fleet Maintenance	0	0	0	0	1,367,036	1,367,036
Facilities Maintenance	2,144,788	0	0	0	0	2,144,788
Engineering Administration	141,528	0	0	0	0	141,528
Design & Construction	213,619	322,573	0	0	0	536,192
Land Development	347,416	346,393	8,000	0	70,260	772,069
Traffic Engineering	36,354	49,808	0	0	0	86,162
Utility Engineering	123,500	0	776,286	382,350	22,810	1,304,946
Solid Waste	0	0	59,824	59,824	587,860	707,508
Planning	775,829	263,574	0	0	0	1,039,403
Neighborhood Services	558,148	176,440	0	0	608,344	1,342,932
Park Maintenance	1,821,662	0	0	0	67,000	1,888,662
Recreation Administration	1,105,824	0	0	0	0	1,105,824
Senior Citizen Services	631,434	0	0	0	0	631,434
Youth Programs	380,721	0	0	0	0	380,721
Teens	170,342	0	0	0	0	170,342

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Financial Information Expenditures by Function by Fund

Function	General Fund	RDA Fund	Water Fund	Sewer Fund	Other Funds	Total
Special Events	95,825	0	0	0	0	95,825
Cultural Arts	19,805	0	0	0	0	19,805
Rainbow Thertre	142,433	0	0	0	0	142,433
General Classes	359,617	0	0	0	0	359,617
Aquatics	361,644	0	0	0	0	361,644
Sports & Fitness Classes	419,094	0	0	0	0	419,094
Adult Sports	49,669	0	0	0	0	49,669
Volunteer Services	36,352	0	0	0	0	36,352
Police Administration	673,293	0	0	0	0	673,293
Records	1,258,376	0	0	0	0	1,258,376
Personnel & Training	323,100	0	0	0	0	323,100
Communications	2,582,824	0	0	0	0	2,582,824
Community Relations	849,918	0	0	0	0	849,918
Patrol Services	11,852,045	0	0	0	24,712	11,876,757
Traffic	2,726,106	0	0	0	0	2,726,106
Crossing Guards	289,490	0	0	0	0	289,490
Investigations	2,244,124	0	0	0	60,000	2,304,124
Fire Administration	506,916	0	0	0	0	506,916
A/B/C Battalions Operations	12,808,257	0	0	0	0	12,808,257
Prevention Div Admin	363,513	0	0	0	0	363,513
Fire Insp, Plan Check & Invg	700,274	0	0	0	0	700,274
Disaster Prep & Public Ed	216,679	0	0	0	0	216,679
Non-Departmental	5,012,368	8,686,064	11,535,826	9,501,780	444,105	35,180,143
Debt Service	0	17,593,000	0	688,000	0	18,281,000
Equipment to be dprciated	0	0	0	0	489,391	489,391
Capital Improvement Project	0	6,259,000	2,075,000	1,550,000	5,641,651	15,525,651
TOTAL	65,802,598	34,357,664	16,772,147	13,431,161	10,423,545	140,787,115

Financial Information Internal Cost Allocation by Fund Schedule

Function	FY11/12	Admin & O/H Cost	Reallocation	Program	100/105	102	211
	Budget	To be Allocated	Admin & O/H Cost	Cost	General	Mesur I TOT	HH Lease
100 City Council	353,860	(181,152)	68,897	241,605	682	0	0
111 City Manager	866,960	(220,671)	85,600	731,889	29,517	427,901	0
114 City Clerk	752,722	(653,212)	39,668	139,178	80,000	0	0
116 RDA & Eco Development	275,176	0	108,566	383,742	0	0	0
530 Building Inspection	2,310,833	0	901,933	3,212,766	3,020,891	0	0
112 Information Services	2,886,305	(2,070,805)	244,274	1,059,774	34,237	0	0
115 Human Resources	922,145	(866,263)	22,966	78,848	0	0	0
120 City Attorney	794,372	(474,406)	125,269	445,235	0	0	0
300 Finance Admin	645,200	(318,664)	127,356	453,892	208,972	0	726
310 Accounting Services	1,111,263	(541,543)	217,132	786,852	355,453	0	1,235
320 Fiscal Services	1,057,787	(105,875)	371,630	1,323,542	69,173	0	240
330 Purchasing	451,890	(223,188)	89,776	318,478	146,627	0	510
420 Public Works	9,810,628	(3,542,726)	2,311,206	8,579,108	4,160,891	0	0
410 Engineering	3,548,405	(50,452)	1,344,549	4,842,502	896,522	0	0
510 Planning & Neigh Presv	2,382,335	0	686,890	3,069,225	1,150,052	0	0
424 Park Maintenance	1,888,662	(18,217)	707,767	2,578,212	2,451,696	0	0
450 Recreation	3,772,760	(490,458)	1,288,179	4,570,481	4,516,092	0	0
700 Police Admin	673,293	(135,938)	210,869	748,224	708,793	0	0
710 Technical Services	4,164,300	(2,558,608)	632,607	2,238,299	2,120,341	0	0
720 Field Services	14,892,353	(2,997,234)	4,653,728	16,548,847	15,654,498	0	0
730 Special Operations	3,154,042	(624,687)	970,832	3,500,187	3,258,889	0	0
800 Fire Admin	506,916	(6,742)	196,254	696,428	652,901	0	0
810 Emerg Resp & Prep Division	13,024,936	(173,232)	5,058,763	17,910,467	16,791,063	0	0
820 Prevention Division	1,063,787	(14,149)	413,386	1,463,024	1,371,585	0	0
910 Non-Departmental	35,180,143	(4,609,875)	0	30,570,268	377,901	0	29,000
930 Equipment to be Depreciated	489,391	0	0	489,391	0	0	0
TOTAL OP BUDGET	106,980,464	(20,878,097)	20,878,097	106,980,464	58,056,776	427,901	31,711
920 Debt Service	18,281,000	0	0	18,281,000	0	0	0
950 C I P Projects	15,525,651	0	0	15,525,651	0	0	0
Total	140,787,115	(20,878,097)	20,878,097	140,787,115	58,056,776	427,901	31,711
Op Cost Reimb					9,112,858	-	(2,711)
Total By Fund					67,169,634	427,901	29,000

Financial Information Internal Cost Allocation by Fund Schedule

Program Costs Allocated to Operating Funds							
280/281	290	390's	400/401	406	450/451	Other	TOTAL
Sld Wst	Housing	RDA	Water	Recycled	Sewer	Funds	
0	31,988	164,834	21,944	1,855	20,302	0	241,605
0	48,638	170,233	28,423	2,432	24,745	0	731,889
0	9,742	38,970	4,523	390	5,553	0	139,178
0	72,190	311,552	0	0	0	0	383,742
0	1,212	176,261	0	0	910	13,492	3,212,766
0	87,149	389,058	145,854	12,363	195,913	195,200	1,059,774
0	6,820	12,986	32,974	2,870	23,198	0	78,848
0	34,799	347,542	27,005	2,345	33,544	0	445,235
0	22,695	104,395	28,822	7,580	80,702	0	453,892
0	38,603	177,572	49,025	12,893	137,271	14,800	786,852
0	7,512	34,557	853,849	41,419	316,792	0	1,323,542
0	15,924	73,250	20,223	5,319	56,625	0	318,478
0	7,246	227,945	2,248,857	95,421	1,449,765	388,983	8,579,108
850,717	67,884	1,136,395	1,007,219	179,715	633,790	70,260	4,842,502
0	376,522	892,293	34,524	2,923	4,567	608,344	3,069,225
0	4,269	55,247	0	0	0	67,000	2,578,212
0	8,684	45,705	0	0	0	0	4,570,481
0	7,482	23,195	4,190	224	4,340	0	748,224
0	22,383	69,387	12,535	672	12,981	0	2,238,299
0	165,016	511,550	92,409	4,951	95,711	24,712	16,548,847
0	34,402	106,645	19,265	1,032	19,954	60,000	3,500,187
0	8,496	34,821	70	0	140	0	696,428
0	218,508	895,522	1,791	0	3,583	0	17,910,467
0	17,848	73,151	146	0	294	0	1,463,024
0	8,039,764	657,771	11,163,567	380,470	9,506,690	415,105	30,570,268
0	0	0	0	0	0	489,391	489,391
850,717	9,355,776	6,730,837	15,797,215	754,874	12,627,370	2,347,287	106,980,464
0	0	17,593,000	0	0	688,000	0	18,281,000
0	0	6,259,000	2,075,000	0	1,550,000	5,641,651	15,525,651
850,717	9,355,776	30,582,837	17,872,215	754,874	14,865,370	7,988,938	140,787,115
(240,047)	(1,032,754)	(4,548,195)	(1,703,840)	(151,102)	(1,434,209)	0	0
610,670	8,323,022	26,034,642	16,168,375	603,772	13,431,161	7,988,938	140,787,115

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>		<u>Transfer Distribution</u>
From the Measure I TOT	To the RDA Project Fund for: Fire Station Improvements (8202)	1,500,000
	sub-total	<u>1,500,000</u>
From the Measure I TOT	To the Street Improvement Fund for: Street Resurfacing Project 2012 (4261)	500,000
	sub-total	<u>500,000</u>
From the H-Hetch Ground Lease	To the General Fund for: Operating Cost Reimbursement	2,711
	sub-total	<u>2,711</u>
From the Public Art Fund-Restricted	To the RDA Project Fund for: RDA Area Pavement Reconstruction (8204)	1,000,000
	sub-total	<u>1,000,000</u>
From the Gas Tax Fund	To the Street Improvement Fund for: Street Resurfacing Project 2012 (4261)	750,000
	sub-total	<u>750,000</u>
From the 95-1 Lighting/Lscape Dist	To the General Government Fund for: McCarthy Blvd. L&L Improvements (3402)	200,000
	sub-total	<u>200,000</u>
From the Solid Waste Services	To the General Fund for: Operating Cost Reimbursement	127,512
	sub-total	<u>127,512</u>
From the Solid Waste Services	To the General Government Fund for: Solid Waste Master Plan (3401)	60,000
	sub-total	<u>60,000</u>
From the Solid Waste Reduction	To the General Fund for: Operating Cost Reimbursement	112,535
	sub-total	<u>112,535</u>
From the Housing Reserve Fund	To the General Fund for: Operating Cost Reimbursement	1,032,754
	sub-total	<u>1,032,754</u>
* From the Housing Reserve Fund	To the RDA Project Fund for: Debt Service Payment	387,397
	sub-total	<u>387,397</u>
* From the Street Fund	To the Street CIP Fund for: Abel Street Transit Connection (4260)	205,800
	Escuela Pakrway Ped&Bike Enhancement (4259)	124,000
	Sidewalk Replacement 2011 (4254)	100,000
	Traffic Signal Modifications 2012 (4262)	190,000
	sub-total	<u>619,800</u>
* From the Traffic Congestion Relief	To the Street CIP Fund for: Street Resurfacing Project 2012 (4261)	750,000
	sub-total	<u>750,000</u>
* From the Park Improvement Fund	To the Park CIP Fund for: Alviso Adobe Renovation (5055)	215,000

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>	<u>Transfer Distribution</u>
Main Street Park (5092)	350,000
Park Renovation Project 2011 (5091)	100,000
sub-total	665,000
* From the Storm Drain Development	To the Storm Drain CIP Fund for:
	Fuel Tank Improvements (3704)
	113,000
	Minor Storm Drain Projects 2011-12 (3706)
	175,000
sub-total	288,000
From the RDA Project Fund	To the General Fund for:
	Operating Cost Reimbursement
	4,548,195
	Public Improvement Purchase
	3,600,000
sub-total	8,148,195
* From the RDA Project Fund	To the Housing Reserve Fund for:
	30% Housing Set Aside
	10,679,000
sub-total	10,679,000
From the RDA Project Fund	To the Public Art Fund for:
	Public Art Purchase
	25,000
sub-total	25,000
From the RDA Project Fund	To the Storm Drain Fund for:
	Emergency Pump Station Generators (3703)
	100,000
	Fuel Tank Improvements (3704)
	112,000
sub-total	212,000
From the RDA Project Fund	To the Street Improvement Fund for:
	Sidewalk Replacement 2011 (4254)
	50,000
sub-total	50,000
* From the RDA Project Fund	To the RDA CIP Fund for:
	MSC Master Plan Update (8203)
	150,000
	Soundwall Renovation (8196)
	300,000
	RDA Area Pavement Reconstruction (8204)
	2,000,000
	Street Light Improvements (8205)
	400,000
	Storm Pump Station Improvements (8188)
	100,000
	California Circle Pump Station (8207)
	250,000
sub-total	3,200,000
* From the 97 RDA TABs	To the RDA CIP Fund for:
	Library Project (8162)
	134,000
	City Building Improvements (8182)
	75,000
sub-total	209,000
* From the 2003 RDA TABs	To the RDA CIP Fund for:
	Abel Street Pipeline Extension (8206)
	350,000
	Contractual Obligation Reimbursement
	2,882,000
sub-total	3,232,000
From the Water M & O Fund	To the General Fund for:
	Operating Cost Reimbursement
	1,703,840
sub-total	1,703,840
* From the Water M & O Fund	To the Water CIP Fund for:
	Wells Upgrade Project (7076)
	1,600,000
	Water System Seismic Improvements (7100)
	200,000
	Reservoir Cleaning (7112)
	50,000

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>		<u>Transfer Distribution</u>
	Turnout Improvements (7113)	150,000
	Water Meter Replacement (7114)	75,000
	sub-total	<u>2,075,000</u>
From the Recycled Water Fund	To the General Fund for:	
	Operating Cost Reimbursement	151,102
	sub-total	<u>151,102</u>
* From the Recycled Water Fund	To the Water Fund for:	
	To Maintain Support for Loss Sales	1,137,000
	sub-total	<u>1,137,000</u>
From the Sewer M & O Fund	To the General Fund for:	
	Operating Cost Reimbursement	1,434,209
	sub-total	<u>1,434,209</u>
* From the Sewer M & O Fund	To the Sewer CIP Fund for:	
	Sewer System Hydraulic Modeling (6110)	50,000
	Sewer System Replacement 11-12 (6115)	1,500,000
	sub-total	<u>1,550,000</u>
TOTAL TRANSFERS:		<u><u>41,802,055</u></u>

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

FUNCTION:

City Council

CITY MANAGER: Thomas Williams

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

Services

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



Budgets Narrative and Summary City Council

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Developed long-term fiscal planning policies.	x	x	x	x	x
2. Provided comprehensive policy direction for the City's operation.		x		x	x
3. Established Citywide priorities for fiscal year 2010-11.	x	x		x	x
4. Provided sound fiscal policies and economic stability for the City.		x	x	x	
5. Reviewed and adopted policies to increase efficiency for service delivery.	x	x		x	
6. Reduced General Fund cost by \$3.2 million.				x	
2011-2012 Goals					
1. Complete Citywide Strategic Plan.	x	x	x	x	x
2. Provide comprehensive policy direction for the City's operation.		x		x	x
3. Establish citywide priorities for fiscal year 2011-12.	x	x		x	x
4. Provide sound fiscal policies and economic stability for the City.		x	x	x	
5. Review and adopt policies to increase efficiency for service delivery.	x	x		x	

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
City Council Meetings	24	25	24	24
Commission Meetings	124	128	131	137
Subcommittee Meetings	43	47	69	71
County/Regional Agency/Association Meetings	260	260	260	260

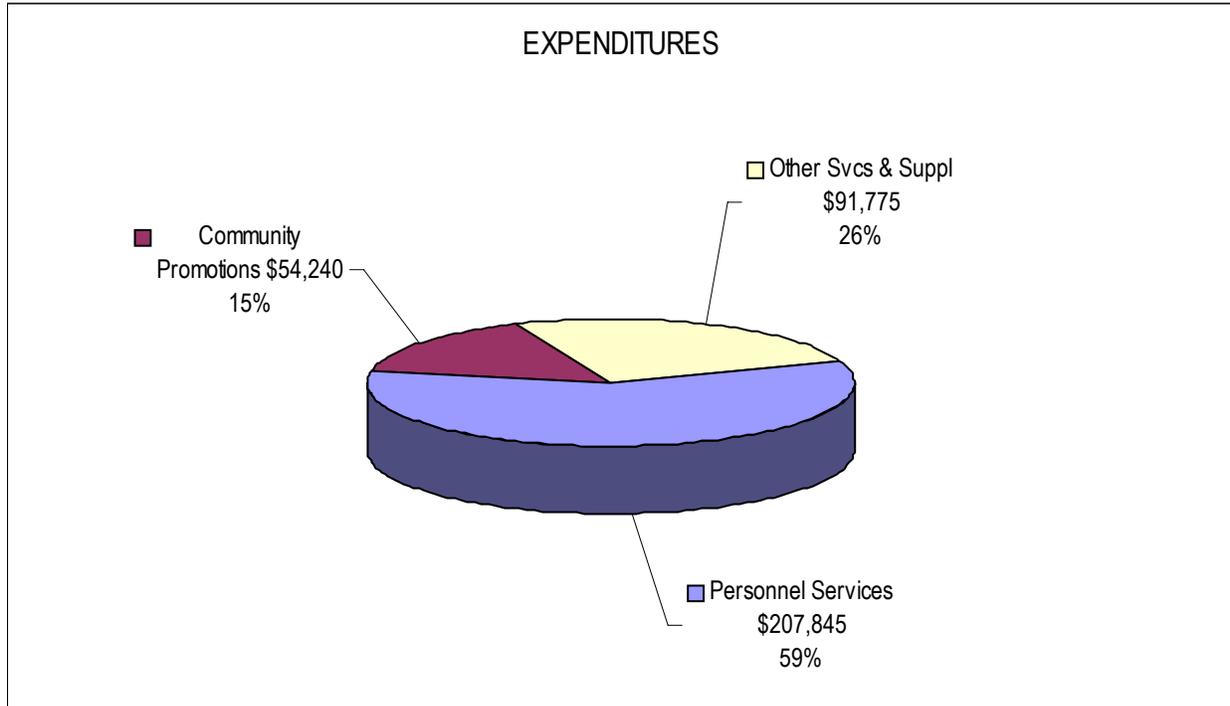
Personnel Allotment of 5 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rate. Stipends for the eight Planning Commissioners are included in the City Council budget.
Services and Supplies / Community Promotions	Decrease attributed to 20% reduction in services and supplies, including funding reduction for Commissioners' Recognition Dinner. Also reduces funding allocation to Chamber of Commerce and Business Experience Day.
Capital Outlay	None.



Budgets Narrative and Summary City Council

	<u>Actual 2008-09</u>	<u>Actual 2009-10</u>	<u>Budget 2010-11</u>	<u>Approved 2011-12</u>
PERSONNEL SERVICES				
4111 Permanent Salaries	57,616	57,265	59,676	59,676
4112 Temporary Salaries	3,725	3,625	4,400	4,400
4121 Allowances	39,715	40,355	38,700	38,700
4131 PERS	4,900	4,733	13,858	16,018
4132 Group Insurance	34,523	35,890	77,820	90,720
4133 Medicare	1,510	1,511	1,484	1,484
4135 Worker's Compensation	146	136	304	304
4139 PARS	815	669	66	66
4151 Compensation Reduction	0	0	(6,487)	(6,487)
4161 Retiree Medical Reserve	2,967	2,964	2,964	2,964
sub-total	<u>145,918</u>	<u>147,148</u>	<u>192,785</u>	<u>207,845</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	56,299	42,707	76,400	54,240
4220 Supplies	8,984	2,954	4,000	3,200
4230 Services	3,298	10,500	10,500	10,500
4501 Memberships and Dues	50,181	51,599	51,675	53,579
4503 Training	1,135	5,012	13,000	10,400
4520 Commissions and Boards	7,306	8,239	17,095	14,096
sub-total	<u>127,203</u>	<u>121,011</u>	<u>172,670</u>	<u>146,015</u>
TOTAL	<u><u>273,121</u></u>	<u><u>268,159</u></u>	<u><u>365,455</u></u>	<u><u>353,860</u></u>

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

Services

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



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Implemented City Council priorities for fiscal year 2010-11.	x	x		x	x
2. Provided leadership to municipal organization.		x		x	x
3. Continued showing fiscal management that limited departments' budget expenditures.	x	x		x	x
4. Continued to reorganize City departments and divisions to improve staff utilization, increase efficiency, accountability and at savings to the City.	x	x		x	
5. Implemented the roadmap to service improvement project resulting in improved permit turn-around time and customer satisfaction.	x	x		x	
6. Implemented financial strategies that ensure cost effective City service delivery while limiting department budget expenses.				x	
7. Continued to improve the economic base of the City.		x		x	
8. Developed leadership training program and succession planning.	x		x	x	
2011-2012 Goals					
1. Implement City Council priorities for fiscal year 2011-12.	x	x		x	x
2. Provide leadership to municipal organization.	x	x	x	x	x
3. Continue to improve service delivery, permit streamlining and customer satisfaction.	x	x		x	
4. Implement financial strategies that ensure cost effective service delivery.		x	x	x	x
5. Continue to improve the economic base and fiscal health of the City.		x		x	x

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
City Council Meetings	24	25	24	24
Capital Improvement Program Projects Completed	12	13	12	11

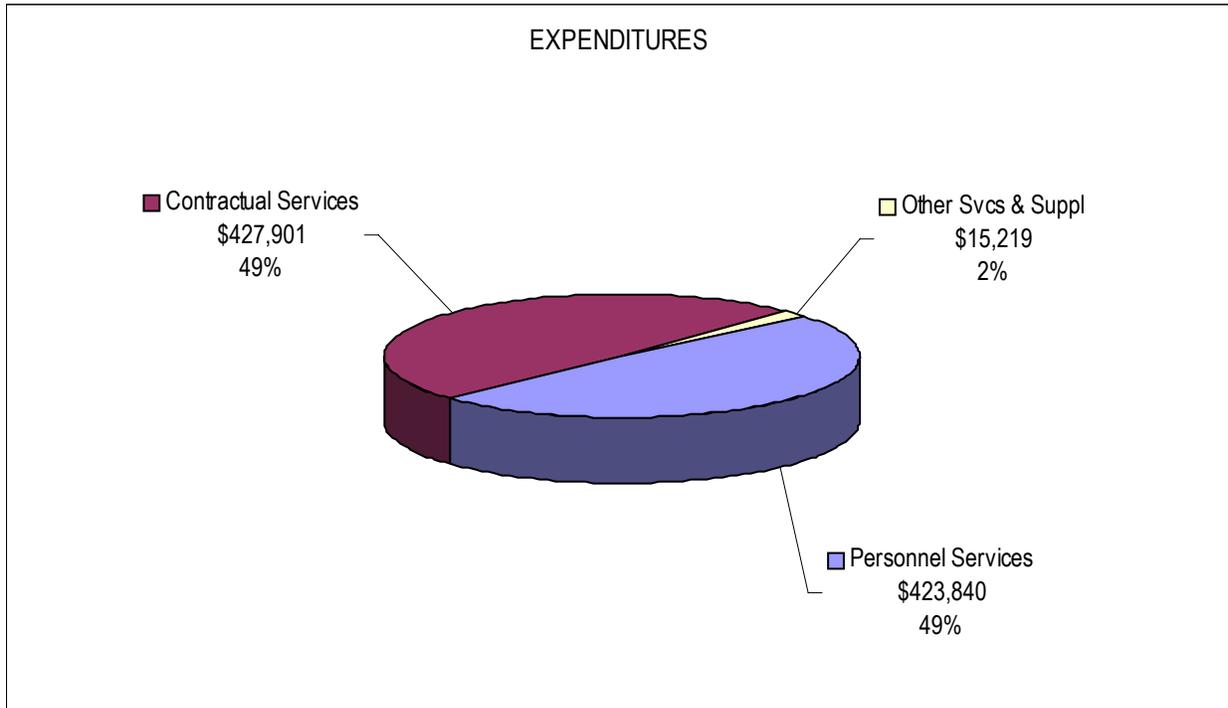
Personnel Allotment of 4 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	Decrease attributed to 20% reduction in supplies and training.
Capital Outlay	None



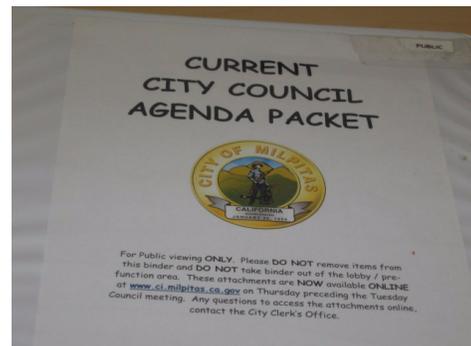
	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	264,501	310,314	307,723	305,444
4113 Overtime	(3,937)	3,591	0	0
4124 Leave Cashout	15,446	8,234	0	0
4131 PERS	57,010	64,845	63,691	59,144
4132 Group Insurance	12,466	23,066	31,176	36,288
4133 Medicare	4,125	4,620	4,489	4,452
4135 Worker's Compensation	754	707	1,526	1,520
4138 Deferred Comp-Employer	1,575	1,814	1,800	1,800
4151 Compensation Reduction	0	0	(26,420)	0
4161 Retiree Medical Reserve	14,557	14,640	15,294	15,192
sub-total	<u>366,498</u>	<u>431,831</u>	<u>399,279</u>	<u>423,840</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	2,507	2,444	2,236	2,639
4220 Supplies	6,124	4,990	5,500	4,400
4230 Services	387,675	376,938	427,901	427,901
4501 Memberships and Dues	400	400	4,600	4,180
4503 Training	342	938	5,000	4,000
sub-total	<u>397,047</u>	<u>385,710</u>	<u>445,237</u>	<u>443,120</u>
TOTAL	<u><u>763,545</u></u>	<u><u>817,541</u></u>	<u><u>844,516</u></u>	<u><u>866,960</u></u>

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

Services

- Ensures municipal records are readily available and accessible to all and serve as main source of information for residents, City officials and staff, and other governments.
- Complies with the Ralph M. Brown Act, the Public Records Act and the City's Open Government ordinance.
- Provides centralized records management, including creating and retention of all meeting agendas and minutes of all City Council and Redevelopment Agency meetings.
- Coordinates outreach and tracking of appointments to 16 City Commissions.
- Administers codification of ordinances, i.e. maintenance of the Milpitas Municipal Code.
- Manages implementation of municipal elections, including campaign finance filing.
- Receives and files annual Form 700/ Statements of Economic Interest for all designated employees, Commissioners and elected officials.
- Serves as a U.S. Passport Acceptance Agency for passport applications.
- Conducts Administrative Hearings, upon request, for Parking Citation violations.
- Provides centralized Document Processing for transcribing of police reports.
- Staffs the City Hall Information Desk 45 hours per week, offering live assistance to the public over the telephone and in person to staff, residents and visitors at the counter.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Prepared all City Council meeting agendas and minutes for 21 regular meetings and one budget session.	x		x		
2. City Clerk completed new training for Hearing Officer duty.	x		x		
3. Collected required FPPC* filings (campaign documents and Conflict of Interest forms) and submitted appropriate forms to the State of California.	x			x	
4. Administered Passport Application Acceptance program, including "Passport Day in the USA" held on April 9, 2011.	x	x	x	x	
5. Prepared draft New Records Retention Schedule (update of 1995 adopted schedule).	x		x		
6. Hosted Annual Meeting with Commission staff liaisons in January.	x		x		
7. Staffed City Council Rules Subcommittee - twice each month.	x				
8. Administered Municipal Election on November 2, 2010.	x	x	x	x	
2011-2012 Goals					
1. Prepare all City Council meeting agendas and minutes.	x				
2. Seek Council adoption of Records Retention Schedule.	x		x		
3. Continue Passport Agency acceptance services.	x	x	x	x	
4. Ensure additional public access to documents online.	x	x			
5. Staff City Council Rules Committee.	x		x		
6. Provide Notary Public Service	x		x		
7. Initiate Commissioners' Handbook and possible training.	x				

*FPPC: Fair Political Practices Commission

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
City Council agenda items processed	475	415	375	400
Passport applications accepted	2,432	2,872	2,250	2,500
Public Information inquiries	33,155	25,231	22,000	25,000
Total documents processed (transcribed Police reports)	3,855	3,544	3,300	3,300
% turnaround time achieved in DPC* (90% of all reports completed in stated time)	98% (96 hours)	20% (96 hours)	90% (in 6 days)	90% (in 6 days)
# of Candidates assisted in Municipal Election	6	NA	12	NA
# of Administrative Hearings conducted for Parking Violation Citation appeals	4	9	8	10

*DPC: Document Processing Center

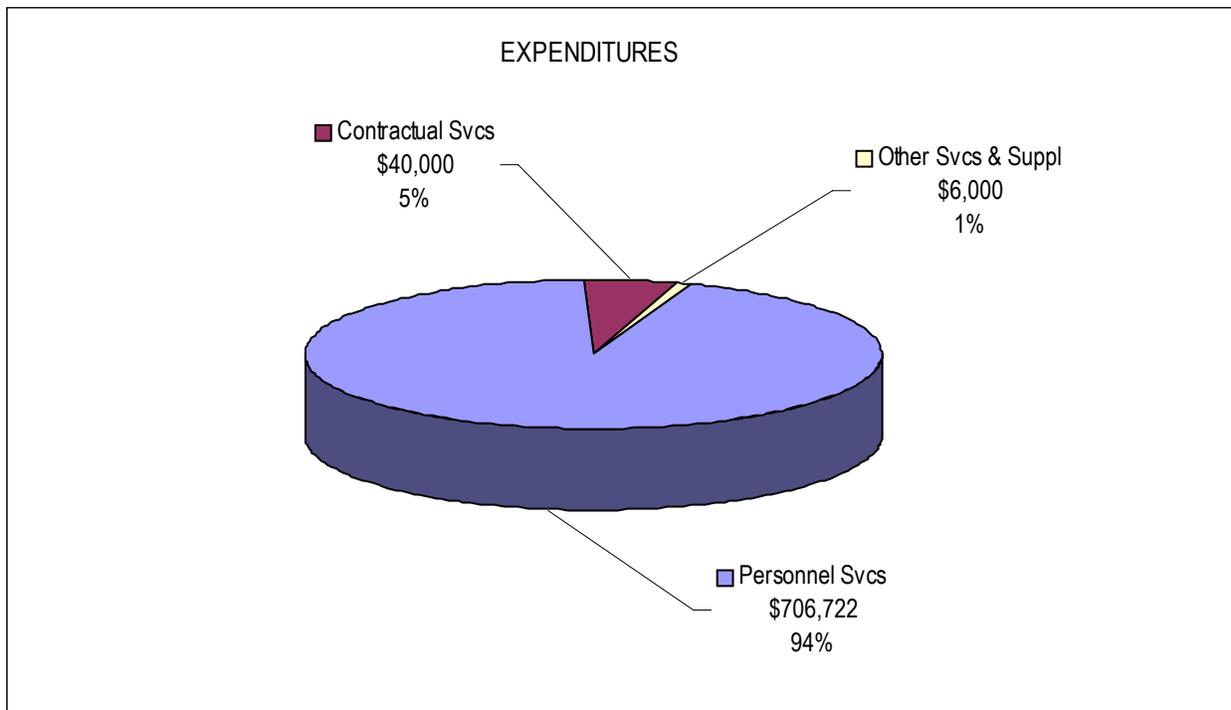
Personnel Allotment of 10 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	Decrease attributed to lack of Municipal Election in FY2012 and reduced need for office supplies.
Capital Outlay	None.



	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	627,708	515,437	515,510	504,628
4113 Overtime	3,051	6,916	6,000	5,000
4124 Leave Cashout	8,283	4,660	0	0
4131 PERS	96,751	75,181	77,386	52,360
4132 Group Insurance	95,570	90,005	94,668	108,864
4133 Medicare	8,152	6,369	6,334	6,176
4135 Worker's Compensation	2,740	1,201	2,494	2,442
4138 Deferred Comp-Employer	2,710	2,710	2,700	2,700
4151 Compensation Reduction	0	0	(42,121)	0
4161 Retiree Medical Reserve	30,278	24,792	25,085	24,552
sub-total	<u>875,244</u>	<u>727,272</u>	<u>688,056</u>	<u>706,722</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	4,074	0	0	0
4220 Supplies	18,030	1,945	10,000	3,000
4230 Services	49,802	36,215	43,000	40,000
4280 Elections	39,484	651	75,000	0
4410 Communications	17	0	0	0
4501 Memberships and Dues	445	656	1,000	1,000
4503 Training	2,255	1,681	2,000	2,000
sub-total	<u>114,108</u>	<u>41,148</u>	<u>131,000</u>	<u>46,000</u>
TOTAL	<u><u>989,352</u></u>	<u><u>768,420</u></u>	<u><u>819,056</u></u>	<u><u>752,722</u></u>

FUNCTION:	RDA & Econ Dev	RDA & ECON DEV MGR: Diana Barnhart
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Description: This function provides administration of the City's Economic Strategic Plan and oversight of the Redevelopment Agency. Economic Development is focused on improving the economic health of the City so that the revenue stream continues to grow.

Services

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



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Completed the Thirteen amendment to the Project Area No. 1 Redevelopment Plan and the Sixth amendment to the Great Mall Redevelopment Plan.				x	x
2. Completed the Market Study and Building Program for the proposed Conference Center.		x		x	
3. Facilitated discussions with Milpitas automotive Group/CBS Outdoor and the Great Mall ownership to finalize design plans for the I-880/Montague Expressway signs.				x	
4. Negotiated agreements with SunPower Corporation and Flextronics Americas for the only U.S. manufacturing of SunPower solar panels.				x	x
5. Provided assistance to new companies relocating to Milpitas, most notably, NuvoSun and Extron.				x	x
6. Assisted the County in preparing the Request for Proposal for a new auto dealership on Thompson Court.	x	x		x	
7. Organized the first Community Business Luncheon with the Economic Development Commission, the Chamber of Commerce and the Rotary Club.	x				
8. Established strong working relationship with new Great Mall General Manager and facilitated dialogues with the Great Mall and two tenants.	x			x	
9. Completed new Five-Year Redevelopment Implementation Plan	x			x	
10. Completed second session of Silicon Valley Small Business Development Center Small Business Classes and first Cantonese "Starting a Business" class.	x	x			
2011-2012 Goals					
1. Installation of I-880 Freeway Sign.				x	
2. Job retention from business retention efforts.		x		x	
3. Create new revenue opportunities from business attraction efforts.				x	
4. Assist in local programming to create hotel nights.	x			x	
5. Facilitate re-leasing of former Mervyn's site.	x			x	x

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
Corporate Outreach Visits	8	8	10	8-12
Increase in tax revenue from outreach efforts	\$700,000	\$100,000	\$686,556	\$500,000
Business retention as a result of outreach efforts	1	1	1	2

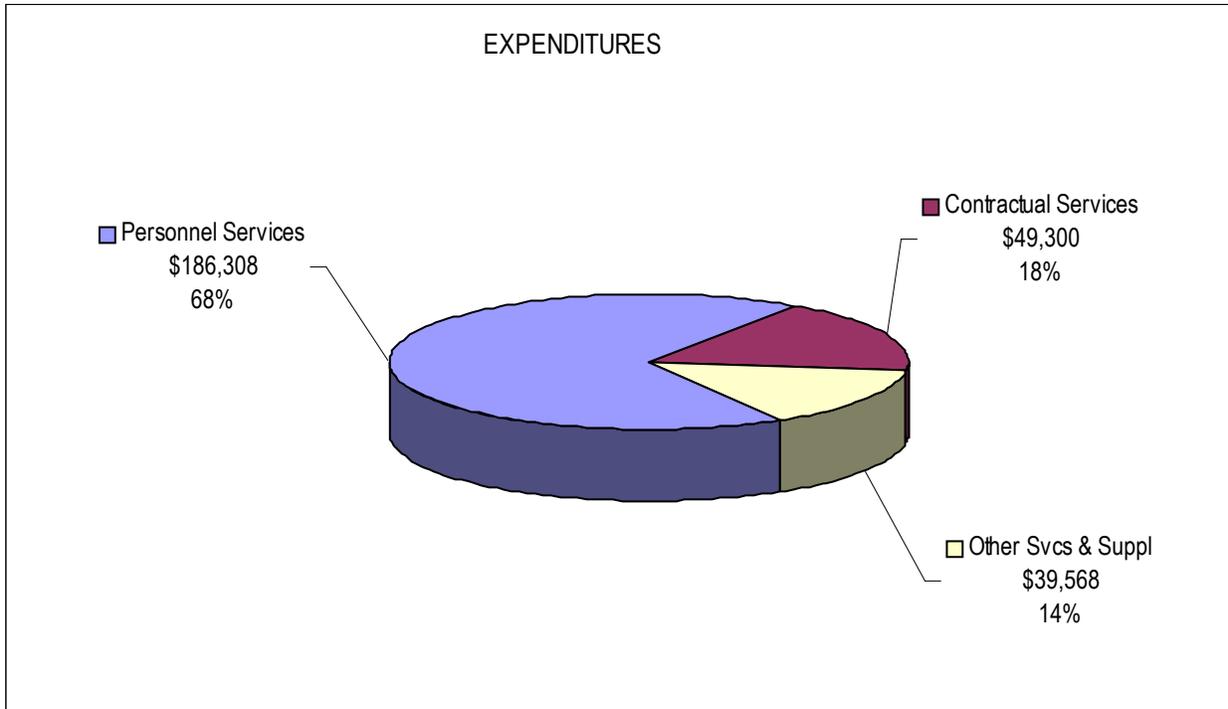
Personnel Allotment of 1 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	Decrease attributed to 20% reduction in services and training.
Capital Outlay	None



	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	141,568	141,568	141,026	141,026
4131 PERS	21,782	20,664	21,146	16,418
4132 Group Insurance	8,695	9,231	15,564	18,144
4133 Medicare	2,056	2,057	2,062	2,062
4135 Worker's Compensation	364	339	702	702
4138 Deferred Comp-Employer	903	903	900	900
4151 Compensation Reduction	0	0	(11,546)	0
4161 Retiree Medical Reserve	7,039	7,056	7,056	7,056
sub-total	<u>182,407</u>	<u>181,819</u>	<u>176,910</u>	<u>186,308</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	16,913	11,505	20,000	16,000
4220 Supplies	244	437	250	500
4230 Services	34,666	489,159	66,000	49,300
4501 Memberships and Dues	19,882	20,580	18,490	18,000
4503 Training	3,215	897	5,460	4,468
4520 Commissions and Boards	0	396	400	600
sub-total	<u>74,920</u>	<u>522,974</u>	<u>110,600</u>	<u>88,868</u>
TOTAL	<u><u>257,327</u></u>	<u><u>704,793</u></u>	<u><u>287,510</u></u>	<u><u>275,176</u></u>

DEPARTMENT: Building and Safety **CHIEF BUILDING OFFICIAL:** Keyvan Irannejad

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

Services

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



Building and Safety

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Expanded on-line permits and design guidelines. Introduced submittal by mail and on-line permit fee calculator.	x	x			x
2. Expanded and updated checklists on-line for plan check, submittal and inspection.	x	x	x	x	x
3. Continued cross-training of staff to improve consistency and promote working environment where learning is encouraged, new ideas are welcome, and a friendly atmosphere prevails as the most productive approach to business.	x		x	x	x
4. Continued to utilize same inspector from start to finish for private and public projects, provided same day and outside business hours services as requested.	x	x		x	x
5. Continued web site enhancement to create an efficient public access tool.	x	x		x	
6. Organized outreach programs, such as Building Safety Month, to promote building safety awareness in the community.	x	x			x
2011-2012 Goals					
1. Continue to cross-train staff with other Departments to enhance customer service.	x		x	x	
2. Enhance permitting process by accepting on-line submittals.	x	x			
3. Introduce on-line "Business Resource Center" to provide step-by-step guidelines for new business owners to help in establishing their businesses.	x	x		x	x
4. Continue to streamline the improvement process and customer service.	x	x		x	x
5. Continue to assist Fire Department and respond to emergency incidents.	x				x
6. Continue improving our image to the public through community outreach, education and meetings with industry.	x	x			x

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
New Construction Valuation (Millions)	\$185	\$85	\$125	\$125
Total Building Permits Issued/Avg. Permits Issued per day	3,484/14	2,717/11	2,800/11	2,800/11
Total Plan Checks Performed/% Express Plan Checks Performed *	937/55	712/59	800/60	800/60
# of Customers Served/Avg. Waiting Time in minutes	6,506/1.5	5,802/1.5	6,200/1.5	6,200/1.5
Daily Inspections per Inspector/Avg. Min. **	9/45	8/45	8/45	8/45
% of Customer Survey rating Excellent or Good	100	100	100	100
% of Plan Checks completed on schedule	97	97	100	100
% of Inspections completed on requested time	98.5	99	99	100
% of Accuracy of building plan check	98	99	99	99
% of Response to after-hours emergency inspections	100	100	100	100

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

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

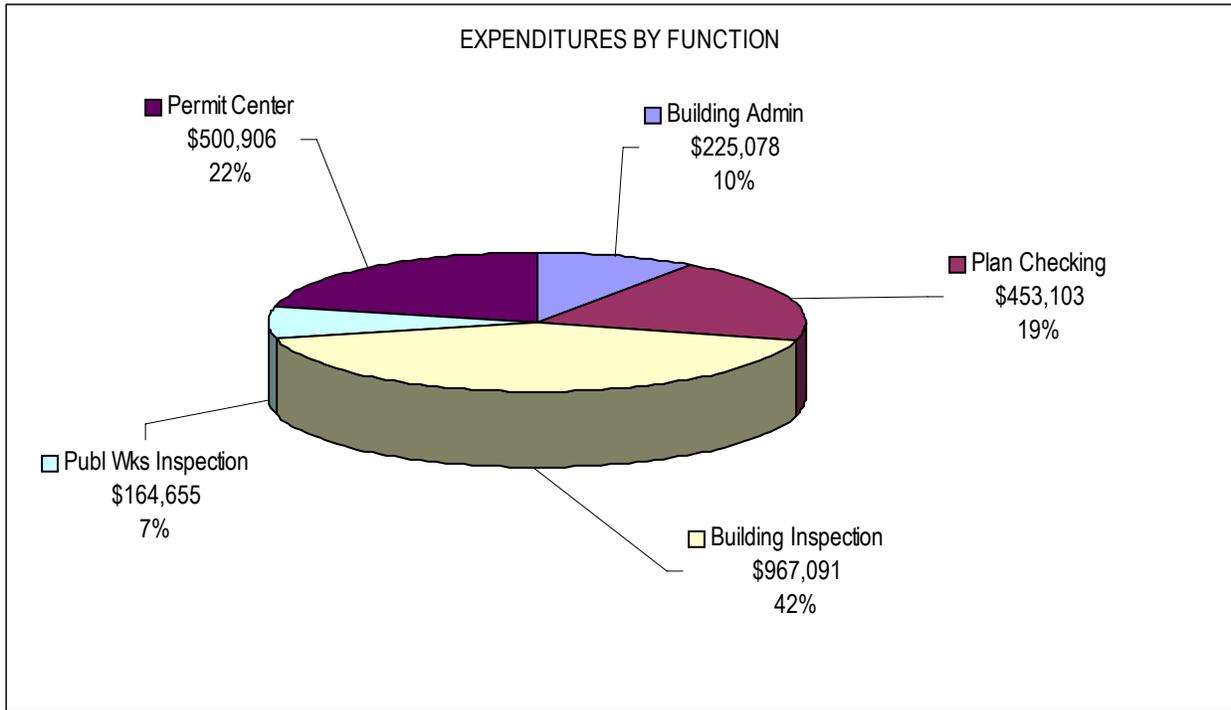
Personnel Allotment of 28 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Chief Building Official	1	1		Public Works Inspector	4	1	3
Building/NP Inspector	7	4	3	Sr Public Works Inspector	1	1	
Electrical Inspector	2	2		Plan Check Engineer	4	2	2
Plan Checker	1	1		Building Permit Technician	3	1	2
Sr Building Inspector	1	1		Office Assistant II	1	1	
Permit Center Manager	1	1		Office Specialist	1	1	
Sr Plan Check Engineer	1		1				
				TOTAL	28	17	11

Staff Change (s): None.

Expenditure Analysis

Personnel Services	Increase attributed to increased medical premiums and reduction in CIP charge-backs.
Services and Supplies	Decrease by 20% attributed to contractual services for document imaging project.
Capital Outlay	None



	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	1,453,276	1,383,547	1,749,163	1,802,126
4112 Temporary Salaries	197,717	(683)	0	0
4113 Overtime	5,147	16,217	18,000	18,000
4124 Leave Cashout	58,251	90,257	0	0
4131 PERS	250,160	202,026	262,338	91,456
4132 Group Insurance	253,484	207,434	262,596	308,448
4133 Medicare	23,128	19,781	23,693	24,458
4135 Worker's Compensation	24,263	20,241	40,573	42,790
4138 Deferred Comp-Employer	3,337	1,800	1,800	1,800
4139 PARS	448	0	0	0
4143 Charged to CIPs	0	0	(281,643)	(179,322)
4151 Compensation Reduction	0	0	(145,304)	0
4161 Retiree Medical Reserve	100,854	88,046	87,284	89,940
sub-total	<u>2,370,065</u>	<u>2,028,666</u>	<u>2,018,500</u>	<u>2,199,696</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	34,707	30,830	29,507	25,182
4220 Supplies	10,298	7,597	23,975	23,975
4230 Services	44,363	14,629	63,250	44,550
4501 Memberships and Dues	1,370	1,095	1,530	1,530
4503 Training	6,298	4,334	16,200	15,900
sub-total	<u>97,035</u>	<u>58,485</u>	<u>134,462</u>	<u>111,137</u>
TOTAL	<u><u>2,467,100</u></u>	<u><u>2,087,151</u></u>	<u><u>2,152,962</u></u>	<u><u>2,310,833</u></u>

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

Services

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



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Computer Aided Dispatch (CAD) system upgrade.	x	x			x
2. On-line Permitting upgrade (CRW).	x	x		x	
3. Continued Server Replacement Plan.	x	x		x	x
4. Added G.I.S. services to the City's Web site.	x	x		x	
2011-2012 Goals					
1. Upgrade Public Document access system	x	x		x	
2. Technology Master Plan update	x			x	x
3. 911 Dispatch System Hardware upgrade		x		x	x
4. Council Chamber A / V upgrade	x	x		x	

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
Network Availability *	99.95%	99.95%	99.95%	99.9%
Percent of service requests completed within 1 hour **	NA	NA	60.00%	60.00%
Server Availability *	99.50%	99.50%	99.50%	99.50%
Website Availability *	99.50%	99.50%	100%	99.50%
Percent of customer surveys received with a score of 4 or better (out of 5). **	NA	NA	75.00%	75.00%

NOTE: * Scheduled down time for maintenance is excluded.

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

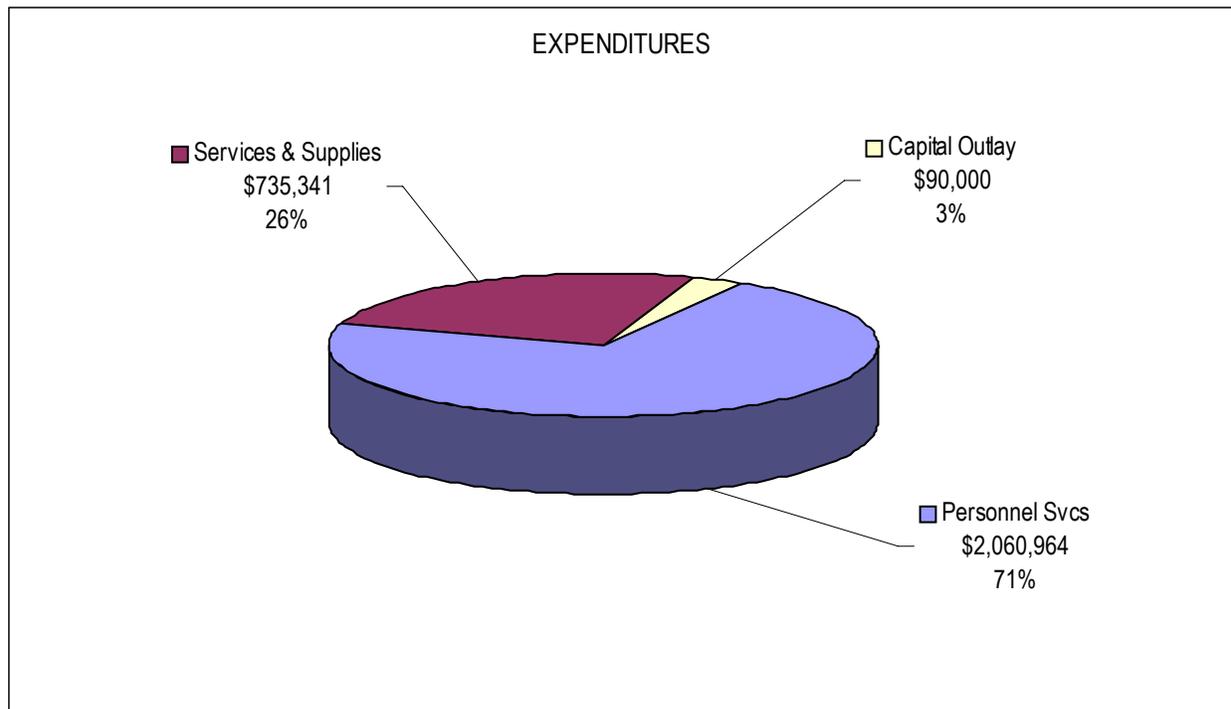
Personnel Allotment of 20 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	Decrease in supplies and contractual services by 20.7%.
Capital Outlay	Inclusion of \$90,000 in Equipment Replacement Fund.



	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	1,673,349	1,517,291	1,553,404	1,491,678
4113 Overtime	175	5,971	0	0
4124 Leave Cashout	32,880	40,604	0	0
4131 PERS	257,994	221,342	232,930	203,590
4132 Group Insurance	225,169	209,758	220,260	254,016
4133 Medicare	24,739	22,639	22,660	21,748
4135 Worker's Compensation	4,646	3,930	7,730	7,420
4138 Deferred Comp-Employer	9,059	8,124	8,100	8,100
4151 Compensation Reduction	0	0	(127,171)	0
4161 Retiree Medical Reserve	84,757	76,446	77,460	74,412
sub-total	<u>2,312,766</u>	<u>2,106,106</u>	<u>1,995,373</u>	<u>2,060,964</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	5,518	5,379	7,683	7,067
4220 Supplies	11,753	12,562	25,000	10,000
4230 Services	387,162	371,027	646,724	564,274
4410 Communications	191,259	185,942	197,000	154,000
4503 Training	4,569	3,578	4,700	0
sub-total	<u>600,261</u>	<u>578,488</u>	<u>881,107</u>	<u>735,341</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	2,726	95,695	90,000	90,000
sub-total	<u>2,726</u>	<u>95,695</u>	<u>90,000</u>	<u>90,000</u>
TOTAL	<u><u>2,915,754</u></u>	<u><u>2,780,290</u></u>	<u><u>2,966,480</u></u>	<u><u>2,886,305</u></u>

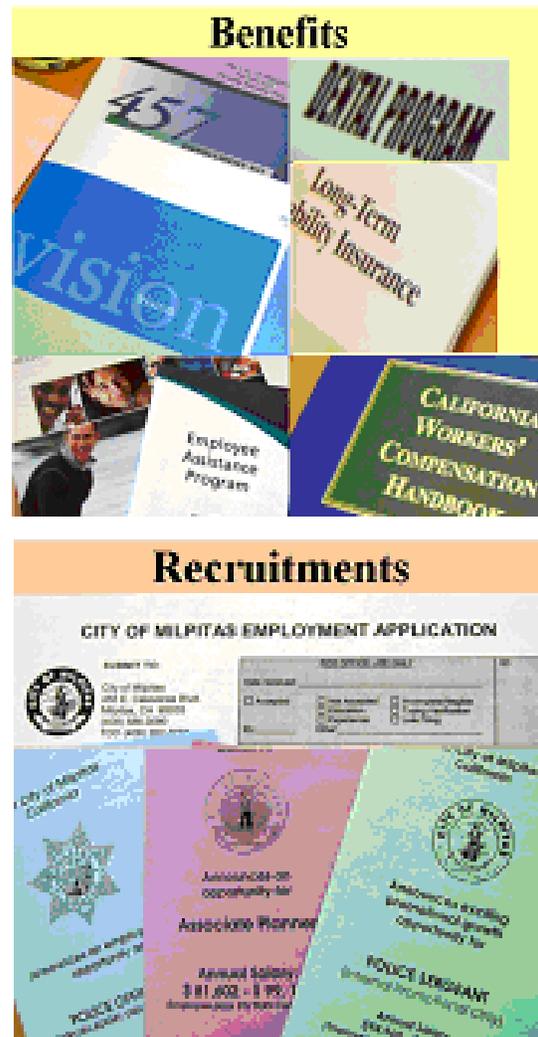
DEPARTMENT:	Human Resources	HR DIRECTOR: Carmen Valdez
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Description: This department is a centralized full-service department that provides Citywide services including: recruitment, benefits administration, a self funded workers' compensation program,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

Services

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

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



Human Resources

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Distributed citywide a survey regarding Human Resources customer service.	x		x		
2. Successfully rehired from the reinstatement list six employees affected by previous layoff.	x	x	x	x	
3. In cooperation with the City Attorney's Office, developed a discipline manual for IAFF.	x	x	x		x
4. Coordinated the Employee Health Fair, the Gene Schwab Award and Employee Service Awards.	x	x	x	x	
5. Rolled out and trained employees on the newly developed Work Place Violence Prevention Policy.	x	x	x		x
6. Provided one-on-one behind the wheel driver's training to all employees who are required to drive on the job.	x	x	x	x	x
2011-2012 Goals					
1. Develop and finalize discipline manual for remaining bargaining groups.	x	x	x		x
2. Develop and implement an expanded new employee orientation program that includes an inventory checklist for equipment, keys, supplies, etc. that are issued to new employees.	x		x	x	
3. Request for proposal for third party administration for the Workers' Compensation program.	x	x	x	x	
4. Update the Family Medical Leave Act policy to include new changes to the program including Military leave.	x	x	x	x	
5. Finalize a Fitness for Duty Program, a Short Term Disability Program and a Modified Duty Program.	x	x	x	x	
6. Continue to deliver superior customer service despite a reduction in staffing level.	x	x	x		

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
Percentage of workplace issues resolved without escalating to formal grievance*.	N/A	N/A	63	75
Percentage of Personnel Action Forms processed accurately.	97	98	99	100
Percentage of employees returned to modified or full duty within 90 days after a Workers Compensation injury*.	N/A	N/A	30	30
Percentage of benefit and address changes processed accurately within 10 days of receipt*.	N/A	N/A	99	100
Percentage of Customer Surveys rating Very Satisfied/ Satisfied.	N/A	N/A	70/60	80/65
Percentage of vacancies receiving more than 30 applications*.	N/A	73	66	80

* New performance measures effective FY2010-11

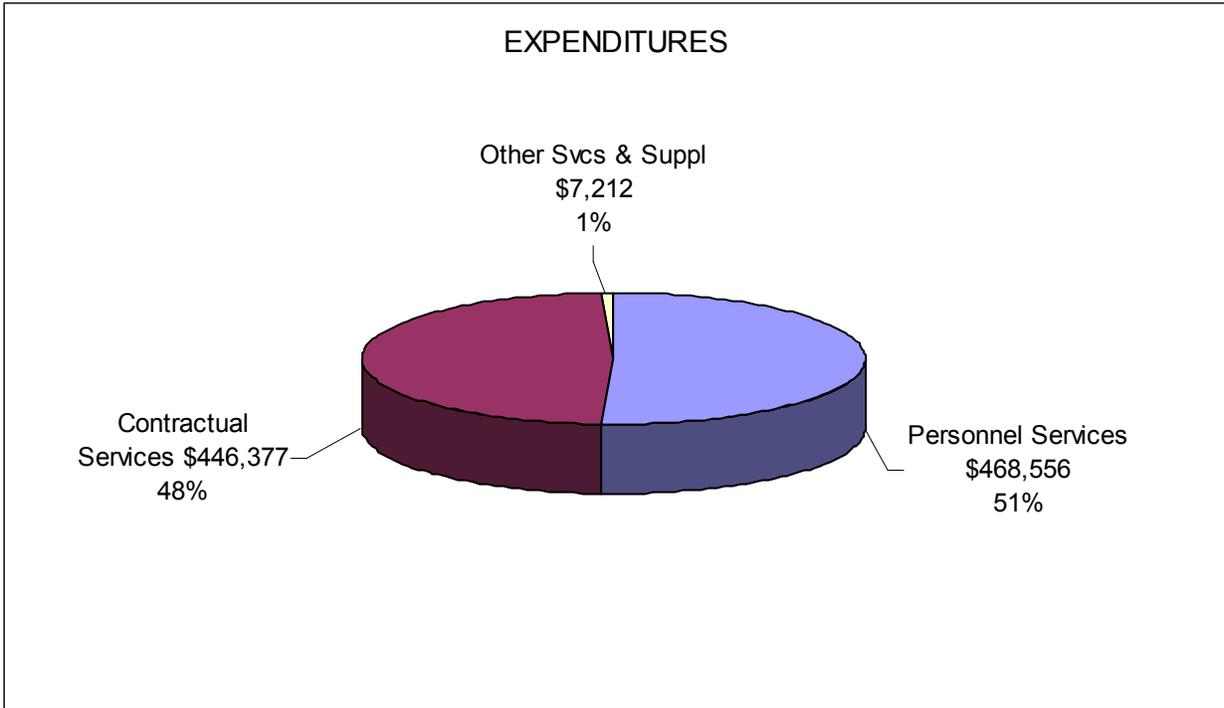
Personnel Allotment of 6.5 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	Decrease due to reduction in contractual services and supplies.
Capital Outlay	None.



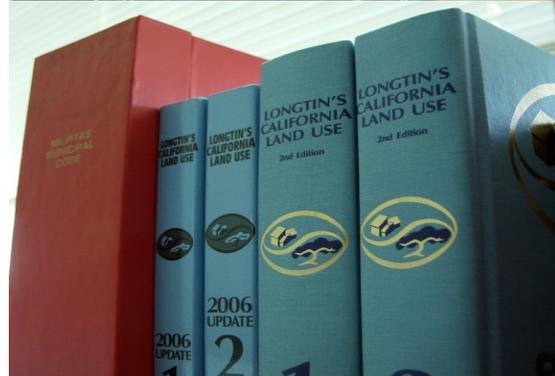
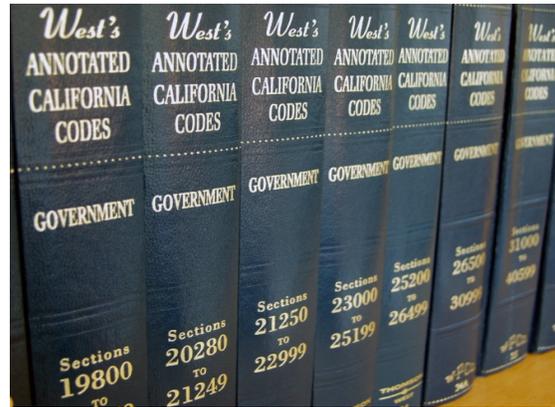
	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	385,282	330,384	333,164	323,126
4112 Temporary Salaries	9,165	120	15,600	15,600
4113 Overtime	735	2,055	1,000	1,000
4124 Leave Cashout	14,460	27,640	0	0
4131 PERS	59,706	48,143	49,975	48,724
4132 Group Insurance	50,587	40,192	46,788	54,432
4133 Medicare	5,990	5,206	5,090	4,948
4135 Worker's Compensation	1,110	800	1,741	1,688
4138 Deferred Comp-Employer	3,777	2,750	2,700	2,700
4139 PARS	133	6	234	234
4151 Compensation Reduction	0	0	(27,277)	0
4161 Retiree Medical Reserve	21,394	16,500	16,592	16,104
sub-total	<u>552,339</u>	<u>473,795</u>	<u>445,607</u>	<u>468,556</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	723	4,077	7,000	0
4220 Supplies	2,691	2,314	2,000	1,000
4230 Services	393,327	371,550	544,233	446,377
4410 Communications	21	0	0	0
4501 Memberships and Dues	1,094	680	2,212	2,212
4503 Training	3,722	3,207	6,000	4,000
sub-total	<u>401,578</u>	<u>381,828</u>	<u>561,445</u>	<u>453,589</u>
TOTAL	<u><u>953,917</u></u>	<u><u>855,624</u></u>	<u><u>1,007,052</u></u>	<u><u>922,145</u></u>

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

Services

- General legal advice
- Employee labor group negotiations
- Litigation
- Employee training
- Compliance advice related to current and forthcoming federal and state regulations
- Redevelopment Agency Counsel and legal services
- Personnel advice
- Land use advice
- Conflict of Interest and Open Government guidance



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Provided superior, affordable, timely legal advice and service	x	x	x	x	x
2. Advised in creation of new City-wide Records Retention Schedule	x			x	
3. Provided training on Brown Act, open government, ethics, FBOR, etc.	x		x	x	
4. Completed first in series of annual Municipal Code updates	x			x	x
5. Represented City in numerous administrative/court cases	x			x	
6. Provided hands-on legal guidance through furlough process	x			x	
7. Completed City Sign Ordinance amendment to allow freeway signs	x	x		x	
8. Drafted complex OPA/other documents for Integral project	x	x		x	x
9. Provided Proposition 218 water/sewer rate increase advice	x			x	x
10. Negotiated/drafted Advertising Display Agreement for freeway display at Toyota dealership with revenue sharing to City	x	x		x	
11. Partnered with Planning in creating equity sharing program for moderate housing units	x	x		x	x
12. Won motion for summary judgment in Great Mall litigation	x			x	
13. Defeated motion compelling City to arbitration in Luna/MEA action	x			x	
14. Created Fire Department Disciplinary Procedures Manual	x	x	x	x	x
2011-2012 Goals					
1. Complete Standard Operating Procedures update project			x	x	
2. Oppose pending appeals in two court cases	x			x	
3. Provide periodic legal training to staff	x		x	x	x
4. Advise staff in efforts toward accomplishing balanced budget	x	x		x	
5. Continue cost-effective in-house litigation services	x			x	
6. Advise management through continuing labor negotiations	x		x		
7. Update City Council Handbook	x				

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
Agenda contracts drafted/reviewed/edited	122	111	113	120
Ordinances/resolutions drafted/reviewed/edited	172	159	117	150
Court /administrative proceeding appearances	13+	14	36	50
Contract complaints/agenda contracts	N/A	1/140	0/140	0/140
% of documents timely produced for agenda	N/A	100	100	100

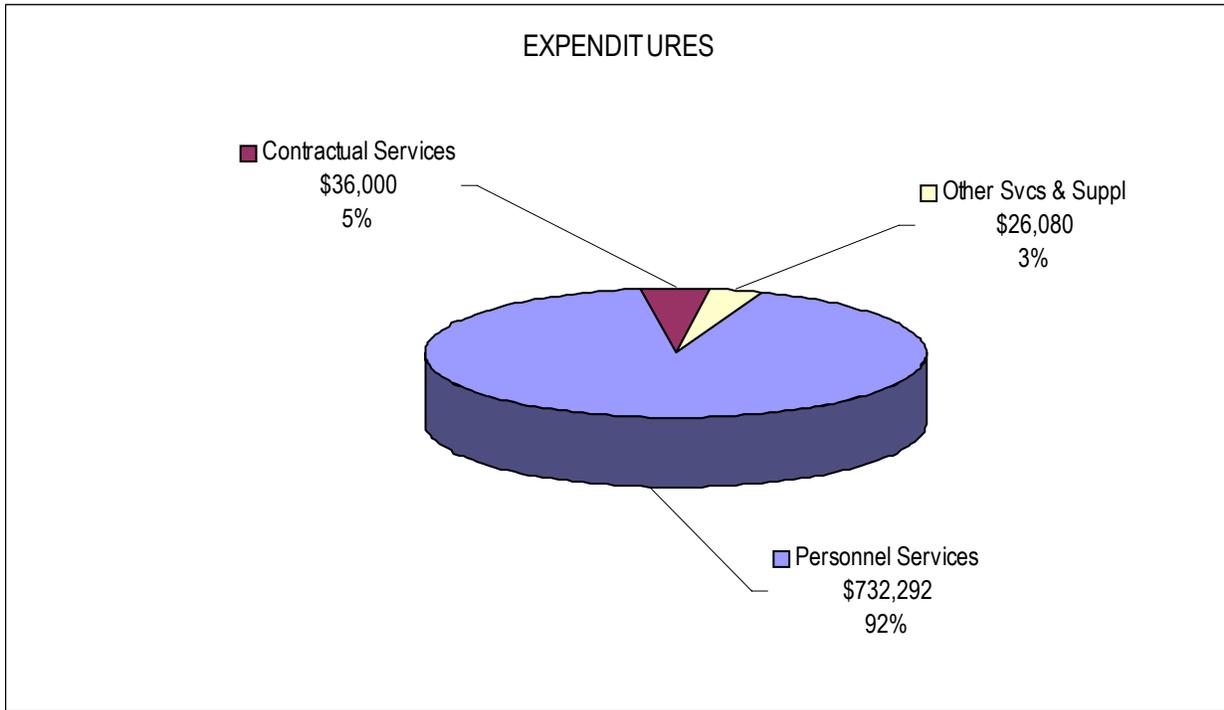
Personnel Allotment of 4 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	Decrease due to continued reduced need of outside counsel and cost-effective use of supplies.
Capital Outlay	None



	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	484,673	522,069	541,466	536,222
4131 PERS	82,662	90,114	95,933	82,646
4132 Group Insurance	44,224	51,435	62,304	72,576
4133 Medicare	7,016	7,537	7,914	7,836
4135 Worker's Compensation	1,409	1,242	2,706	2,676
4138 Deferred Comp-Employer	3,481	3,614	3,600	3,600
4151 Compensation Reduction	0	0	(45,361)	0
4161 Retiree Medical Reserve	27,167	25,656	26,987	26,736
sub-total	<u>650,632</u>	<u>701,667</u>	<u>695,549</u>	<u>732,292</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	17,819	14,958	20,000	16,000
4230 Services	45,299	95,978	45,000	36,000
4501 Memberships and Dues	2,365	2,262	2,600	2,080
4503 Training	6,671	4,802	10,000	8,000
sub-total	<u>72,154</u>	<u>118,000</u>	<u>77,600</u>	<u>62,080</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	946	0	0	0
sub-total	<u>946</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>723,731</u></u>	<u><u>819,667</u></u>	<u><u>773,149</u></u>	<u><u>794,372</u></u>

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

Services

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



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Resolved tort claims within 180 days from the date of claim.	x			x	x
2. Provided financial analysis support to the Citizens' Budget Task Force.	x			x	
3. Received awards for "Distinguished Budget Presentation", "Excellence in Financial Reporting" and "Excellence in Procurement".				x	
4. Implemented a new comprehensive utility remittance process to improve timeliness of payments.	x	x		x	
5. Developed a plan to transition old financial records in storage and implemented electronic imaging for new records in lieu of storage.				x	
6. Processed invoices for payment within 5 working days from approval date.	x			x	
7. Provided accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget.	x			x	
8. Provided 99.9% accuracy on initial meter reads.	x			x	
2011-2012 Goals					
1. Resolve tort claims within 180 days from the date of claim.	x			x	x
2. Receive awards for "Distinguished Budget Presentation", "Excellence in Financial Reporting" and "Excellence in Procurement".				x	
3. Update CAL-Card manual and provide refresher training to ensure appropriate usage.	x			x	
4. Provide Citywide purchasing and contracts training to departments.	x			x	
5. Bid frequently used commodities and services to create annualized contracts	x			x	
6. Implement the new and improved My CALPERS Reporting System.	x			x	
7. Develop an updated Cost Allocation Plan.				x	
8. Process invoices for payment within 5 working days from approval date.	x			x	
9. Provide accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget.	x			x	
10. Provide 99.9% accuracy on initial meter reads.	x			x	

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
Consecutive years in receiving awards for:				
Distinguished Budget Presentation	9	10	11	12
Excellence in Financial Reporting	16	17	18	19
Excellence in Procurement	3	4	5	6
Percent of tort claims resolved within 180 days	96%	95%	95%	96%
Average turn around time of account payable invoices (number of days)	5	5	5	5
Average turn around time of purchase requisitions (number of days)	8	9	9	9
Percent of accurate meter reads	99.9%	99.9%	99.9%	99.9%

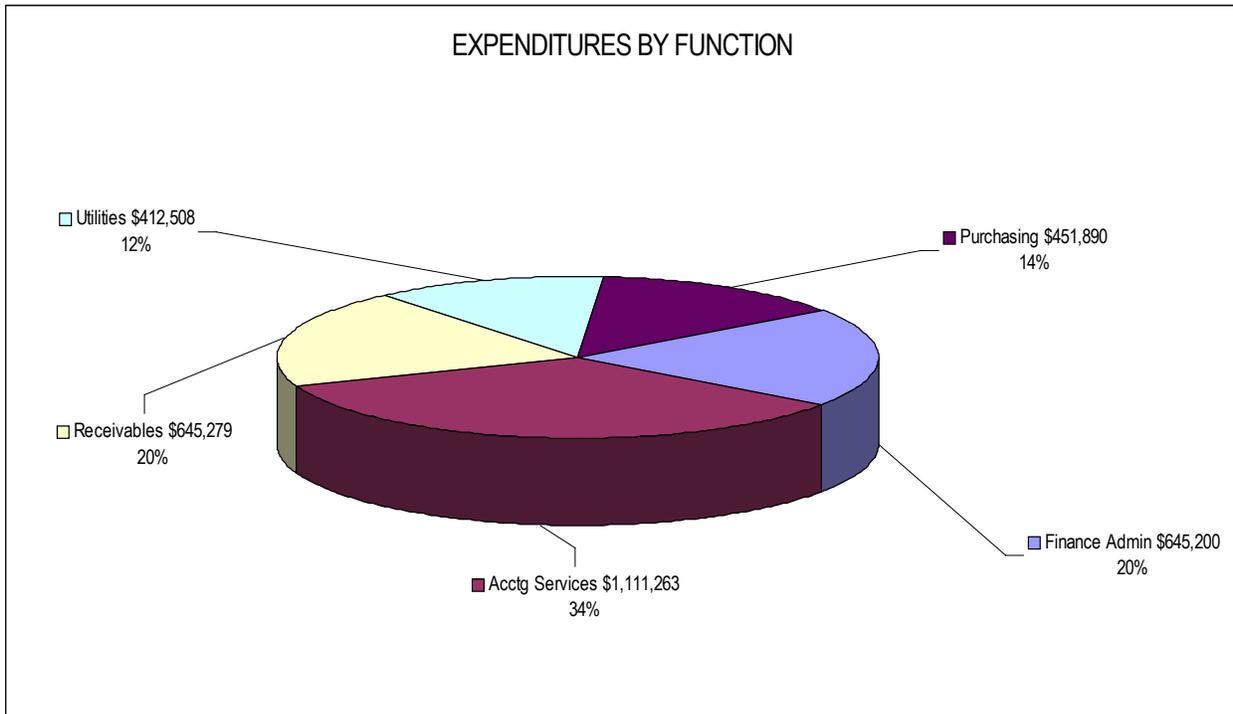
Personnel Allotment of 34.25 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	Decrease due to cost cutting of office supplies, postage and contractual services.
Capital Outlay	No change



	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	2,107,558	2,055,681	2,201,718	2,123,533
4112 Temporary Salaries	52,547	32,596	16,000	16,000
4113 Overtime	3,699	8,080	23,500	23,500
4121 Allowances	1,483	1,491	0	0
4124 Leave Cashout	85,552	46,090	0	0
4125 Accrued Leave	(33,010)	5,008	0	0
4131 PERS	328,023	300,958	332,067	209,601
4132 Group Insurance	331,293	336,108	408,480	462,672
4133 Medicare	31,546	30,820	32,267	31,124
4135 Worker's Compensation	10,698	9,157	19,062	17,386
4138 Deferred Comp-Employer	7,553	5,476	6,300	6,300
4139 PARS	447	441	240	240
4143 Charged to CIPs	0	0	(63,000)	(63,000)
4151 Compensation Reduction	0	0	(180,936)	0
4161 Retiree Medical Reserve	113,074	107,094	108,858	105,024
sub-total	<u>3,040,463</u>	<u>2,938,999</u>	<u>2,904,556</u>	<u>2,932,380</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	16,209	15,904	14,907	14,042
4220 Supplies	105,662	78,879	141,125	112,425
4230 Services	184,900	215,270	195,203	167,503
4501 Memberships and Dues	2,407	1,974	2,690	1,990
4503 Training	11,184	7,878	11,250	7,800
sub-total	<u>320,362</u>	<u>319,905</u>	<u>365,175</u>	<u>303,760</u>
CAPITAL OUTLAY				
4870 Machinery & Equipment	6,000	0	0	0
4920 Machinery Tools & Equipment	5,592	2,073	0	0
4930 Hydrants & Meters	0	0	30,000	30,000
sub-total	<u>11,592</u>	<u>2,073</u>	<u>30,000</u>	<u>30,000</u>
TOTAL	<u><u>3,372,416</u></u>	<u><u>3,260,976</u></u>	<u><u>3,299,731</u></u>	<u><u>3,266,140</u></u>

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

Services

- Provides management, direction and coordination for maintenance and operation of City infrastructure and equipment.
 - Provides routine and emergency operation, maintenance, and repair of utilities (water, sewer, and storm systems and facilities.) Provides high level of maintenance to ensure public health and safety by providing uninterrupted water and sewer service for residents and the prevention of flooding during storms.
 - Investigates high priority customer service requests within 30 minutes of receipt (approximately 3,000 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 weed control and litter pick-up on public landscaped areas. Manages 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 12,530 trees and 125 acres of public landscaping. Services include city tree installation and pruning, and the maintenance and care of the city's landscaped medians and trails.
 - Maintains and repairs 628 city-owned vehicles and equipment including Police vehicles, Fire apparatus and 142 communication radios.
- Provides proactive and preventative maintenance and repair programs while maintaining regulatory compliance.
 - Provides maintenance of city buildings and grounds, including all building systems (plumbing, pools, air ventilation, electrical and backup systems.) Performs repairs, preventative maintenance, remodel project management and administration of janitorial contract. Also provides room set-ups for meetings and rental groups.
 - Participates in the development and administration of Capital Improvement Projects.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Investigated 3,091 customer service requests and provided immediate response for urgent/safety related service requests.	x	x		x	x
2. Responded immediately to all roadway hazards, graffiti abatement and emergency storm service requests.	x	x		x	x
3. Cleaned 2,000 storm catch basins and maintained 13 storm pump stations.	x	x		x	x
4. Continued City's Clean & Safe Street Program.	x	x		x	x
5. Completed State mandated water distribution operator training for Utilities staff and appropriate standby personnel.		x	x		x
6. Provided cross-training and safety training to staff to improve efficiency and reduce injuries.	x	x	x	x	x
2011-2012 Goals					
1. Continue to investigate all customer service requests and provide immediate response for urgent/safety related service requests.	x	x		x	x
2. Continue to provide immediate response to all roadway hazards and graffiti abatement service requests.	x	x		x	x
3. Respond to after hours emergency storm and roadway problems within 45 minutes.	x	x		x	x
4. Continue to provide high-level maintenance to protect the City's facilities and infrastructure.	x	x		x	x
5. Continue to provide safety and job related training to employees.	x	x	x	x	x

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
Customer service requests processed	3,024	3,091	3,000	3,000
City street and sidewalk miles maintained	139	139	139	139
Number of set-ups for classes & meetings	3,500	3,188	2,900	2,800
Buildings square footage maintained	350,000	350,000	376,500	376,500
Traffic signals/street lights maintained	69/4,410	71/4,476	72/4,496	72/4,496
Street signs maintained	7,950	8,000	8,534	8,534
% Customer Surveys w/top rating of "Very Satisfied"	98%	98%	98%	98%
Clean sewer lines	595,161	568,308	500,000	500,000
Year end street tree inventory/annual cost per tree	12,200/\$36	12,380/\$34	12,480/\$33	12,530/\$34
Street landscaped acres/sites maintained	123/65	124/68	125/70	125/71
Completed Fleet section repair orders/per employee	1,923/481	2,000/500	2,010/670	1,957/650
Average vehicle downtime (hours)	3	3.25	3	2.8
Respond to after-hours urgent customer service requests within 45 minutes of receipt	100%	100%	100%	100%

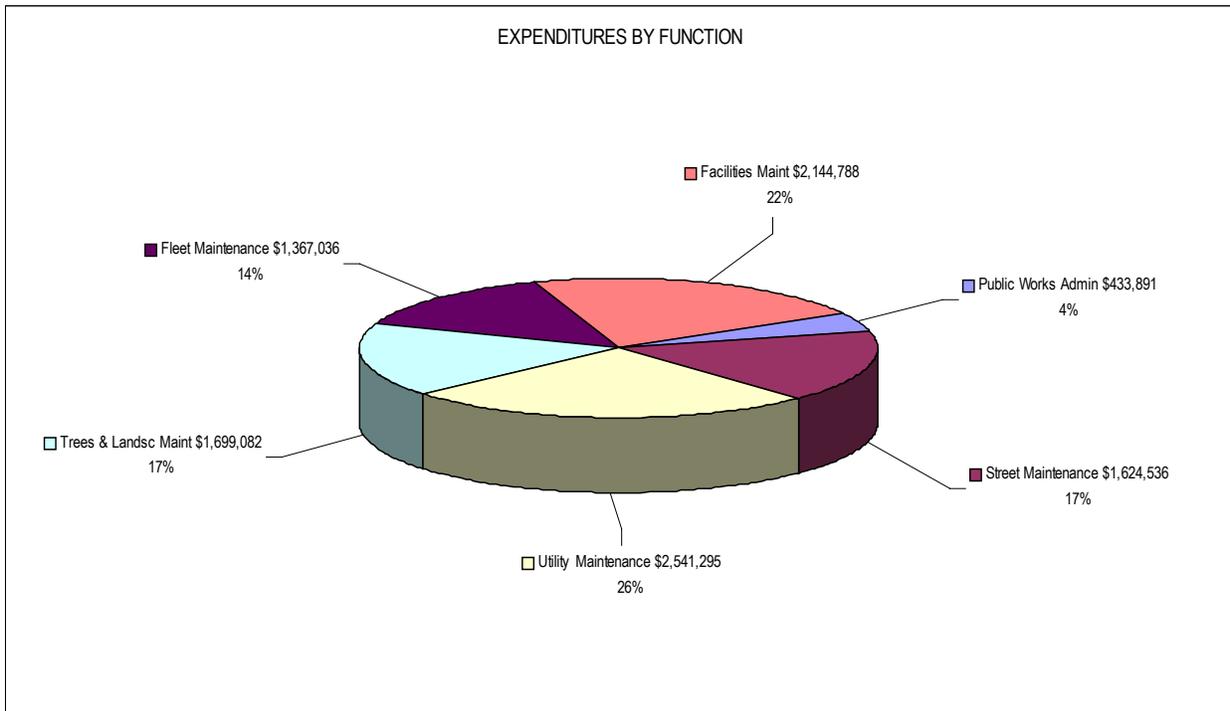
Personnel Allotment of 79.5 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Public Works Director	1	1		Fleet Maint Assistant-37.5 hr	1		1
Assoc Civil Engineer	1		1	Water System Operator	1	1	
Community Svcs Proj Mgr	1		1	Asst Water System Operator	1	1	
Office Assistant II	1	1		Maintenance Custodian II	5	5	
Office Specialist	2	1	1	Maintenance Custodian III	1	1	
Secretary	1		1	Maint Custodian I-40 Hr	1		1
Equipment Maint Worker II	2	2		Maint Custodian II-40 Hr	1	1	
Equipment Maint Worker III	5	5		Maintenance Worker I-37.5	1		1
Senior Maint Supervisor	4	4		Maintenance Worker II-37.5	26	24	2
Fleet Maint Supervisor	1		1	Maintenance Worker III	13	7	6
Fleet Maint Worker II	3	3		Temporary Positions (FTE)	4.5	4.5	
Fleet Maint Worker III	2	2					
TOTAL					79.5	63.5	16

Staff Change(s): Unfunded 1 Secretary position and funded 1.5 Maintenance Worker II positions.

Expenditure Analysis

Personnel Services	Decrease due to compensation reduction per MOU agreement.
Services and Supplies	Decrease due to cost cutting of supplies and contractual services.
Capital Outlay	\$105,000 for Fire Hydrants & Water Meters. \$5,000 for Water Meters for the Recycled Water System. \$17,341 for a Hydro Vac truck for sewer maintenance.



	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	4,436,584	4,492,048	4,700,317	3,996,976
4112 Temporary Salaries	165,049	81,730	134,010	134,010
4113 Overtime	103,852	111,395	125,000	125,000
4121 Allowances	74,068	66,698	86,712	89,052
4124 Leave Cashout	158,004	153,184	0	0
4125 Accrued Leave	23,082	5,993	0	0
4131 PERS	702,683	658,531	722,123	736,706
4132 Group Insurance	894,662	932,858	1,005,408	1,070,496
4133 Medicare	64,792	65,666	64,715	56,077
4135 Worker's Compensation	91,509	81,764	166,810	147,737
4138 Deferred Comp-Employer	5,211	3,607	4,500	900
4139 PARS	1,065	1,201	2,009	2,012
4141 Adjustments-Payroll	609	635	0	0
4143 Charged to CIPs	0	0	(22,000)	(22,000)
4151 Compensation Reduction	0	0	(387,612)	0
4161 Retiree Medical Reserve	229,185	222,972	219,074	189,554
sub-total	<u>6,950,355</u>	<u>6,878,282</u>	<u>6,821,066</u>	<u>6,526,520</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	626,563	617,677	557,286	552,948
4220 Supplies	1,385,730	1,184,790	1,501,237	1,490,999
4230 Services	1,482,646	1,078,074	1,409,200	996,495
4410 Communications	1,920	1,701	1,250	1,250
4420 Utilities	46,800	54,861	80,700	80,700
4501 Memberships and Dues	11,737	3,259	4,740	4,590
4503 Training	14,240	7,865	19,785	29,785
sub-total	<u>3,569,637</u>	<u>2,948,226</u>	<u>3,574,198</u>	<u>3,156,767</u>
CAPITAL OUTLAY				
4850 Vehicles	95,335	0	142	17,341
4920 Machinery Tools & Equipment	646	493	0	0
4930 Hydrants & Meters	47,262	65,264	110,000	110,000
sub-total	<u>143,243</u>	<u>65,757</u>	<u>110,142</u>	<u>127,341</u>
TOTAL	<u><u>10,663,235</u></u>	<u><u>9,892,265</u></u>	<u><u>10,505,406</u></u>	<u><u>9,810,628</u></u>

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

Services

- The City Engineer provides direction and coordination for the division, including allocation of resources, assignments, and staff development, ensuring that City infrastructure is designed and constructed in accordance with City's Code, State and Federal laws and industry standards and to protect public health and safety.
- Provides the Traffic Engineer, a staff professional licensed by the State of California in the field of traffic engineering. The traffic section provides safe and efficient movement of people, goods and services through the use of the City's transportation facilities and provides planning and support for the development of future transportation improvements including regional transportation improvements.
- Plans and implements the CIP, including design and construction engineering, project management, and construction administration of the City's street, water, sewer, storm drain, parks, and community projects.
- Provides engineering support on regional programs such as the BART extension, freeway ramp metering, Regional Express Lanes, flood control and urban runoff programs.
- Reviews and approves all subdivision maps and developer public improvement plans and issues encroachment permits for work within the City's public right-of-way.
- Manages the City's water, sewer, and solid waste utilities to provide the adequate supply and quality of these essential municipal commodities at a fair and equitable price.
- Complies with State and Federal public health and environmental regulations for monitoring, testing, correcting, and reporting on potable water distribution, recycled water use, sewer system management, urban runoff, solid waste recycling, flood control and environmental programs.
- 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.
- Pursues regional, state and federal grant opportunities to fund Capital Improvement Projects.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Developed the Milpitas Guiding Principles for the Water Pollution Control Plant Master Plan	x	x		x	x
2. Obtained FEMA for Berryessa Pump Station and reduced Special Flood Hazard Area for approximately 370 residents.	x	x		x	x
3. Completed the Storm Drain Master Plan, 2010 Urban Water Management Plan MRP stormwater permit provisions.		x		x	x
4. Completed Great Mall Parkway recycled water main installation and Gibraltar Pump Station rehabilitation project.	x	x		x	x
5. Completed Sanitary Sewer Deficiency Project and Street Resurfacing.	x	x		x	x
6. Completed construction of the new Senior Center, improvements to the City Civic Center, Alviso Adobe and Phase 1 of Cardoza Park.	x	x		x	x
7. Re-roofed the California Circle, Abbott Avenue, Murphy Ranch Pumb Storm Stations and completed repairs to the Ayer Station.	x	x		x	x
2011-2012 Goals					
1. Complete design for the Alviso Adobe park and site improvement phase.	x	x		x	x
2. Replace 72 aging traffic signal controllers and complete signal retiming.	x	x		x	x
3. Participate in Request for Proposal for BART.	x	x		x	x
4. Support City's adoption of plastic bag and polystyrene controls or ban.	x	x		x	x
5. Construct Milpitas Blvd. waterline, Street Resurfacing and Sewer Project.	x	x		x	x
6. Complete various City Building Improvement.	x	x		x	x
7. Coordinate major flood control improvements with SCVWD.	x	x		x	x

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
Contracts Awarded/Value	18/\$13.5M	18/\$8.4M	14/\$12M	9/\$7M
Meet all water quality standards for potable water distribution	100%	100%	100%	100%
Achieve City solid waste diversion rate (goal: 50% minimum)	69%	70%	70%	70%
Review first submittals of private development plans within 20 working days	92% of time	95% of time	98% of time	95% of time
Development projects reviewed	180	118	225	200
Responded to public counter inquiries	100	200	225	150
Engineering and Traffic Surveys	13	20	29	28
Grants Submitted	8	8	9	10
Projects Completed (Initial Acceptances)	12	13	12	11

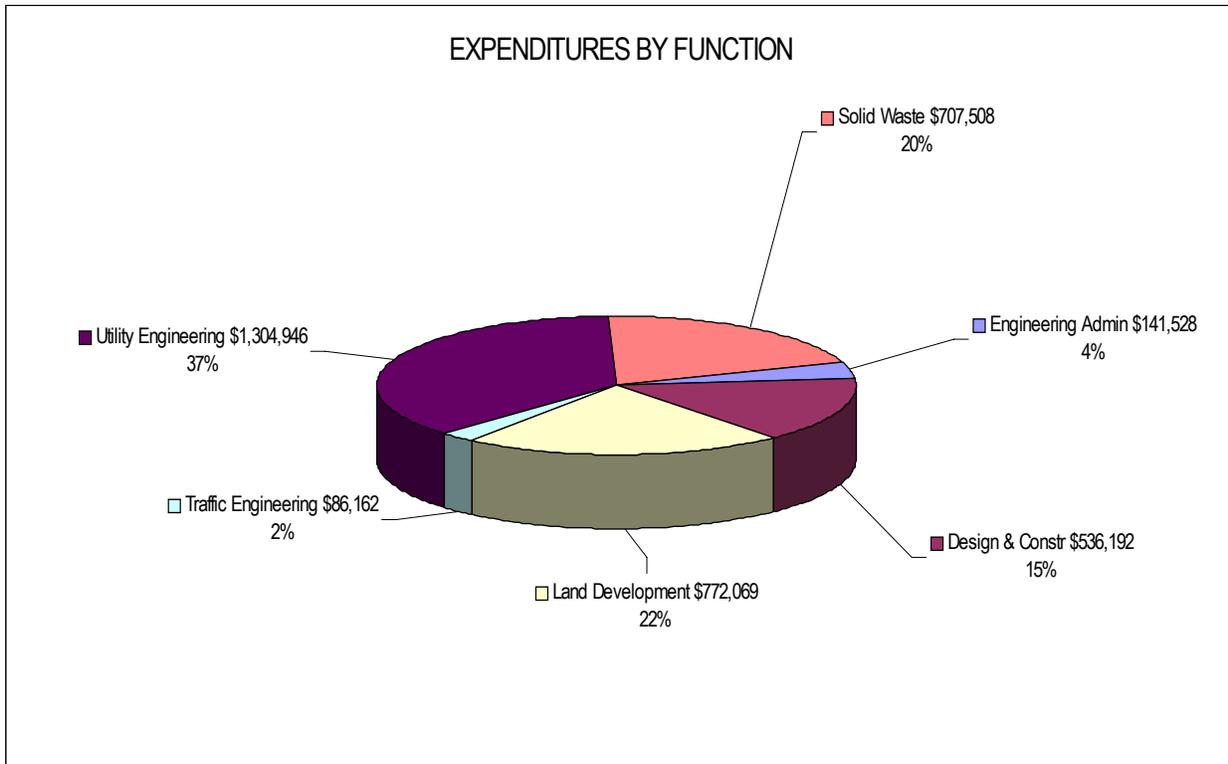
Personnel Allotment of 40.5 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Decrease attributed to increase in CIP charge-backs.
Services and Supplies	Decrease due to cost cutting of office supplies, contractual services, and training.
Capital Outlay	None



	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	2,369,934	1,697,829	2,629,731	2,598,884
4112 Temporary Salaries	71,757	4,534	12,000	9,600
4113 Overtime	2,836	10,654	45,500	21,900
4121 Allowances	7,238	4,104	0	0
4124 Leave Cashout	118,749	91,197	0	0
4125 Accrued Leave	1,141	8,366	0	0
4131 PERS	372,380	249,434	394,424	198,338
4132 Group Insurance	349,453	264,105	396,168	453,600
4133 Medicare	34,393	23,913	35,877	35,381
4135 Worker's Compensation	14,181	6,883	13,231	13,058
4138 Deferred Comp-Employer	5,445	3,257	7,200	7,200
4139 PARS	247	70	180	144
4143 Charged to CIPs	0	0	(777,892)	(949,640)
4151 Compensation Reduction	0	0	(215,112)	0
4161 Retiree Medical Reserve	157,390	135,566	131,208	129,694
sub-total	<u>3,505,145</u>	<u>2,499,912</u>	<u>2,672,515</u>	<u>2,518,159</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	151,036	121,770	204,500	152,100
4211 Equip Replacement Amortization	29,452	30,509	20,486	16,476
4220 Supplies	15,711	9,838	19,870	16,070
4230 Services	638,419	881,607	906,490	808,950
4501 Memberships and Dues	10,933	9,120	17,520	17,700
4503 Training	11,050	6,361	33,400	18,950
4520 Commissions and Boards	1,000	0	0	0
sub-total	<u>857,601</u>	<u>1,059,206</u>	<u>1,202,266</u>	<u>1,030,246</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	1,589	0	0	0
sub-total	<u>1,589</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>4,364,336</u></u>	<u><u>3,559,117</u></u>	<u><u>3,874,781</u></u>	<u><u>3,548,405</u></u>

DEPARTMENT:	Planning & N Svcs	PLAN & NEIGH SVCS DIR: James Lindsay
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Description: This department reviews land development applications and environmental assessments; ensures compliance and provides information on state and local ordinances and policies for the public and decision makers; maintains the City’s general plan, specific plans and zoning ordinance; provides key Redevelopment Agency support, staffs a number of City Commissions; ensures that residential, commercial and industrial properties are maintained in accordance with city regulations, operates programs for housing, neighborhood beautification, graffiti abatement, abandoned vehicles, and shopping carts; administers the Community Development Block Grant program, the City’s Housing Rehabilitation Loan program and oversees services provided by outside agencies such as fair housing and animal control.

Services

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



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Initiated the development of a citywide Climate Action Plan.		x			x
2. Completed the initial phase of departmental cross training.	x		x		
3. Updated the General Plan to incorporate the Parks and Trails Master Plans.	x				
4. Completed the reports for Impediments to Fair Housing and the CDBG Consolidated Plan.				x	
5. Fully automated the AVASA reporting process.	x		x		
6. Assisted the CAC in improving the NBO Awards nomination process.	x				
7. Assisted the completion of the RDA's 5-Year Implementation Plan.				x	
2011-2012 Goals					
1. Complete and start implementation of the citywide Climate Action Plan.		x			x
2. Complete a standardized Neighborhood Services Procedure Manual to ensure consistency in service delivery.	x		x		
3. Standardize planning inspections through different stages of construction.		x			x
4. Complete the staff cross training program with the Building and Engineering Departments.	x		x		
5. Implement the Housing Element Goals & Policies within the timeframe stated in the 5-Year Implementation Plan.		x			
6. Survey customers to evaluate performance of planning services.	x				

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
% of Use Permit applications processed within 3 months of being deemed complete.	NA	85%	85%	87%
% of Minor Site Development applications processed within 2 months	NA	95%	95%	97%
Planning Division customer contacts	3,200	3,344	3,000	3,200
% of rehabilitation loan recipients rating our service as at least "satisfactory"	90%	90%	90%	93%
Customer service requests/violations abated	1,187	1,037	800	850
# of cases in compliance within 30 days of receipt	NA	688	550	600
Days to abate graffiti on private property	17	24	20	18
Abandoned vehicles abated on private property	187	267	175	180

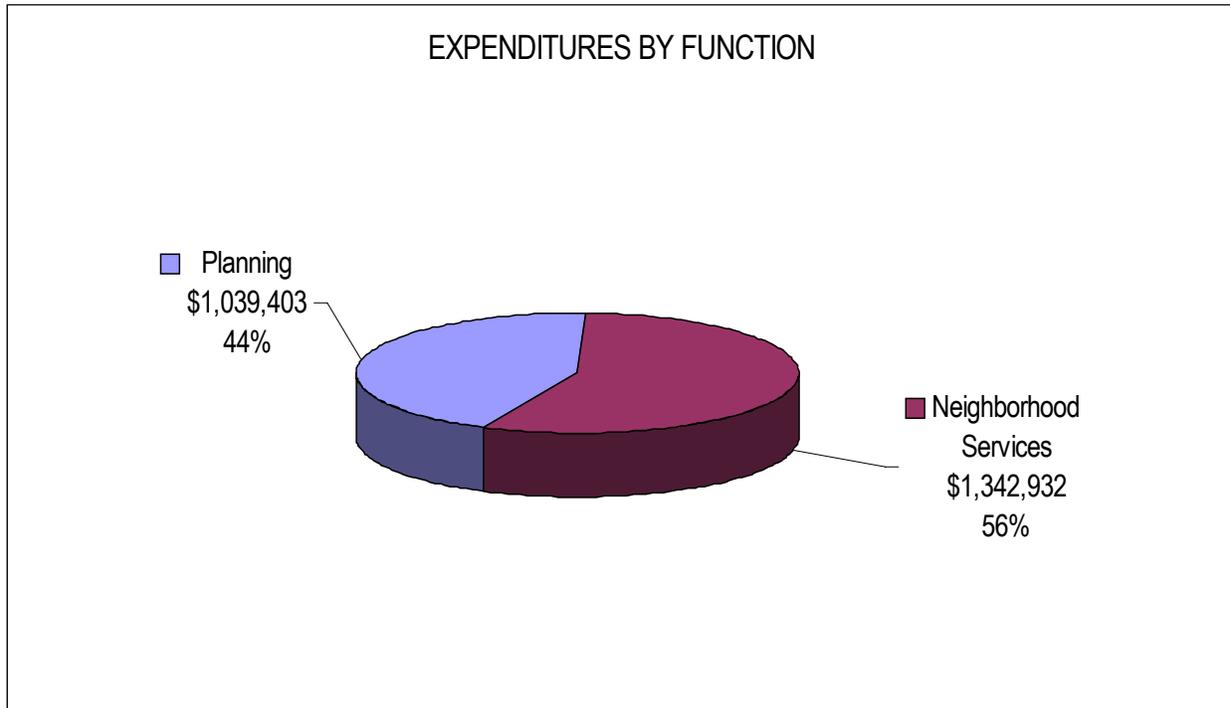
Personnel Allotment of 18 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Planning & Neigh Svcs Dir	1	1		Asst Transportation Planner	1	1	
Administrative Analyst II	1		1	Principal Planner	1	1	
Assistant Planner	2.5	2	0.5	Housing/Neigh Pres Spec	3	2	1
Associate Planner	2		2	Senior Housing Specialist	1	1	
Planning Manager	1		1	Office Specialist	3	2	1
Senior Planner	1	1		Recreation Svcs Asst IV	0.5		0.5
TOTAL					18	11	7

Staff Change(s): One Office Specialist was transferred to the Fire Prevention Bureau for better staff utilization. A part-time Child Care Coordinator position is eliminated due to service reduction.

Expenditure Analysis

Personnel Services	Decrease due to staff reduction.
Services and Supplies	Decrease due to cost cutting of office supplies, contractual services, and training.
Capital Outlay	None



	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	1,074,829	1,013,424	1,185,388	1,072,414
4113 Overtime	5,212	630	0	0
4121 Allowances	2,710	2,710	0	0
4124 Leave Cashout	57,263	13,667	0	0
4131 PERS	165,896	147,076	177,798	84,746
4132 Group Insurance	152,602	156,029	198,408	199,584
4133 Medicare	15,639	13,780	16,254	15,609
4135 Worker's Compensation	3,039	2,623	6,016	5,326
4138 Deferred Comp-Employer	724	(7)	2,700	2,700
4151 Compensation Reduction	0	0	(96,645)	0
4161 Retiree Medical Reserve	56,978	52,703	58,836	53,406
sub-total	<u>1,534,893</u>	<u>1,402,634</u>	<u>1,548,755</u>	<u>1,433,785</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	261,039	356,276	538,500	541,150
4211 Equip Replacement Amortization	10,632	7,234	6,415	5,900
4220 Supplies	11,940	15,108	23,500	11,300
4230 Services	731,051	400,572	469,000	385,000
4501 Memberships and Dues	1,389	188	2,700	0
4503 Training	6,492	681	9,850	5,200
sub-total	<u>1,022,543</u>	<u>780,058</u>	<u>1,049,965</u>	<u>948,550</u>
TOTAL	<u><u>2,557,436</u></u>	<u><u>2,182,692</u></u>	<u><u>2,598,720</u></u>	<u><u>2,382,335</u></u>

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

Services

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



Parks and Recreation

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. The Milpitas Parks and Recreation Services Department was honored with a State CPRS Achievement Award in the Recreation & Community Services - Health and Wellness category for the PLAYground: Milpitas Sports Center Open House which served over 300 attendees and hosted various class demonstrations, health screenings and vendors. The success of the event parlayed into 81 new Sports Center Members.	x	x			
2. Successfully opened the New Barbara Lee Senior Center on August 16, 2010, which has resulted in a 9% membership increase and has accelerated the Senior Nutrition Program which now serves 100% of its daily allotted meals; 92 per day, for a total of 22,908 meals for the fiscal year.	x	x			
3. Responded effectively and efficiently to customer's program requests and for the use of Parks and Recreation Facilities. Exceeded 90% of good or better marks on customer evaluations.	x	x			
4. Secured \$5,000 sponsorship from Headway Technologies to assist with the cost of the 4th of July Festivities which served over 20,000 community members who attended.	x				
5. Converted Oliver Jones and Strickroth Park to reclaimed water.		x	x		
2011-2012 Goals					
1. Begin design phase for Pinewood Park picnic area renovation.	x	x			
2. Initiate automated emailing of receipts (only print or mail receipts by request) to be environmentally responsible and potentially reduce paper costs.	x	x		x	
3. Increase Milpitas Teen Center membership by 5% (335 to 352)		x			
4. Reduce the Parks and Recreation Activity Guide from 3 to 2 annually by combining summer/fall and winter/spring seasons to reduce printing costs.		x		x	
5. Increase participation in Senior Center Fitness Usage from monthly average of 172 to 220.		x			

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
Senior Center Members	1,118	1,650	1,725	1,800
Drop-in Sports Participants	4,500	7,500	9,050	9,100
Sports Center Members	9,000	10,236	11,275	12,000

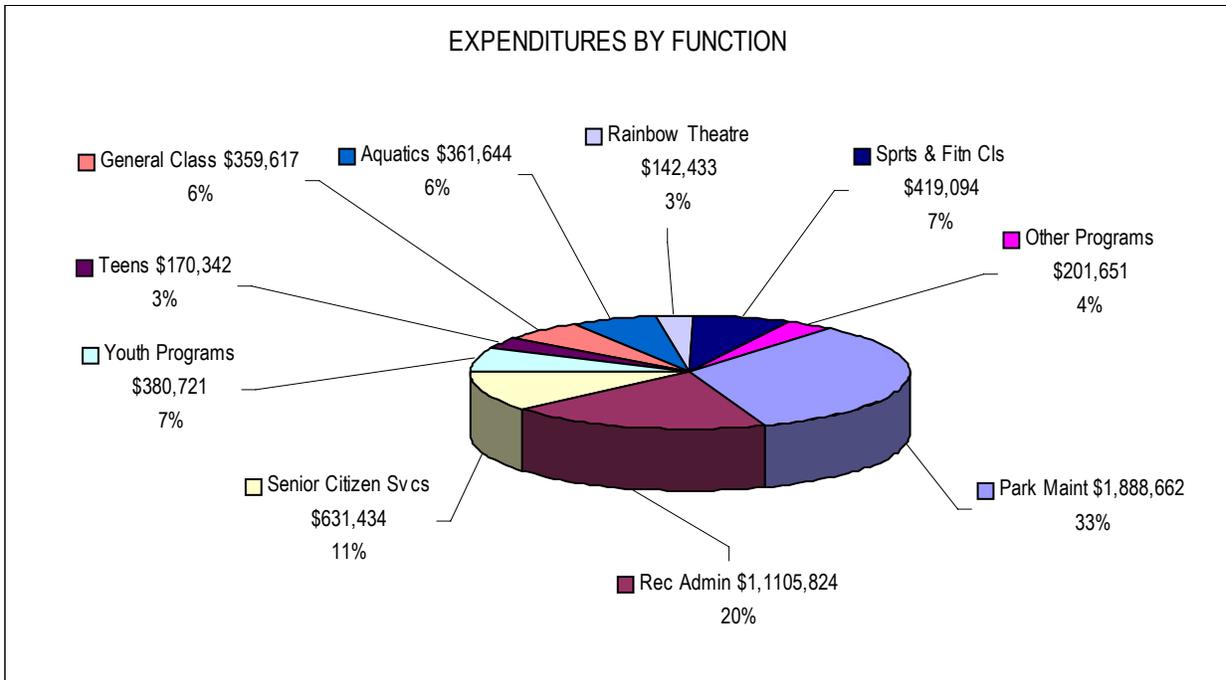
Personnel Allotment of 84 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Parks and Rec Director	1	1		Maintenance Worker II-37.5	12	9	3
Recreation Services Supv	4	2	2	Maintenance Worker III	6	5	1
Recreation Services Mgr	1		1	Maintenance Supervisor	2	1	1
Program Coordinator	7	5	2	Recreation Services Asst I	0.75	0.75	
Office Assistant II	2	1	1	Recreation Services Asst II	1.75	0.75	1
Public Services Asst II	5	4	1	Recreation Services Asst III	0.75	0.75	
Public Services Supervisor	1		1	Recreation Services Asst IV	4.25	3	1.25
Maintenance Worker I-37.5	1		1	Temporary Positions (FTE)	34.5	34.5	
TOTAL					84	67.75	16.25

Staff Change(s): Unfunded two Maintenance Worker positions and one 0.75 FTE Recreation Service Assistant position due to service reduction.

Expenditure Analysis

Personnel Services	Decrease attributed to staff reduction.
Services and Supplies	Decrease attributed to restructuring of Preschool program.
Capital Outlay	None.



	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	2,632,173	2,605,973	2,631,227	2,277,308
4112 Temporary Salaries	1,201,064	1,050,278	1,089,149	931,346
4113 Overtime	27,344	38,361	31,100	27,000
4121 Allowances	11,630	12,720	10,400	17,852
4124 Leave Cashout	38,314	62,723	0	0
4131 PERS	449,380	411,535	420,275	287,759
4132 Group Insurance	536,967	542,892	596,280	603,288
4133 Medicare	51,904	50,420	51,039	45,276
4135 Worker's Compensation	40,593	35,845	67,744	55,393
4138 Deferred Comp-Employer	4,713	4,072	3,750	2,700
4139 PARS	13,835	13,055	14,040	12,299
4151 Compensation Reduction	0	0	(218,832)	0
4161 Retiree Medical Reserve	129,436	133,206	127,526	112,171
sub-total	<u>5,137,354</u>	<u>4,961,078</u>	<u>4,823,698</u>	<u>4,372,392</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	43,409	31,876	32,100	18,100
4211 Equip Replacement Amortization	231,119	224,513	206,332	193,289
4220 Supplies	312,293	208,532	332,409	237,075
4230 Services	735,887	674,136	969,701	827,711
4420 Utilities	415	0	0	0
4501 Memberships and Dues	2,510	2,042	3,705	3,705
4503 Training	3,613	3,417	7,750	7,750
4600 Ins, Settlements & Contgcy	937	1,215	1,400	1,400
sub-total	<u>1,330,182</u>	<u>1,145,731</u>	<u>1,553,397</u>	<u>1,289,030</u>
CAPITAL OUTLAY				
4870 Machinery & Equipment	0	0	14,440	0
4920 Machinery Tools & Equipment	647	493	0	0
sub-total	<u>647</u>	<u>493</u>	<u>14,440</u>	<u>0</u>
TOTAL	<u><u>6,468,183</u></u>	<u><u>6,107,302</u></u>	<u><u>6,391,535</u></u>	<u><u>5,661,422</u></u>

DEPARTMENT: Police**POLICE CHIEF: Dennis Graham**

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

Services

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



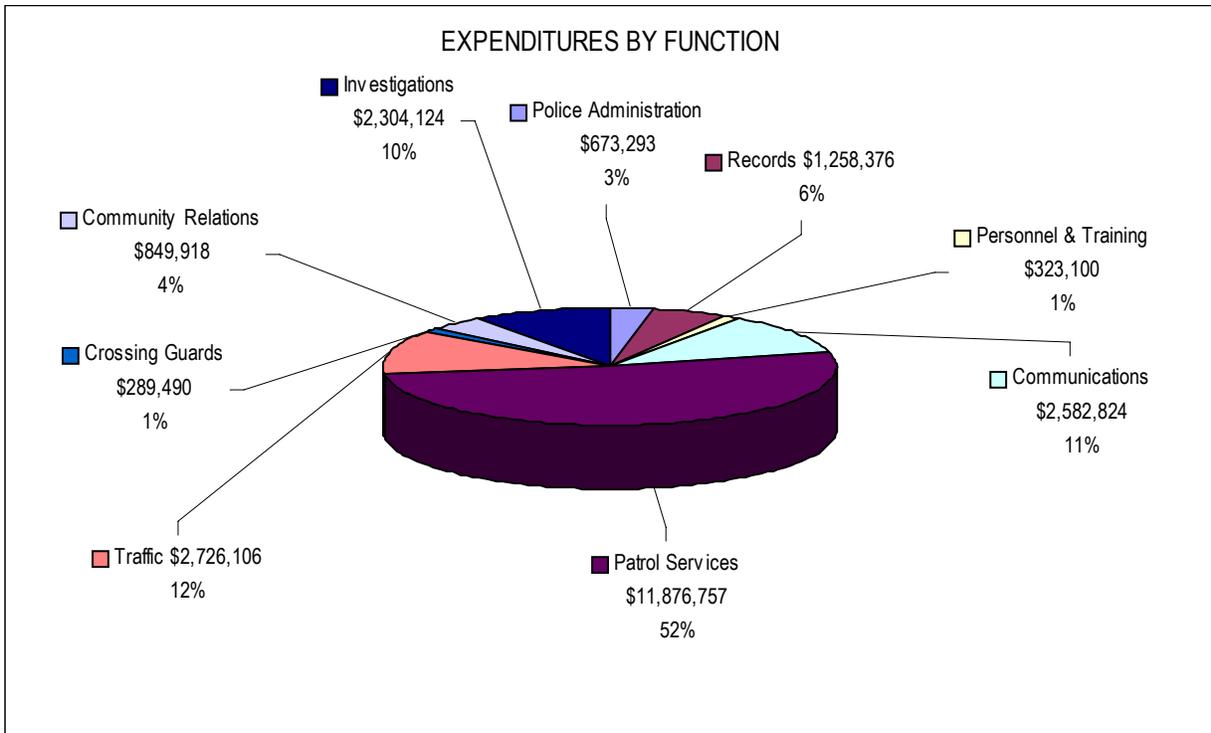
	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Reduced crime rate by 6.2% in 2010, to a 41-year low.	x	x			x
2. Reduced violent crime rate by 31.8% in 2010, to a 40-year low.	x	x			x
3. Response time to emergency calls was maintained at 2:47 in 2010, the 2nd lowest emergency response time average in the last 10 years.	x	x			x
4. Increased car seat inspections by 5.9% to 216 in 2010, and created Spanish language flyers and local cable-access advertisement.	x	x			x
5. Increased Gang Awareness presentations by 31% to 21 in 2010.	x	x			x
6. Facilitated Teen Binge Drinking Prevention presentations during back-to-school assemblies at Milpitas High School.	x	x			x
7. Secured grant funds for "Every 15 Minutes" drunk-driving prevention program for high school students.	x	x		x	x
2011-2012 Goals					
1. Implement grant-funded crime mapping service designed for public access via internet.	x	x		x	x
2. Develop pedestrian/traffic safety educational outreach for elderly community members.	x	x		x	x
3. Ensure 100% registration by known sex offenders.		x			x
4. Provide grant-funded Emergency Finders devices to qualifying local families.	x	x		x	x
5. Ensure average response times to emergency calls remain at 3:00 or under.	x				x

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
Avg. response time to emergency calls (minutes)	2:46	2:47	2:49	2:48
Percentage of 9-1-1 calls answered by a dispatcher within 10 seconds	99%	99%	99%	99%
Percentage of public requests for report information completed within two days	96%	97%	95%	95%
Number of anti-terrorist Patrol checks	3,558	1,356	1,469	1,476
Number of accidents involving school children at intersections staffed by Crossing Guards	0	0	0	0
Parent Drug Awareness presentations	12	12	8	10
DARE presentations: schools/students (Character Counts beginning 2011-2012)	13/1,440	12/793	11/845	12/764
Community presentations	268	275	281	270
Number of vehicle citations issued	11,891	9,049	8,544	8,500
Number of arrests reported to FBI (all crimes)	3,231	2,874	2,460	2,400

Personnel Allotment of 137.5 FTE							
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Police Chief	1	1		Secretary	1	1	
Police Captain	2		2	Police Assistant	1		1
Police Commander	3	3		Police Clerk II	6	5	1
Police Lieutenant	4	4		Police Clerk Supervisor	2	2	
Patrol Officer	5	4	1	Police Property Clerk	1.5	1	0.5
Police Officer	67	61	6	Communications Dispatcher	12	11	1
Police Sergeant	13	13		Communications Supervisor	4	3	1
Office Assistant II	1	1		Temporary Positions (FTE)	14	14	
TOTAL					137.5	124	13.5

Staff Change(s): Reduction of one officer position due to the change from DARE to the Character Counts course to be taught to all fifth graders.

Expenditure Analysis	
Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rates.
Services and Supplies	Decrease due to cost reductions and delayed vehicle purchases.
Capital Outlay	Inclusion of four police vehicles purchases.



	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	13,253,134	13,391,978	14,274,811	14,250,492
4112 Temporary Salaries	296,575	275,482	310,426	310,426
4113 Overtime	580,769	691,611	706,320	703,283
4121 Allowances	144,472	145,361	148,572	140,496
4124 Leave Cashout	466,838	731,623	0	0
4131 PERS	2,926,499	2,812,841	3,250,519	3,917,086
4132 Group Insurance	1,547,108	1,613,179	1,783,488	1,985,448
4133 Medicare	176,505	182,032	184,607	193,345
4135 Worker's Compensation	285,121	268,976	576,830	575,377
4138 Deferred Comp-Employer	3,643	4,299	4,500	4,500
4139 PARS	3,859	3,850	4,395	4,395
4151 Compensation Reduction	0	0	(1,279,370)	(1,245,900)
4161 Retiree Medical Reserve	590,647	597,761	618,906	617,303
sub-total	<u>20,275,170</u>	<u>20,718,995</u>	<u>20,584,004</u>	<u>21,456,251</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	3,000	3,000	3,000	500
4211 Equip Replacement Amortization	476,072	486,560	434,453	426,874
4220 Supplies	154,166	130,074	199,721	143,521
4230 Services	527,540	565,616	770,732	687,472
4410 Communications	29,467	20,086	33,900	24,820
4501 Memberships and Dues	1,880	3,195	5,430	3,339
4503 Training	67,417	35,502	84,551	56,499
sub-total	<u>1,259,543</u>	<u>1,244,034</u>	<u>1,531,787</u>	<u>1,343,025</u>
CAPITAL OUTLAY				
4850 Vehicles	33,763	0	41,275	0
4870 Machinery & Equipment	7,729	80,112	0	0
4920 Machinery Tools & Equipment	67,279	107,825	60,000	84,712
sub-total	<u>108,772</u>	<u>187,937</u>	<u>101,275</u>	<u>84,712</u>
TOTAL	<u><u>21,643,485</u></u>	<u><u>22,150,965</u></u>	<u><u>22,217,066</u></u>	<u><u>22,883,988</u></u>

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

Services

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



Fire

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2010-2011 Accomplishments					
1. Responded to 4380 emergency incidents with an average response time of 4.2 minutes.	x	x			x
2. Certified 235 S.A.F.E.** Team members.	x	x			x
3. Conducted 900 plan reviews, issued 965 approvals/permits and performed 1,172 inspections.	x				x
4. Presented prevention information at over 80 events.	x	x			x
2011-2012 Goals					
1. Maintain response times of 4.2 minutes or less.	x	x			x
2. Reduce firefighter injuries.			x	x	x
3. Certify an additional 30 S.A.F.E. team members and provide refresher training to 90% of critical Emergency Operations Center staff.	x	x	x	x	x
4. Achieve target turn-around times of plan reviews/inspections at a rate of 98% or higher.	x				x
5. Respond to 100% of prevention education requests.	x	x			x

NOTE: **Strategic Actions For Emergencies

Performance Measures	Actual 2008-09	Actual 2009-10	Projected 2010-11	Estimated 2011-12
Calls for service & average response times (minutes)	4,300/4.1	4,400/4.2	4,400/4.3	4,500/4.3
Number of disaster preparedness citizens (per 1,000) & civilian employees (%)	3.1/10	3.2/10	3.4/10	3.1/10
Number of platoon training hours & personnel certified to serve at higher rank	240/23	250/20	250/23	260/22
Number of plan reviews/inspections	1,080/4,515	1,047/4,000	900/4,000	1,000/4,100
Plan reviews/inspections meeting target turn-around times (90%)	86%	95%	97%	98%
Prevention information events	102	90	80	90
Cardiac arrest survival rate *	N/A	N/A	N/A	10%
Property loss due to fire *	N/A	N/A	N/A	\$1,000,000
Property saved in response to a fire *	N/A	N/A	N/A	\$500,000
Fire-caused injuries/deaths *	N/A	N/A	N/A	5
Work-related injuries *	N/A	N/A	N/A	10
Structure fire flamespread *	N/A	N/A	N/A	80%
Fire unit reliability *	N/A	N/A	N/A	80%
Volunteer hours *	N/A	N/A	N/A	500

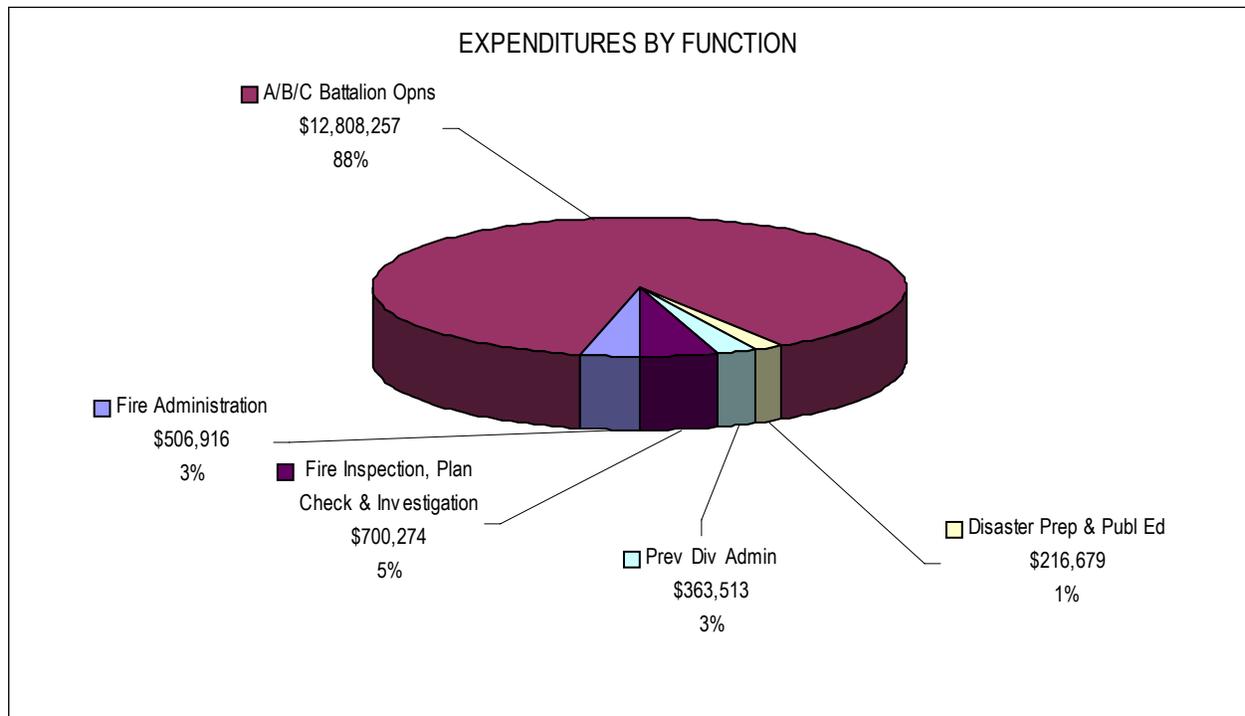
* New performance measures effective FY 11-12

Personnel Allotment of 80 FTE							
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Fire Chief	1	1		Fire Protection Engineer	2	1	1
Assistant Fire Chief	1		1	Fire Engineer	15	12	3
Fire Marshal	1	1		Firefighter	12	10	2
Assistant Fire Marshal	1		1	Firefighter/Paramedic	12	12	
Emerg Svcs Coordinator	1	1		Fire Engineer-Paramedic	6	4	2
Fire Battalion Chief	4	4		Office Assistant II	1	1	
Fire Captain	16	15	1	Office Specialist	1	1	0
Fire Prevention Inspector	2	1	1	Secretary	1	1	
Hazardous Materials Inspector	3	1	2				
TOTAL					80	66	14

Staff Change(s): The Office Specialist position was re-funded (transferred back from Planning Division).

Expenditure Analysis

Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rates.
Services and Supplies	Decrease due to cost cutting of Office supplies, contractual services and training.
Capital Outlay	None.



	Actual 2008-09	Actual 2009-10	Budget 2010-11	Approved 2011-12
PERSONNEL SERVICES				
4111 Permanent Salaries	8,084,405	7,653,965	8,184,104	8,544,614
4112 Temporary Salaries	122,317	112,520	0	0
4113 Overtime	980,699	1,037,122	1,255,100	700,000
4121 Allowances	61,259	57,892	61,752	61,752
4124 Leave Cashout	891,169	317,382	0	0
4131 PERS	1,871,664	1,693,208	2,052,004	1,898,583
4132 Group Insurance	971,607	939,840	1,065,720	1,149,144
4133 Medicare	108,927	110,935	107,737	108,633
4135 Worker's Compensation	187,513	179,282	379,777	375,726
4138 Deferred Comp-Employer	40,901	37,340	40,800	40,200
4151 Compensation Reduction	0	0	(777,849)	0
4161 Retiree Medical Reserve	381,041	387,953	391,793	390,411
sub-total	<u>13,701,503</u>	<u>12,527,439</u>	<u>12,760,938</u>	<u>13,269,063</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	0	1,500	0
4211 Equip Replacement Amortization	918,086	1,035,701	946,075	874,403
4220 Supplies	263,084	293,515	215,860	180,310
4230 Services	131,607	354,755	195,800	192,750
4410 Communications	2,242	2,269	3,600	1,600
4501 Memberships and Dues	2,375	3,140	9,940	11,775
4503 Training	33,546	32,422	92,145	65,738
sub-total	<u>1,350,940</u>	<u>1,721,803</u>	<u>1,464,920</u>	<u>1,326,576</u>
CAPITAL OUTLAY				
4870 Machinery & Equipment	0	14,640	30,590	0
4910 Office Furniture & Fixtures	1,292	0	0	0
4920 Machinery Tools & Equipment	224,973	0	0	0
sub-total	<u>226,265</u>	<u>14,640</u>	<u>30,590</u>	<u>0</u>
TOTAL	<u><u>15,278,707</u></u>	<u><u>14,263,881</u></u>	<u><u>14,256,448</u></u>	<u><u>14,595,639</u></u>

DEPARTMENT: Non-Departmental
--

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

Expenditure Analysis

Personnel Services: \$3,027,644 will finance vacation and leave cashouts, MOU contractual obligations, retiree medical benefits and unemployment. Administration costs for the City's Public Agency Retirement System (PARS) program are included in this function. \$(770,615) vacancy factor represents savings from staff turnover.

Services and Supplies: \$8,900,000 is for Treatment Plant fees; \$2,754,000 is for gas, electric and water utilities; and \$11,013,000 is for water purchases. \$2,000,000 is set aside for Housing Grants and Loans. A total of \$45,000 is reflected in this function for citywide tuition reimbursement, computer training, personnel training and redevelopment training. The City's insurance premium with ABAG is projected to be \$450,000 for the 2011-12 fiscal year.

Debt Service: \$13,593,000 is projected to pay the principal and interest due on the Agency Tax Allocation Bonds. \$688,000 is scheduled to pay the principal and interest due on the 2006 Certificates of Participation for the sewer system. \$4,000,000 is for payment to the County of Santa Clara in accordance to a Purchase & Sale Agreement.

Equipment Replacement: \$489,391 is for equipment replacement from monies that are available in the Equipment and Information Technology Replacement Funds. \$6,000,000 is the installment payment for McCandless land purchase.

	100 General Fund	211 H-H Lease Fund	212 Public Art Fund	237 CFD Fund
PERSONNEL SERVICES				
4124 Leave Cashout	547,000	0	0	0
4132 Group Insurance	30,800	0	0	0
4136 Unemployment	53,200	0	0	0
4137 MOU Contractual Agreements	573,600	0	0	0
4139 PARS	5,300	0	0	0
4141 Adjustments-Payroll	125,644	0	0	0
4142 Vacancy Factor	(529,490)	0	0	(18,385)
4161 Retiree Medical Reserve	1,107,300	0	0	0
sub-total	<u>1,913,354</u>	<u>0</u>	<u>0</u>	<u>(18,385)</u>
SUPPLIES & CONTRACTUAL SERVICES				
4201 Community Promotions	0	0	0	0
4205 Miscellaneous Grants	0	0	0	0
4209 Miscellaneous Loans	0	0	0	0
4220 Supplies	0	0	17,500	0
4237 Contractual Services	108,214	0	215,000	6,000
4239 Audit Fees	53,000	0	0	0
4242 Rents & Leases	0	29,000	0	0
4252 Retainers & Fees	300,000	0	0	0
4253 ABAG Attorney's Fees	20,000	0	0	0
4254 ABAG Settlements	46,000	0	0	0
4421 Utilities-Gas	145,000	0	0	0
4422 Utilities-Electric	1,329,700	0	0	0
4423 Utilities-Water	419,900	0	0	0
4424 SFWD, Wholesale Water Purchase	0	0	0	0
4425 SCVWD, Wholesale Water Purchase	0	0	0	0
4427 Recycled Water Purchase	0	0	0	0
4428 Treatment Plant, Capital	0	0	0	0
4429 Treatment Plant, M&O	0	0	0	0
4503 Training and Registration	8,000	0	0	0
4509 Tuition Reimbursement	23,200	0	0	0
4600 Insurance & Settlements	269,000	0	0	0
4610 Uncollectible Accounts	23,000	0	0	0
4640 Contingent Reserve	354,000	0	0	0
sub-total	<u>3,099,014</u>	<u>29,000</u>	<u>232,500</u>	<u>6,000</u>
DEBT SERVICE				
4701 Retirement of Principal	0	0	0	0
4711 Interest Expense	0	0	0	0
4720 Contractual Obligation	0	0	0	0
sub-total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CAPITAL OUTLAY				
4810 Land	0	0	0	0
4850 Vehicles	0	0	0	0
sub-total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>5,012,368</u>	<u>29,000</u>	<u>232,500</u>	<u>(12,385)</u>

Non-Departmental

250 HCD Fund	310 Street Fund	390 RDA Fund	400/406 Water Fund	450/452 Sewer Fund	500/505 Equipment Replacement	Approved 2011-12
0	0	23,000	18,000	12,000	0	600,000
0	0	4,000	3,200	2,000	0	40,000
0	0	7,000	5,600	4,200	0	70,000
0	0	74,600	59,700	38,100	0	746,000
0	0	900	900	900	0	8,000
0	0	0	0	0	0	125,644
(2,710)	0	(122,236)	(71,974)	(25,820)	0	(770,615)
0	0	145,200	116,500	69,000	0	1,438,000
(2,710)	0	132,464	131,926	100,380	0	2,257,029
0	0	12,000	0	0	0	12,000
0	0	1,000,000	0	0	0	1,000,000
0	0	1,000,000	0	0	0	1,000,000
0	0	0	0	0	0	17,500
0	2,500	251,400	6,200	8,300	0	597,614
6,000	8,000	13,000	10,000	10,000	0	100,000
0	0	0	0	0	0	29,000
0	0	1,000	0	0	0	301,000
0	0	7,000	8,000	30,000	0	65,000
0	0	15,000	19,000	70,000	0	150,000
0	25,000	5,000	43,000	32,000	0	250,000
0	49,800	178,000	97,900	124,600	0	1,780,000
0	72,400	14,500	123,100	94,100	0	724,000
0	0	0	8,326,000	0	0	8,326,000
0	0	0	2,300,000	0	0	2,300,000
0	0	0	387,000	0	0	387,000
0	0	0	0	3,700,000	0	3,700,000
0	0	0	0	5,200,000	0	5,200,000
0	0	5,000	1,000	1,000	0	15,000
0	0	2,700	2,700	1,400	0	30,000
0	0	49,000	24,000	74,000	34,000	450,000
0	0	0	56,000	56,000	0	135,000
0	0	0	0	0	0	354,000
6,000	157,700	2,553,600	11,403,900	9,401,400	34,000	26,923,114
0	0	5,410,000	0	380,000	0	5,790,000
0	0	8,183,000	0	308,000	0	8,491,000
0	0	4,000,000	0	0	0	4,000,000
0	0	17,593,000	0	688,000	0	18,281,000
0	0	6,000,000	0	0	0	6,000,000
0	0	0	0	0	489,391	489,391
0	0	6,000,000	0	0	489,391	6,489,391
<u>3,290</u>	<u>157,700</u>	<u>26,279,064</u>	<u>11,535,826</u>	<u>10,189,780</u>	<u>523,391</u>	<u>53,950,534</u>

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**City of Milpitas
2011-16 CAPITAL IMPROVEMENT PROGRAM
GRAND SUMMARY**

Project Expenses	2011-12	2012-13	2013-14	2014-15	2015-16	Total
Community Improvement	1,919,000	975,000	1,500,000	625,000	1,000,000	6,019,000
Park Improvement	750,000	2,950,000	1,450,000	1,200,000	7,175,000	13,525,000
Streets	8,031,651	7,144,000	7,359,000	1,800,000	1,650,000	25,984,651
Water	2,425,000	5,200,000	5,750,000	12,655,000	7,045,000	33,075,000
Sewer Improvement	1,550,000	1,550,000	1,500,000	1,500,000	2,750,000	8,850,000
Storm Drain Improvement	850,000	2,400,000	600,000	4,000,000	250,000	8,100,000
Total	15,525,651	20,219,000	18,159,000	21,780,000	19,870,000	95,553,651

Finance Sources	2011-12	2012-13	2013-14	2014-15	2015-16	Total
1997 RDA Tax Allocation Bonds	209,000	0	0	0	0	209,000
2003 RDA Tax Allocation Bonds	350,000	0	0	0	0	350,000
Grants/Reimbursement/Developer Fee	1,546,851	227,200	67,200	50,000	0	1,891,251
Park Fund	665,000	2,950,000	725,000	0	0	4,340,000
RDA Fund	3,462,000	6,400,000	6,700,000	900,000	1,000,000	18,462,000
Sewer Fund	1,550,000	1,550,000	1,500,000	1,500,000	2,750,000	8,850,000
Solid Waste Services Fund	60,000	0	0	0	0	60,000
Street Fund	1,369,800	1,416,800	1,241,800	1,100,000	1,150,000	6,278,400
Water Fund	2,075,000	2,125,000	2,650,000	3,055,000	3,550,000	13,455,000
Water Line Extension Fund	0	75,000	0	0	70,000	145,000
Storm Drain Fund	288,000	400,000	200,000	2,100,000	250,000	3,238,000
Public Art Fund	1,000,000	0	0	0	0	1,000,000
Equipment Replacement Fund	0	125,000	0	125,000	0	250,000
Recycled Water Fund	0	0	0	0	75,000	75,000
Unidentified Funding	0	4,450,000	4,125,000	5,800,000	7,025,000	21,400,000
Traffic Impact Fees	0	0	350,000	150,000	0	500,000
Water Infrastructure Fund	0	0	100,000	0	0	100,000
TASP Impact Fees	0	0	0	6,500,000	3,500,000	10,000,000
Congestion Relief Fund	750,000	0	0	0	0	750,000
Transient Occupancy Tax (TOT)	2,000,000	500,000	500,000	500,000	500,000	4,000,000
LLMD	200,000	0	0	0	0	200,000
Total	15,525,651	20,219,000	18,159,000	21,780,000	19,870,000	95,553,651

COMMUNITY IMPROVEMENT PROJECTS

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

Project Number-Name

Description

3401-Solid Waste Master Plan

This Master Plan will review the impacts of the City's short and long term planned growth and associated solid waste disposal needs.

8162-Library Project

Provide storm drain improvements at the new library site.

8182-City Building Improvements

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

8202-Fire Station Improvements

Provides various improvements at all four fire stations. The work involves replacement of electrical and mechanical systems, plumbing renovation, parking lot reconstruction, overhaul or replacement of emergency power generator systems, interior and exterior paintings, replacement of floor coverings, restroom and shower renovations, kitchen improvements, re-roofing and other building and site related improvements.

8203-MSC Master Plan Update

The Milpitas Sports Center (MSC) Master Plan Update will focus in revising several elements of the existing Master Plan, due to physical changes implemented since the completion of the current Master Plan.

COMMUNITY IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>	<u>ESTIMATED ANNUAL MAINTENANCE COST</u>
331-3401	Solid Waste Master Plan	\$ 60,000	\$ 0
391-8162	Library Project	134,000	0
391-8182	City Building Improvements	75,000	0
391-8202 *	Fire Station Improvements	1,500,000	0
391-8203 *	MSC Master Plan Update	150,000	0
	TOTAL COST	<u>\$ 1,919,000</u>	\$ 0

AVAILABLE FINANCING SOURCE:

RDA Tax Increment	\$ 150,000
1997 RDA Tax Allocation Bond	209,000
Measure I Transient Occupancy Tax Fund	1,500,000
Solid Waste Services Fund	60,000
TOTAL AVAILABLE	<u>\$ 1,919,000</u>

NOTE: Asterisk (*) indicates new projects.

PARK IMPROVEMENT PROJECTS

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

Project Number-Name

Description

5055-Alviso Adobe Renovation

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

5091-Park Renovation Project 2011

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

5092-Main Street Park

Provides for the design and construction of a new park on the City owned parcel just north of the Milpitas Library. Improvements will include large gathering area to accommodate Park's activities such as "Music in the Park", shade structures, landscaping, drainage, landscape and walkways.

PARK IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>	<u>ESTIMATED ANNUAL MAINTENANCE COST</u>
321-5055	Alviso Adobe Renovation	\$ 300,000	\$ 75,000
321-5091	Park Renovation Projects 2011	100,000	5,000
321-5092 *	Main Street Park	350,000	50,000
	TOTAL COST	<u>\$ 750,000</u>	\$ 130,000

AVAILABLE FINANCING SOURCE:

Park Fund	\$ 665,000
SCC Historical & Heritage Grant	<u>85,000</u>
TOTAL AVAILABLE	<u>\$ 750,000</u>

NOTE: Asterisk (*) indicates new projects.

STREET IMPROVEMENT PROJECTS

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

Project Number-Name

Description

4047-Dixon Landing Road/I-880 Interchange

Provides for the construction of a full interchange at Dixon Landing Road and I-880. It provided access to the industrial parks to the west of I-880 and improved the access from the east. The remaining work includes right-of-way transfer to Caltrans.

4254-Sidewalk Replacement 2011

Provides for citywide replacement of existing curb, gutter and sidewalk. It provides street tree root cutting to prevent further damage to sidewalks.

4259-Escuela Parkway Pedestrian & Bicycle Enhancements

Provides for the street improvements including widening the existing eastside 4' sidewalk to 10' sidewalk, install eastside tree wells and irrigation, and install a bus pullout on westside of parkway in front of Milpitas High School.

4260-Abel Street Transit Connection

Provides for the installation of streetscape improvements identified in the South Main Street Plan Line Study. The improvements are along Abel Street between Great Mall Parkway and Capitol Avenue.

8196-Soundwall Renovation

This project renovates the City owned sound walls along N. Milpitas Boulevard, Escuela Parkway, Jacklin Road at Horcajo, La Palma, Hillview Drive at Tularcitos Creek, Nicklaus at North Park Victoria and other locations.

3402-McCarthy Blvd. Landscape & Lighting Improvements

Provides for design and construction of landscape and irrigation system renovation on McCarthy Boulevard, between Hwy 237 and Dixon Landing Road. This project will also include lighting and other related improvements.

8204-RDA Area Pavement Reconstruction

Provides for the reconstruction of roadways within the RDA area or arterial roads that serve the RDA area. Streets are selected for reconstruction based on the City's pavement Management System.

8205-Street Light Improvements

Provides for various improvements to renovate and replace some of this aging infrastructure, including replacement of street ballasts/lamps, steel light poles, replacement of electrical wiring systems, modification of foundations, and other related improvements.

4261-Street Resurfacing Project 2012

Provides for a variety of pavement resurfacing treatments, from slurry seal to major rehabilitation and reconstruction.

4262-Traffic Signal Modification 2012

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

NUMBER	PROJECT TITLE	APPROVED	ESTIMATED ANNUAL MAINTENANCE COST
311-4047	Dixon Landing Road/I-880 Interchange	\$ 45,727	\$ 6,000
311-4254	Sidewalk Replacement 2011	210,924	0
311-4259	Escuela Parkway Pedestrian & Bicycle Enhancements	625,000	0
311-4260	Abel Street Transit Connection	1,060,000	0
391-8196	Soundwall Renovation	300,000	1,000
331-3402	* McCarthy Blvd. Landscape & Lighting Improvements	200,000	0
391-8204	* RDA Area Pavement Reconstruction	3,000,000	0
391-8205	* Street Light Improvements	400,000	0
311-4261	* Street Resurfacing Project 2012	2,000,000	0
311-4262	* Traffic Signal Modifications 2012	190,000	5,000
	TOTAL COST	\$ 8,031,651	\$ 12,000

AVAILABLE FINANCING SOURCE

Street Fund	\$ 619,800
Traffic Congestion Relief Fund	750,000
RDA Tax Increment	2,750,000
Measure I Transient Occupancy Tax Fund	500,000
LLMD Fund	200,000
Public Art Fund	1,000,000
Gas Tax Fund	750,000
Grants and Developer Contributions	1,461,851
TOTAL AVAILABLE	\$ 8,031,651

NOTE: Asterisk (*) indicates new projects.

WATER IMPROVEMENT PROJECTS

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

Project Number-Name

Description

7076-Well Upgrade Project

Provides for the construction of the new Curtis well pump station, and plumbs the well to the City water system.

7100-Water System Seismic Improvements

Provides for developing a comprehensive Water System Seismic Improvements Program which includes seismic upgrades to the City's "back-bone" water system as defined in the Water System Seismic Improvement Strategic Plan.

8206 -Abel Street Pipeline Extension

Provides for the installation of 300 linear feet of 12-inch pipe of connect three "dead-end" pipes, one on Abel Street and two on Carlo Street. This improvement will improve water pressure and water quality through improved system circulation.

7112-Reservoir Cleaning

Provides for the periodic interior cleaning of the new City's water system reservoirs.

7113-Turnout Improvements

This project involves sandblasting and re-coating all water system turnout apparatus. It also involves testing and replacement of antiquated valves.

7114-Water Meter Replacement

This project will replace 42 water meters located in median islands and planter strips along high traffic roadways. The new meters will be equipped with radio transmitters allowing the meters to be read remotely, removing the need for meters to be directly read.

WATER IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>	<u>ESTIMATED ANNUAL MAINTENANCE COST</u>
401-7076	Well Upgrade Project	\$ 1,600,000	\$ 25,000
401-7100	Water System Seismic Improvements	200,000	25,000
391-8206 *	Abel Street Pipeline Extension	350,000	5,000
401-7112 *	Reservoir Cleaning	50,000	0
401-7113 *	Turnout Improvements	150,000	1,000
401-7114 *	Water Meter Replacement	75,000	500
	TOTAL COST	\$ <u>2,425,000</u>	\$ 56,500

AVAILABLE FINANCING SOURCE:

Water Fund	\$ 2,075,000
2003 RDA Tax Allocation Bond	<u>350,000</u>
TOTAL AVAILABLE	\$ <u>2,425,000</u>

NOTE: Asterisk (*) indicates new projects.

SEWER IMPROVEMENT PROJECTS

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

Project Number-Name

Description

6110-Sewer System Hydraulic Modeling

Provides for ongoing hydraulic modeling of the sanitary sewer system as needed for Public Works operations and impacts from new developments.

6115-Sewer System Replacement 2012

Provides for the replacement of the highest priority facilities identified in the 2002 Sewer System Replacement Study, including upgrades to the Sewer Pump Stations, and seismic retrofit work.

SEWER IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>	<u>ESTIMATED ANNUAL MAINTENANCE COST</u>
451-6110	Sewer System Hydraulic Modeling	\$ 50,000	\$ 0
451-6115 *	Sewer System Replacement 2012	<u>1,500,000</u>	<u>0</u>
	TOTAL COST	<u>\$ 1,550,000</u>	\$ 0

AVAILABLE FINANCING SOURCE:

Sewer Fund \$ 1,550,000

TOTAL AVAILABLE \$ 1,550,000

NOTE: Asterisk (*) indicates new projects.

STORM DRAIN IMPROVEMENT PROJECTS

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

Project Number-Name

Description

3703-Emergency Pump Station Generators

Provides for the procurement of two trailer mounted emergency generators for use at the storm pump stations (with electric capacity of 750 kw and 1000 kw.) This work will also include installation of transfer switches at the pump stations to allow switching PG & E power to generator power.

3704-Fuel Tank Improvements

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

8188-Storm Pump station Improvements

Provides for the design and construction of major renovations of Wrigley-Ford, McCarthy, Oak Creek, Murphy Ranch, Penitencia, Jurgens, and Abbott Storm Pump stations.

8207-California Circle Pump Station

Provides for the replacement of pumps that have reached the end of their useful life and conversion from diesel engines to electric motors.

3706-Minor Storm Drain Projects 2012

Provides for the analysis and implementation of various minor modifications and improvements to the existing storm drain system. A new storm inlet is proposed at the northwest corner of Kennedy Drive and Simas Drive.

STORM DRAIN IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>	<u>ESTIMATED ANNUAL MAINTENANCE COST</u>
341-3703	Emergency Pump Station Generators	\$ 100,000	\$ 5,000
341-3704	Fuel Tank Improvements	225,000	5,000
391-8188	Storm Pump Station Improvements	100,000	5,000
391-8207 *	California Circle Pump Station	250,000	5,000
341-3706 *	Minor Storm Drain Projects 2012	175,000	1,000
	TOTAL COST	<u>\$ 850,000</u>	\$ 21,000

AVAILABLE FINANCING SOURCE:

RDA Tax Increment	\$ 562,000
Storm Drain Fund	<u>288,000</u>
TOTAL AVAILABLE	<u>\$ 850,000</u>

NOTE: Asterisk (*) indicates new projects.

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ESTIMATED REVENUES

Property Tax, Current	35,796,000
Use of Money & Property	675,000
	<hr/>
Total Estimated Revenues	36,471,000

Other Financing

(Increase) Decrease in Fund Balance	4,854,613
Operating Transfers In	
Public Art Fund	1,000,000
Library Fund	1,500,000
Operating Transfers (Out)	
Operating Cost reimbursement to General Fund from Housing Reserve	(1,032,754)
Operating Cost reimbursement to General Fund from RDA Projects	(4,548,195)
Public Improvement	(3,600,000)
Street Improvement Fund	(50,000)
Storm Drain Fund	(212,000)
Public Art Fund	(25,000)
	<hr/>

**TOTAL ESTIMATED REVENUES AND
OTHER FINANCING SOURCES**

34,357,664

ESTIMATED EXPENDITURES

Salaries & Wages	1,781,681
Grants & Loans	2,048,000
Services & Supplies	675,983
Capital Outlay	6,000,000
	<hr/>
Total Operating Costs	10,505,664

Capital Projects

391-8162	Library	134,000
391-8182	City Building Improvement	75,000
391-8188	Storm Pump Station Improvements	100,000
391-8196	Soundwall Renovation	300,000
391-8202	Fire Station Improvements	1,500,000
391-8203	MSC Master Plan Update	150,000
391-8204	RDA Area Pavement Reconstruction	3,000,000
391-8205	Street Light Improvements	400,000
391-8206	Abel Street Pipeline Extension	350,000
391-8207	California Circle Pump Station	250,000
Total Capital Projects		6,259,000

Debt Service

03 Tax Allocation Bonds	13,593,000
Contractual Obligation to County for Land	4,000,000
Total Debt Service	17,593,000

Budgeted Appropriations 34,357,664

FUND BALANCE:

Fund Balance 7/1/2011	43,400,000
Increase (Decrease) in Fund Balance	(4,854,613)
Fund Balance 6/30/2012	<u>38,545,387</u>
Unreserved, Designated for CIP	3,700,000
Unreserved, Designated for Housing	11,951,827
Unreserved undesignated	22,893,560
Fund Balance 6/30	<u>38,545,387</u>

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Budget and Budgetary Accounting

What is the City Budget?

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

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

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

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

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

What are "Funds"?

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

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

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

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

How is the Operating Budget Prepared?

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

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

How is the Capital Improvement Program Budget Prepared?

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

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

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

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

Budgets and Budgetary Accounting

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

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

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

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

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

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

Prop 4 – Appropriations Limit

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

Budget Amendments

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

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

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

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

Basis of Accounting

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

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

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

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

Use of Cost Accounting

The City uses cost accounting to determine the proper allocation to recover costs for services provided. For each City service or program, in addition to direct staff support and appropriations for supplies and services, it also receives support from the administrative staff and benefits from centralized services such as building occupancy and equipment maintenance. These indirect costs (also known as administrative and overhead costs) need to be allocated to each major service or program in order to determine the full cost of providing City services. Similarly, the centralized service costs also need to be allocated to various operating funds. Centralized service costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds share the administrative and overhead costs equitably. In FY 2006-07, the City conducted an updated Cost Allocation study to calculate the percentage of costs that should be allocated to each major program and major operating fund. The results from the study were applied to the FY 10-11 Budget. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 10-11 can be found on pages 106-107 of this document.

How Can I Learn More?

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

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.

Measure I Transient Occupancy Tax Fund - was established to account for 2% Transient Occupancy Tax of the cost of hotel and motel rooms in the city. This measure was approved by the Milpitas voters on November 7, 2000 to pay for most City services including Police, Fire or library, etc.

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

- **Public Art Fund** - was established to account for construction or acquisition of public art to expand opportunities for the City of Milpitas’ citizens to experience public art and enhance the quality of life in the community. The city dedicates 1.5% of eligible projects within the annual Capital Improvement Project expenditures to the acquisition and installation of public art. The expenditures will include, but not limited to, the cost of public art, its installation, maintenance and repair of artwork funded by this fund.
- **Gas Tax Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided by the City’s share of state gasoline taxes.
- **Lighting and Landscape Maintenance District Fund** - was established to account for assessments within a district. Revenue is used for servicing and maintaining the public landscaping and additional lighting for the district.
- **2005 Community Facility District Fund** - was established to account for special taxes collected within the district to provide park maintenance and street landscape maintenance services.
- **Housing and Community Development Fund** - was established to account for community development block grants and expenditures.
- **Law Enforcement Services Fund** - was established to account for the proceeds from the sale of assets which were seized in connection with drug related arrests made by the Allied Agency Narcotic Enforcement Team (AANET) of Santa Clara County and federal asset forfeiture funds received through the Equitable Sharing program. Shared funds must be used only for specified law enforcement purposes; funds are to be used to augment law enforcement budgets, not supplant them. This fund also accounts for the Supplemental Law Enforcement Services grant and expenditures.

- **Solid Waste Reduction and Services Fund** - was established to account for landfill tipping fees allocated by Santa Clara County. The County allocates a fee of \$1 per ton to each City to be used in relation to the State of California Waste Reduction Act. Revenue is used for the implementation of future waste reduction programs to meet the future State required landfill deposits percentage reduction. The fund also accounts for special charges built into garbage rates specifically for community promotions and household hazardous waste activities. These activities support the City's ongoing efforts to meet State mandates to reduce waste.
- **Housing Reserve Fund** - was established by the Redevelopment Agency of the City of Milpitas to account for tax allocations set aside for the purpose of increasing or improving the City's supply of low or moderate income housing.

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

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

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

Revenue Descriptions

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

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

Property Taxes

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

Other Taxes

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

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

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

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

Licenses and Permits

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

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

Fines and Forfeitures

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

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

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

Use of Money and Property

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

Intergovernmental

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

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

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

Miscellaneous Grants --

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

Charges for Current Services

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

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

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

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

Other Revenues

Development --

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

Reimbursements --

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

Miscellaneous --

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

Expenditure Descriptions

Personnel Services

Salaries and Wages

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

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

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

Allowances / Leaves

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

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

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

Benefits

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

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

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

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

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

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

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

Retiree Benefits

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

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

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

Adjustments – Payroll

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

Vacancy Factor – Budget amount to account for vacant positions.

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

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

Salary Reduction – Budget amount to account for reduced funding.

Supplies and Contractual Services

Community Promotions, Grants and Loans

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

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

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

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

Miscellaneous Grants – Financial assistance provided for miscellaneous grant programs.

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

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

CDBG Grants – Payment to subrecipients of CDBG Grants.

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

Department Allocations

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

Supplies

Generally, these are items that are consumed.

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

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

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

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

Contractual Services

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

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

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

Contractual Services – Services rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement. Payment of fees to contractors to acquire license or

permits for the City of Milpitas should be recorded in this account. NOTE: Copier charges should be paid from this account.

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

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

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

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

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

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

Legal Services

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

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

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

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

Elections

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

Communications

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

Phone-Local – Basic monthly telephone charges.

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

Phone-Long Distance – Long distance telephone charges.

FAX – Fax line fees and charges.

Pagers – Pagers monthly fees.

Cellular Phones – Fees and charges associated with cellular telephones.

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

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

Utilities

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

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

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

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

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

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

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

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

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

Memberships, Training and Travel

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

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

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

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

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

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

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

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

Commissions and Boards

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

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

Insurance and Settlements

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

Uncollectible Accounts

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

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

Depreciation and Amortization

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

Contingent Reserve

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

Loss on Sale

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

Adjustment – Service and Supplies

Reduced Funding – Budget amount to account for reduced funding.

Debt Service

Principal

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

Retirement of Principal – Payments of Bond Principal.

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

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

Interest

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

Interest Expense – Bond interest payments.

Interest – COP – Bond interest payments – Certificate of Participation

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

Contractual Obligation

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

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

Premium-Bond Prepayment

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

Capital Outlay > \$5,000

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

Capital Outlay

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

Land

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

Land Improvements

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

Buildings and Improvements

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

Infrastructure

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

Vehicles

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

Capitalized Leases

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

Machinery and Equipment

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

Computer Hardware – Example is a server.

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

Furniture and Fixtures

Furniture and Fixtures – Office furniture and building fixtures.

Adjustments – C I P

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

Capital Outlay < \$5,000

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

Office Furniture and Fixtures

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

Machinery and Equipment

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

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

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

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

Hydrants and Meters

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

List of Funds

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

Appendix List of Funds

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

List of Departments/Divisions/Functions

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

7 Police

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

8

Fire

- 80 Fire Administration
 - 801 Fire Administration
- 81 Emerg Resp & Prep Division
 - 812 A/B/C Battalions Operations
 - 840 Disaster Prep & Public Education
- 82 Prevention Division
 - 821 Prevention Division Admin
 - 822 Fire Inspection, Plan Check & Investigation

9

Non-Departmental

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

List of Revenues
300 Property Taxes

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

310 Other Taxes

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

3164	Hilton Garden Inn
3165	Homestead Village
3166	Marriott Courtyard
3167	Milpitas Travelodge
3169	Residence Inn by Marriott
3170	Best Value Inn
3171	Towneplace
3172	Stay Bridge Suites

320 Licenses and Permits

3210	Building Permits
3210	Building Permits
3211	Plan Check Revisions
3212	After Hour Plan Check
3213	After Hours Inspection
3214	Re-inspection
3215	Dedicated Building Services
3216	Mobile Home Inspections
3217	Plan Check
3218	Building Investigation
3220	Fire Permits (Annual)
3220	Haz Mat Const Permits & Insp
3221	Life Safety Const Permits & Insp
3222	Haz Mat Annual Permits & Insp
3223	Fire Penalties
3224	Hazardous Waste Fees
3225	Non-Pt Source Permits & Insp
3240	Life Safety Annual Permits and Insp
3240	Life Safety Annual Permits & Insp
3241	Haz Mat Construction Permits
3250	Fire Inspections
3250	Fire Inspections
3251	Building Standards and Life Safety
3252	Fast Track After Hour Inspection

330 Fines and Forfeits

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

340 Revenues from Use of Money

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

350 Intergovernmental Revenue

- 3510 In Lieu Tax
 - 3511 Motor Vehicle In Lieu Tax
 - 3512 State Trailer Coach In Lieu Tax
- 3520 Tax Relief
 - 3521 Homeowners Property Tax Relief
 - 3522 Business Inventory Tax Relief
- 3530 Tax
 - 3532 Off-Highway Tax
- 3540 Gas Tax
 - 3543 Section 2103-Gas Tax
 - 3545 Section 2105-Gas Tax
 - 3546 Section 2106-Gas Tax
 - 3547 Section 2107-Gas Tax
 - 3548 Section 2107.5-Gas Tax

3550 Federal Contributions

- 3551 Federal Contrib-General Gov't
- 3553 Federal Contrib-Building
- 3555 Federal Contrib-Public Works
- 3556 Federal Contrib-Recreation
- 3557 Federal Contributions-Police
- 3558 Federal Contributions-Fire
- 3559 Federal Contributions-Planning

3560 State Contributions

- 3561 State Contrib-General Gov't
- 3562 POST Grant
- 3563 State Contributions-Building
- 3565 State Contrib-Public Works
- 3566 State Contributions-Recreation
- 3567 State Contributions-Police
- 3568 State Contributions-Fire
- 3569 State Contributions-Planning

3570 County Contributions

- 3571 County Contrib-General Gov't
- 3572 S Bay Water Recycling Prog
- 3573 County Contributions-Building
- 3575 County Contrib-Public Works
- 3576 County Contrib-Recreation
- 3577 County Contributions-Police
- 3578 County Contributions-Fire
- 3579 County Contributions-Planning

3580 Other Restricted Grants

- 3581 Other Restricted Grants-General
- 3582 SB90 Grant
- 3583 Other Restricted Grants-Building
- 3585 Other Restricted Grants-Pub Wks
- 3586 Other Restricted Grants-Rec
- 3587 Other Restricted Grants-Police
- 3588 Other Restricted Grants-Fire
- 3589 Other Restricted Grants-Planning

3590 Misc Unrestricted Intergovernmental

- 3591 Misc Unrestricted Intergov'l
- 3592 ERAF Refund

360 Charges for Services

- 3600 General Government
 - 3601 Gen Government Service Charges
 - 3602 Sales of Maps and Documents-GG
 - 3603 Rents, Lease and Concession-GG
 - 3604 B L Processing Fee
 - 3608 PJ Legal Overhead Charges
 - 3609 PJ Legal Reimbursement
- 3610 Public Works and Engineering Services
 - 3611 PJ Overhead Charges - PW/E
 - 3612 PJ Labor Reimbursement - PW/E
 - 3613 PJ Vendor Reimbursement- PW/E
 - 3614 Assessment for Capital Purpose
 - 3615 Public Works & Eng Service Charges
 - 3616 PW & Eng Plan Check Fee
 - 3618 Sales of Maps & Documents - PW/E
 - 3619 Rents, Lease & Concession - PW/E
 - 3671 Public Works Service Charges
 - 3672 Public Works Cost Recovery
- 3620 Water and Sewer Charges
 - 3621 Water Charges
 - 3622 Water Service Agreements
 - 3623 Metered Water Sales
 - 3624 Other Water Sales
 - 3625 Excess Water Use Charges
 - 3626 Construction Water
 - 3627 Water and Sewer Reimbursements
 - 3628 Sewer Service Charges
- 3630 Fire Services
 - 3631 PJ Overhead Charges - Fire
 - 3632 PJ Labor Reimbursement - Fire
 - 3633 Fire Cost Recovery
 - 3634 Unwanted Alarms-Fire
 - 3635 Fire Enforcement-Penalties
 - 3636 Fire Enforcement-Training
 - 3637 Fire Service Charges
 - 3638 Sales of Maps & Docs-Fire
 - 3639 Fire Electronic Archive Fee
 - 3691 Fire GIS Mapping Fee
 - 3692 Fire Automation Fee
- 3640 Police Services
 - 3641 Police Service Charges
 - 3643 Fingerprints

- 3644 Sales of Maps & Docs-Police
- 3645 Police Cost Recovery
- 3646 Rents, Lease & Concess-Police
- 3647 DUI-Police Cost Recovery
- 3650 Recreation Services
 - 3651 Rents, Lease & Concess-Rec
 - 3652 Recreation Fees
 - 3653 Senior Nutrition Fees
 - 3654 Sales of Maps & Docs-Rec
 - 3655 Sales of Merchandise-Rec
- 3660 Building Services
 - 3661 Sales of Documents-Building
 - 3662 Records Retention Fee
 - 3663 Building Service Charges
 - 3664 Overhead Chgs Reimbursemt
 - 3665 PJ Overhead Chgs - Building
 - 3666 PJ Labor Reimbursemt - Building
 - 3667 Building State Mandated Stds Fee
- 3680 Planning Services
 - 3617 Planning Fees
 - 3681 PJ Overhead Charges - Plan
 - 3682 PJ Labor Reimbursement - Plan
 - 3683 PJ Vendor Reimbursement - Plan
 - 3684 Sales of Maps & Documents - Plan
 - 3685 Housing & Neighborhood Svcs

Miscellaneous Revenue

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

Appendix List of Revenues

- 3740 Reimbursements
 - 3741 Repayment
 - 3742 Principal
 - 3743 Interest Income
 - 3744 Advance-Principal Repayment
 - 3745 Advance-Interest Earnings
 - 3746 HazMat Incidents
- 3750 Donations
 - 3750 Donations
- 3760 Developer Contribution
 - 3760 Developer Contribution
- 3770 Sale of Property, Plant and Equipment
 - 3770 Sale of Property, Plant & Equipment
 - 3771 Fire Safe Program
 - 3772 Police Abandon Properties
- 3790 Miscellaneous Revenue
 - 3791 Cash Over/(Short)
 - 3792 Clearing, Various
 - 3799 Miscellaneous Other Revenue

List of Expenditures

410 Personnel Services

- 4110 Wages
 - 4111 Permanent
 - 4112 Temporary
 - 4113 Overtime
- 4120 Allowances/Leaves
 - 4121 Allowances
 - 4124 Leave Cashout
 - 4125 Accrued Leave
- 4130 Benefits
 - 4131 PERS
 - 4132 Group Insurance
 - 4133 Medicare
 - 4135 Workers' Compensation
 - 4136 Unemployment
 - 4137 MOU Contractual Agreements
 - 4138 Deferred Compensation
 - 4139 PARS
- 4140 Adjustments-Payroll
 - 4141 Payroll Adjustment
 - 4142 Vacancy Factor
 - 4143 Charged to CIPs
 - 4144 Reduced Funding
 - 4151 Compensation Reduction
- 4160 Retiree Benefits
 - 4161 Retiree Medical Reserve
 - 4162 Retiree Medical Payment
 - 4163 Retiree Medical Reimbursement

420 Services and Supplies

- 4200 Community Promotions, Grants and Loans
 - 4201 Community Promotions
 - 4202 Community Promotions-CC Allocated
 - 4203 Community Promotions-CC Unallocated
 - 4204 Cultural Arts Grants
 - 4205 Miscellaneous Grants
 - 4206 Sports Grants
 - 4207 Housing Rehab Loans
 - 4208 CDBG Grants
 - 4209 Miscellaneous Loans
- 4210 Department Allocations
 - 4211 Equipment Replacement Amortization

4220 Supplies

- 4221 Office
- 4223 Departmental
- 4224 Maintenance
- 4225 Health and Safety

4230 Services

- 4231 Advertising
- 4232 Blueprinting
- 4237 Contractual Services
- 4238 Contractual Services/PJs'
- 4239 Audit Fees
- 4240 Street Sweeping
- 4241 Repair and Maintenance
- 4242 Rents and Leases
- 4243 Contributions to Non-City

4250 Legal Services

- 4252 Retainers and Fees
- 4253 ABAG Attorney's Fees
- 4254 ABAG Settlements
- 4255 Litigation
- 4256 IBNR Adjustment

4280 Elections

- 4280 Elections

440 Communications and Utilities

4410 Communications

- 4411 Phone-Local
- 4412 Computer Data Lines
- 4413 Phone-Long Distance
- 4414 FAX
- 4415 Pagers
- 4416 Cellular Phones
- 4417 Fire Alarms
- 4418 Police Alarms

4420 Utilities

- 4421 Gas
- 4422 Electric
- 4423 Water
- 4424 SFWD, Wholesale Water
- 4425 SCVWD, Wholesale Water
- 4427 Recycled Water Purchase
- 4428 Treatment Plant, Capital
- 4429 Treatment Plant, M & O

450 Memberships, Training and Travel

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

460 Insurance Settlements and Contingencies

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

470 Debt

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

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

480 Capital Outlay > \$5,000

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

490 Capital Outlay < \$5,000

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

Abbreviations and Acronyms

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

Appendix Abbreviations and Acronyms

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

Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Fund — The main operating fund of the City.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Personnel 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.

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 May or 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 \$0.0825 sales tax paid on every \$1.00 spent when shopping in Milpitas, \$0.01 is returned to the City.

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

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

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

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

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

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

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

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

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