



2012-2013 Budget & Financial Plan

FINAL BUDGET

Successful Housing Projects Assisted by Redevelopment Agency



Devries Place Senior Apartments



Centria



Paragon



Aspen Village

City of Milpitas

CALIFORNIA



2012-2013 Final Budget

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TABLE OF CONTENTS

Letter of Transmittal

| | |
|-------------------------|---|
| Budget Message. | 1 |
|-------------------------|---|

Five Year General Fund Forecast

| | |
|---|----|
| Fiscal Year 2013-14 through Fiscal Year 2017-18 | 17 |
|---|----|

Budget Guidelines and Fiscal Policies

| | |
|---|----|
| Budget Guidelines | 19 |
| Budget Preparation Process and Timeline | 22 |
| Fiscal Policies. | 27 |

Resolutions

| | |
|---|----|
| Resolution Adopting the Appropriations Limit. | 31 |
| Joint Resolution Adopting the Final Budget | 33 |
| Resolution Classification Plan Amendment | 35 |

General Information

| | |
|---|----|
| City History | 37 |
| Demographic Profile | 38 |
| Vicinity Map | 43 |
| City Council, Board and Commissions | 44 |
| Directory of Officials | 47 |
| Gann Limit Analysis | 48 |
| Computation of Legal Bonded Debt Margin | 49 |
| Authorized Positions by Division | 50 |
| Funded Permanent Positions by Department. | 51 |

Financial Information

| | |
|--|-----|
| Budget Summary | 54 |
| Distribution of Revenues | 57 |
| Distribution of Expenditures | 57 |
| General Fund Revenue Assumptions. | 59 |
| Revenues by Fund (Summary). | 61 |
| Revenues by Fund (Detail). | 63 |
| History of Property Tax Revenue | 75 |
| History of Transient Occupancy Tax Revenue | 75 |
| Property Tax, Comparison with Other Jurisdictions | 77 |
| Transient Occupancy Tax, Comparison with Other Jurisdictions | 79 |
| History of Sales Tax Revenue | 81 |
| History of Building Permit | 81 |
| Sales Tax, Comparison with Other Jurisdictions | 83 |
| Building Permits, Comparison with Other Jurisdictions | 85 |
| History of Intergovernmental Revenue | 87 |
| History of "Other" Tax Revenue | 87 |
| Franchise Fees, Comparison with Other Jurisdictions | 89 |
| Expenditures by Fund (Summary) | 91 |
| Expenditures by Fund (Detail) | 92 |
| Expenditures by Function by Fund | 96 |
| Internal Cost Allocation by Fund Schedule. | 98 |
| Operating Transfers Statement | 100 |

Budgets Narrative and Summary

| | |
|--|-----|
| City Council | 103 |
| City Manager | 107 |
| City Clerk | 111 |
| City Attorney. | 115 |
| Building and Safety. | 119 |
| Information Services. | 123 |
| Human Resources | 127 |
| Recreation | 131 |
| Finance. | 135 |
| Public Works. | 139 |
| Engineering | 143 |
| Planning & Neighborhood Svcs | 147 |
| Police | 151 |
| Fire | 155 |
| Non-Departmental | 159 |

Capital Budget

| | |
|--|-----|
| Capital Budget Summary | 163 |
| Park Improvement Projects | 164 |
| Street Improvement Projects | 166 |
| Water Improvement Projects | 168 |
| Sewer Improvement Projects | 170 |
| Storm Drain Improvement Projects | 172 |

Appendix

| | |
|---|-----|
| Budget and Budgetary Accounting | 175 |
| Fund Descriptions | 180 |
| Revenue Descriptions | 183 |
| Expenditure Descriptions | 186 |
| List of Funds | 193 |
| List of Departments/Divisions/Functions | 195 |
| List of Revenues | 197 |
| List of Expenditures | 201 |
| Abbreviations and Acronyms | 203 |
| Glossary of Terms | 205 |
| Index | 211 |

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CITY OF MILPITAS

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August 7, 2012

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 2012-2013. This budget includes the City's operating and capital improvement budget and the City's water and sewer utility operations. The Fiscal Year 2012-13 ("FY 12-13") 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
- 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
- Manage the dissolution of Redevelopment with the least impact possible to City service levels.

The development of the FY 12-13 budget began in early January 2012 after ABx1 26 was ruled constitutional by the California Supreme Court which resulted in the dissolution of all the redevelopment agencies throughout the State. The consequences of the State Supreme Court's decision are particularly difficult for the City of Milpitas. In addition to the loss of funding for many major infrastructure and economic development projects, the City also lost approximately \$7 million annually allocated to the General Fund. Since February 2012, a series of budget solutions were presented to the City Council in every regularly scheduled Council meeting, in addition to the Budget Planning meeting on March 8, 2012. The development of the FY 12-13 budget was one of the most fiscally challenged and difficult tasks that the City Council has undertaken. Nevertheless, staff is confident that the FY 12-13 Budget was developed in the most professional and responsive manner to ensure the delivery of quality, timely, and cost effective services to the community.

Letter of Transmittal

The primary focus of the FY 12-13 budget is on delivery and preservation of core City services while maximizing overall organizational efficiency and cost savings. The Adopted Budget includes outsourcing of parks maintenance services, trees and landscape maintenance and a portion of the street maintenance services to accomplish these efficiency and cost savings goals. The FY 12-13 budget also assumes continued cost savings from contract negotiations with the employee groups as all five union contracts are due to expire in December 2012, and restructuring of other non-core services that will be discussed in the Budget Overview Section. These budget strategies are undoubtedly painful to execute but essential to offset the loss of RDA funding and will significantly reduce the long-term structural deficit of the General Fund.

The dissolution of Redevelopment Agency (“RDA”) also directly impacts the amount of funding available for infrastructure projects and economic development. Fortunately, the adoption of the Transit Area impact fee and the Community Facilities District assessment enable the City to maintain some measures of financing mechanism to facilitate the development of residential projects in the Transit Area. Nevertheless, the funding for community improvement projects in FY 12-13 is greatly curtailed. Instead, the focus of the capital improvement projects will be on street resurfacing projects and utility projects to replace aging water and sewer infrastructure and address storm drain system deficiency. On May 1, 2012 staff presented an overview of the Draft 2012-17 Capital Improvement Program (“CIP”) to the City Council and received comments. A summary of the CIP was also reviewed by the Finance Subcommittee and the Parks, Recreation and Cultural Resources Commission in March and April respectively. Both groups recommended the projects for the Council’s approval. All the committee 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

Aside from the loss of funding from the RDA, there were signs that the local economy has begun to emerge from the most unprecedented and prolonged economic recession in recent history. Sales tax revenue and transient occupancy tax revenue began to pick up. There is also a renewed interest in residential developments from developers and commercial expansions from high-tech companies. Previous year’s General Fund structural budget deficit has been reduced from \$12 million to less than \$3 million in FY 11-12. This is due to a combination of revenue improvement when elimination of RDA is not in the equation and significant compensation concessions from employees. In FY 12-13, excluding operating transfers between funds, staff projected that the General Fund revenues will increase about \$5.5 million or 10.8%, compared to the FY 11-12 original revenue projection but will be approximately \$2.8 million or 5.2% above the FY 11-12 revised revenue projection. Despite significant increases in revenue, the General Fund budget shortfall was \$9.2 million, primarily due to the loss of RDA funding. The strategies to close the budget gap will be discussed in the Budget Overview section.

In FY 11-12, staff reorganized the City departments to provide more effective operation. Parks maintenance services was combined with the rest of the Public Works maintenance services and Recreation Services was combined with Human Resources Department. In FY 12-13, staff recommends deletion of 42.5 authorized positions. These positions have been vacant for several years and funding has been removed in the last few years. The recommendation to delete these positions was reviewed carefully by each department head who determined that funding of these positions will not be a priority in the near future. There is no fiscal impact as all 42.5 positions have not been funded. However, the number of authorized positions has been reduced to 455. Of the 455 authorized positions, 73.25 positions were unfunded prior to FY 12-13. To achieve further

cost savings, an additional 70.25 positions will not be funded in FY12-13. Consequently, a total of 143.5 positions or approximately 32% of the 455 authorized positions are unfunded. The fiscal impact will be discussed in the Budget Overview section.

The FY 12-13 Operating and Capital Budgets were prioritized to maintain core services ensuring these services are delivered in the most cost effective and beneficial manner to the community and capital improvement projects are prioritized to those that are most necessary. Some significant highlights from the budget are described below:

- Balance the General Fund budget with a combination of attrition, layoff, outsourcing of Public Works maintenance services, restructuring of several non-core programs and using the Equipment Replacement Fund reserve for those equipment that are no longer necessary due to outsourcing of Public Works maintenance services.
- 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 Street Pavement project will improve the attractiveness of the residential areas in addition to maintaining traffic and conditions of major roadways. The Ayer Pump Station improvement, sewer system replacement project, and storm drain project to address the storm drain system deficiency are extremely important due to the aging infrastructure of the City. Staff also proposes to use Park fund to renovate the Pinewood Park as well as to provide ADA improvements in various parks in accordance with the Park Master Plan. The proposed funding for these projects amount to \$12.5 million next year.
- Continue to monitor fee adjustments and fee structure to ensure that customer service revenues keep up with costs. The City recently increased facility and park rental fees to offset some of the cost subsidies and continue to provide excellent facilities for rent.
- Continue to work closely with Valley Transportation Authority on the Bay Area Rapid Transit ("BART") extension project to extend the BART system from the Warm Springs Station in Fremont, through the Milpitas station to the Berryessa Station in San Jose.
- Work with developers to focus on developing high-density residential and mixed-use housing in the Transit Area, in accordance with the Transit Area Plan.

BUDGET OVERVIEW

The total Adopted Budget for FY 2012-13 is \$105,142,850. This is a 25% decrease from the FY 2011-12 Adopted Budget. Excluding the City's FY 12-13 Capital Improvement Budget, the total operating budget is \$92,657,850, a 26% decrease from last year, primarily due to dissolution of the RDA. The total annual budget includes the City's Water and Sewer Utility enterprise budgets of \$18,373,380 and \$17,880,148 respectively. It also includes the Housing Authority's budget of \$516,000. The total annual budget for capital improvements for FY 12-13 is \$12,485,000. 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 163 through 173 of this document.

The General Fund budget is \$61,612,265, a decrease of 6.4% compared to FY 2011-12. Salaries and Benefits show a decrease of 11% or \$6.1 million from last year due to attrition, layoff, and outsourcing of City services. The anticipated increase of medical insurance premium is 8% in January 2013. The employer's contribution percentages to the California Public Employee Retirement System ("CalPERS") pension plans for FY 12-13 are 19.769% and 30.175% of payroll for the Miscellaneous Employees group and Public Safety Employees group respectively.

Letter of Transmittal

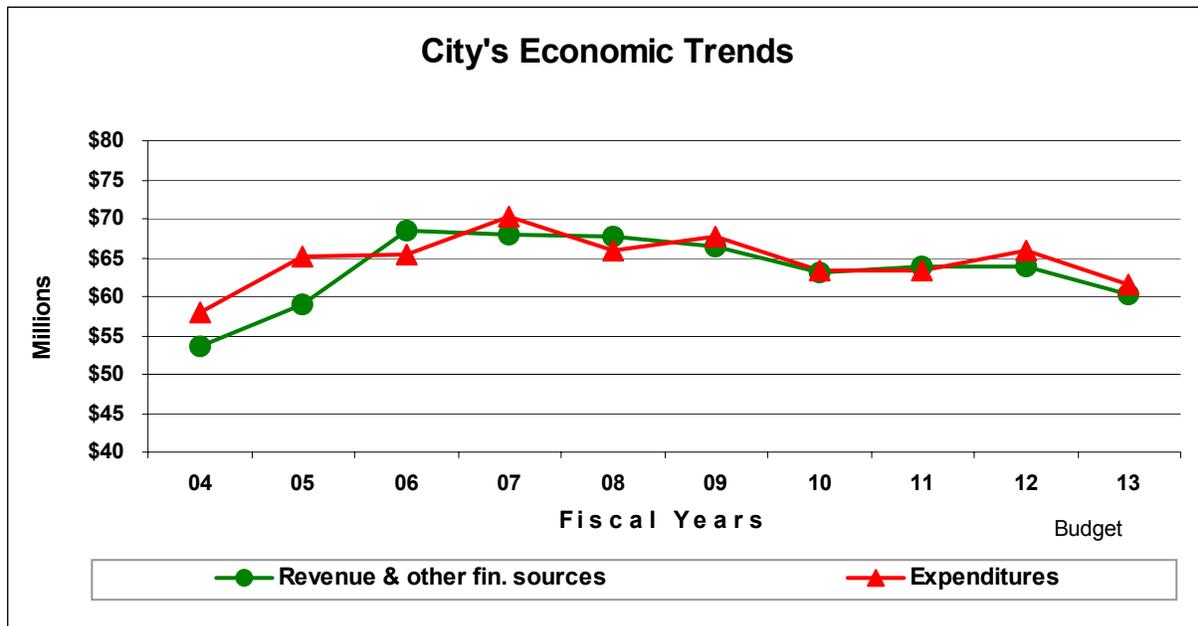
It should be noted that as a result of negotiation and employees' concession, various employee groups contribute toward CalPERS for the employer's portion that ranges from 7% to 15.4% of payroll.

The non personnel budget for the General Fund in FY 12-13 increased 18% or \$1.9 million compared to the FY 11-12 Adopted Budget. The increase is due to outsourcing of a portion of the Public Works maintenance services that require increased contractual services budget.

The City has been challenged with structural budget deficits for at least a decade. The significant projected increase in revenues would have been a welcome change next year. However, due to dissolution of the RDA, the General Fund is faced with an initial budget gap of approximately \$9.2 million. The gap was closed using the following cost saving measures and strategies:

- Reduce staff costs by \$1.8 million from attrition and reorganization of services among the departments. Savings came from 13 positions in various departments such as Building, Finance, City Clerk, City Attorney, and Information Services.
- Implement layoff of 51.25 positions in various non Public Safety departments. 35 funded positions will be laid off in the Public Works Department due to previous action by the City Council to outsource parks maintenance services, trees and landscape maintenance services and street maintenance services. The savings from outsourcing is about \$2.1 million annually. 16.25 positions will be laid off in other non Public Safety departments. The savings from these 16.25 positions amounts to approximately \$1.8 million.
- Reduce cost by \$1.4 million from the Public Safety departments. Five vacant positions in the Police Department will not be filled. The savings is approximately \$0.8 million. Fire department's savings of \$0.6 million will come from attrition of 1 position, reduction of overtime, and extending the lives of several equipment for replacement.
- Restructure several non-core programs that save the General Fund \$700,000. City Council has already taken action to restructure various programs such as Rainbow Theatre, Teen Center and elimination of extended Library hours. In addition, fund raising for the July 4th firework event and a slight increase of the admission charge for the firework show increase revenue by \$65,000.
- City Council took action to reduce the Council's compensation by 10% in FY 12-13 and eliminate medical coverage effective with the election for the next City Council. Total savings from the City Council's salaries and benefits is approximately \$80,000
- Use \$1.3 million of the Equipment Replacement Fund reserved for equipment that are no longer necessary to replace, as a result of outsourcing Public Works maintenance services.

The following chart provides the historical trend of the General Fund revenues and expenditures from FY 04-05 through FY 10-11, along with the budget projections for FY 11-12 and FY12-13.



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 40 years, the population growth has increased from 26,561 in 1970 to 66,790 in 2010 (latest census). The Bay Area 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.

There are approximately 1,380 acres or 2.6 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 410 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 electronic equipment. The five largest manufacturing employers are Cisco Systems, Inc., KLA-Tencor Corporation, Flextronics, LSI Logic Corporation and SanDisk 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.

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. Major residential development that is under construction include Centria West project for 366 condominium dwelling units. The project completion date is December 2012.

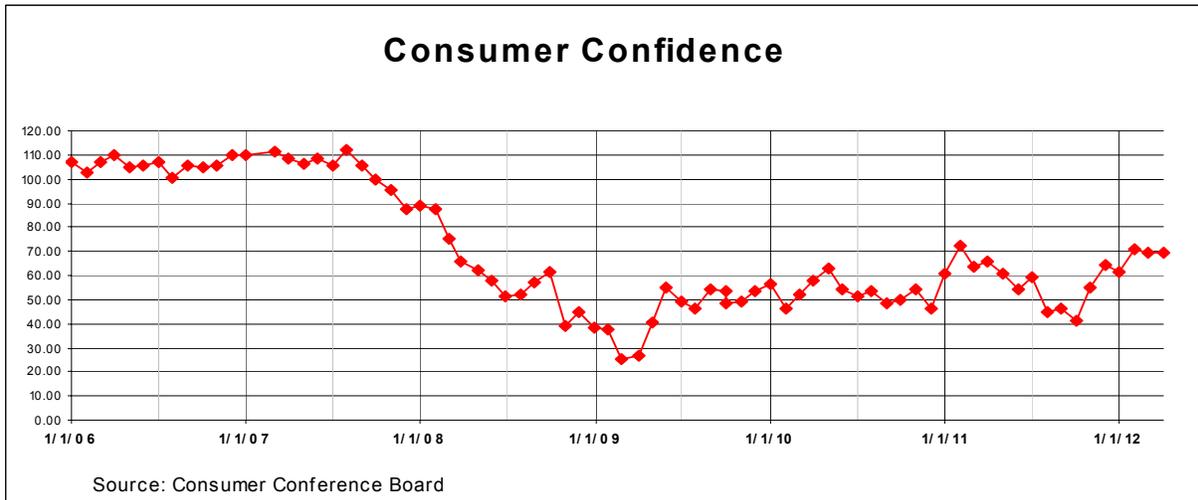
Transit Area Specific Plan – The City adopted a Transit Area Specific Plan in June 2008 which provides for medium to high density development surrounding the future Montague/Capitol BART station and two VTA Light Rail Stations. The intent of the Plan is to foster economic development of the area, strengthen and expand retail uses to increase sales tax revenues, attract major retailers and provide housing and amenities such as parks, retail and restaurants. Current development activities include a 276 units single family attached homes and condo project and a mixed-use commercial and high density residential project that will be constructed in phases. Both these projects are in the site preparation stage.

Residential Development – Although residential development activities in this region were impacted by the soft housing market in the last few years, there is a renewed interest in residential developments recently. Outside of the Midtown and Transit Area, there are several residential developments that are under construction. These projects include Cerrano (374 apartment units), Murphy Ranch Townhomes (285 townhomes), Robson Homes (83 units) and Sinclair Renaissance (80 single family detached units).

Non-residential Development – There are no large scale commercial construction currently. Non-residential development primarily consists of tenant improvements in existing commercial buildings. Building permits were issued to KLA/Tencor for tenant improvements and to Irvine Company for site improvements. The City also received permit applications from SanDisk for tenant improvements for their new 2 story 154,200 square feet facility.

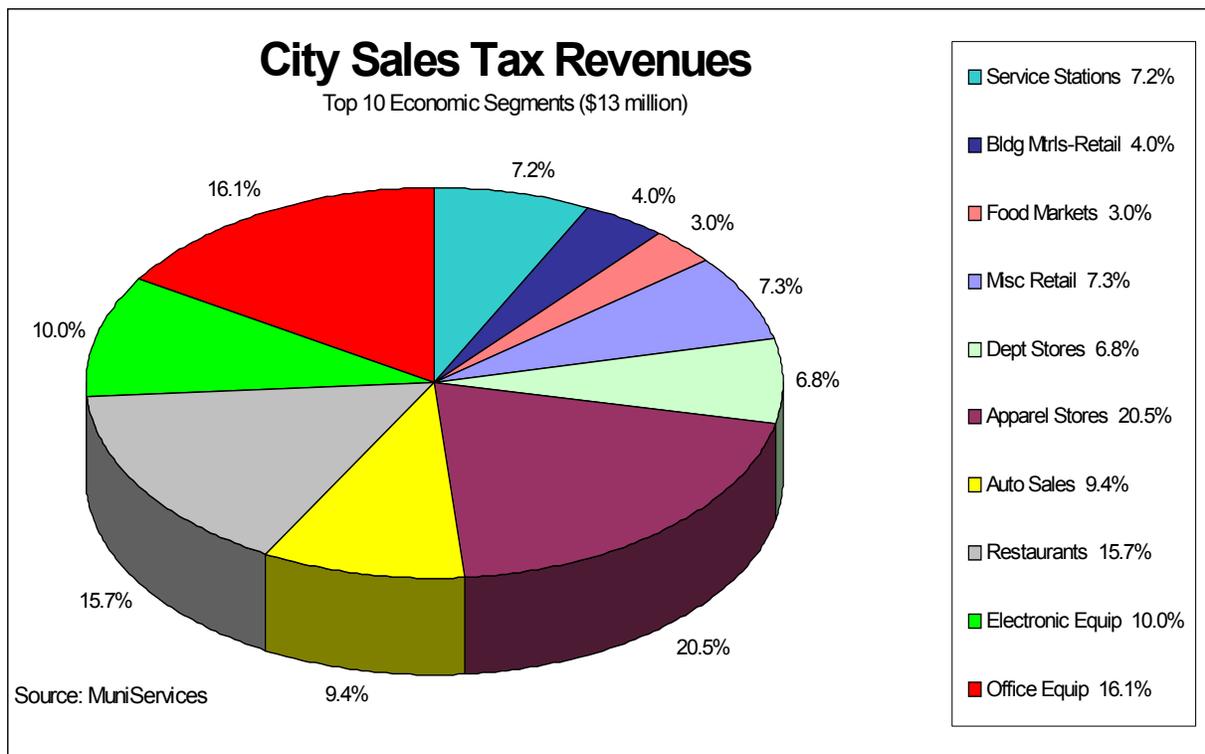
Consumer Confidence Level

The latest consumer confidence survey report showed that the index increased slightly compared to a year ago, reflecting improved outlook on the economy, albeit only moderately. Consumers continue to express concerns about current business conditions and labor market.



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 \$15.1 million, with the top ten economic segments generated about \$13 million. Sectors such as apparel stores and auto sales increased over a year ago while office equipment and department stores declined. The light industry is no longer one of top 10 sales tax generators and is replaced by the food markets segment.



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 below to compare the FY 11-12 Adopted Budget and the FY 12-13 Adopted Budget.

| <u>Fund</u> | <u>Adopted Budget FY 11-12</u> | <u>Adopted Budget FY 12-13</u> | <u>Over (Under) Prior Year</u> |
|-------------------|--|--|------------------------------------|
| General | \$ 65,802,598 | \$ 61,612,265 | \$ (4,190,333) |
| Measure I TOT | 427,901 | 90,000 | (337,901) |
| Housing Authority | 0 | 516,000 | 516,000 |
| Special Revenue | 4,196,293 | 3,502,657 | (693,636) |
| Capital Project | 5,799,351 | 3,168,400 | (2,630,951) |
| Redevelopment | 34,357,664 | 0 | (34,357,664) |
| Water | 16,772,147 | 18,373,380 | 1,601,233 |
| Sewer | 13,431,161 | 17,880,148 | 4,448,987 |
| Total | <u>\$140,787,115</u> | <u>\$105,142,850</u> | <u>\$ (35,644,265)</u> |

Revenue Estimates for Fiscal Year 2012-13

Compared to the FY 11-12 budget, FY 12-13 revenue and other financing sources that include the use of reserves are estimated to decrease by \$35.6 million principally due to the loss of funding from the RDA.

In FY 12-13, General Fund revenue and other financing sources are projected to be \$61.6 million, approximately \$4.2 million less than last year's budget of \$65.8 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 FY11-12 adopted budget, FY11-12 revised budget, and FY12-13 adopted budget.

(in thousands)

| <u>Revenue</u> | <u>Adopted Budget FY 11-12</u> | <u>Revised Budget FY 11-12</u> | <u>Adopted Budget FY 12-13</u> | <u>% change FY12-13 to FY11-12 Adopted Budget</u> | <u>% change FY12-13 to FY11-12 Revised Budget</u> |
|----------------------|--|--|--|---|---|
| Property Tax | \$ 16,605 | \$15,682 | \$ 17,659 | 6.4% | 12.6% |
| Sale & Use Tax | 16,860 | 18,615 | 19,230 | 14.1% | 3.3% |
| Hotel/Motel Tax | 4,812 | 5,414 | 5,575 | 15.9% | 3.0% |
| Other Taxes | 3,683 | 3,891 | 3,725 | 1.1% | (4.3%) |
| Permit & Inspection | 3,443 | 4,046 | 3,938 | 14.4% | (2.7%) |
| Fines & Forfeitures | 712 | 620 | 635 | (10.8%) | 2.4% |
| Interest Income | 289 | 282 | 127 | (56.1%) | (55.0%) |
| Intergovernmental | 846 | 625 | 655 | (22.6%) | 4.8% |
| Charges for Services | 3,737 | 4,476 | 4,866 | 30.2% | 8.7% |
| Other Revenue | 95 | 143 | 159 | 67.4% | 11.2% |
| Operating Transfers | 9,113 | 6,787 | 5,043 | (44.7%) | (25.7%) |
| Total | \$60,195 | \$60,581 | \$61,612 | 2.4% | 1.7% |

FY 12-13 General Fund revenues and other financing sources is projected to increase by 2.4% or \$1.4 million more than the FY 11-12 adopted budget revenue. When compared to the FY 11-12 revised revenue projection, it is an estimated 1.7% or \$1.03 million increase. Some of the changes include the following:

Sales tax revenues for FY 11-12 are revised to be more than budget by \$1.76 million. In addition to increased sales in general retail and auto sales, there is an overall recovery in all other economic categories such as business to business and construction. Staff's assumption for FY 12-13 sales tax revenue is a 3.3% increase from the FY 11-12 revised estimate. The projection is in line with general inflation increase and a modest economic recovery.

Permit and Inspection revenue for FY 11-12 is estimated to be \$603,000 more than budget due to revenue received from various residential development projects. In FY 12-13, building permit and inspection revenues are projected to be \$3.94 million, a 2.7% decrease from the FY 11-12 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.

Property tax revenues are estimated to increase by 12.6% in FY 12-13 from the FY 11-12 revised revenue. The increase is partially attributed to the inflation adjustment allowed by Proposition 13 at the lower of 2% or California Consumer Price Index and partially due to a modest improvement in the housing market thus adding to the assessed valuation of the secured properties. In addition, pursuant to ABx1 26 that legislates the dissolution of the RDA, all remaining tax

Letter of Transmittal

increment revenue after satisfying the approved obligations of the RDA, will be distributed to the taxing entities within the RDA project area. The City is one of the taxing entities that will receive its estimated share of approximately \$1.5 million in FY 12-13.

Hotel/motel Transient Occupancy Tax revenue showed an increase of \$763,000 or 15.9% from the FY 11-12 budget but the projection is only a 3.0% increase from the FY 11-12 revised projection of \$5.41 million. The hotel industry in the local area has been depressed for the last few years. It has finally stabilized and began to recover in FY 10-11 and it is anticipated that FY 12-13 will continue with a modest increase.

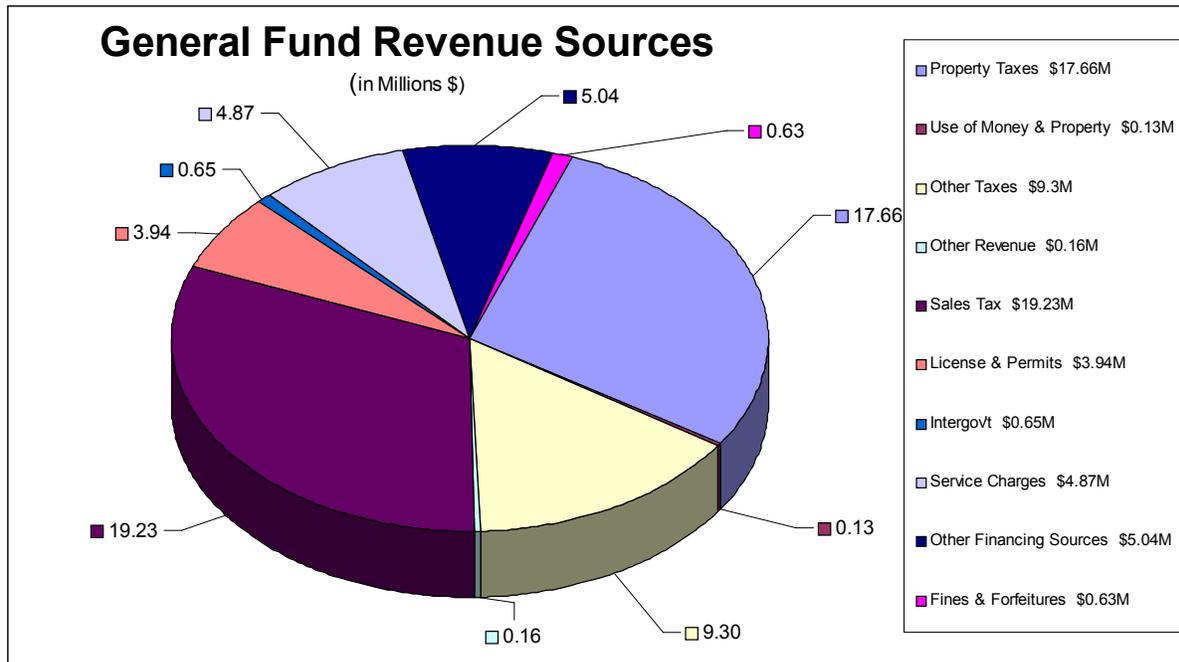
Interest income is anticipated to decrease by \$155,000 compared to the FY 11-12 revised budget, primarily due to lower investment earnings from the pooled portfolio attributable to lower reinvestment yield. Projected interest income for FY 12-13 is approximately \$127,000 for the General Fund. It is assumed that the reinvestment yield for matured securities will be at 0.45%. Investment earnings are allocated to the various funds based on their projected cash balances.

Operating transfers are internal transfers between funds primarily to allocate operating costs and capital budget contributions from one fund to another. Compared to FY 11-12, operating transfers in FY 12-13 are projected to decrease by \$4.07 million as a result of the dissolution of the RDA. The City's General Fund will no longer receive administrative and overhead costs reimbursement from the RDA.

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 12-13 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. 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 12-13 can be found on pages 98 to 99.

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



Utility Rates

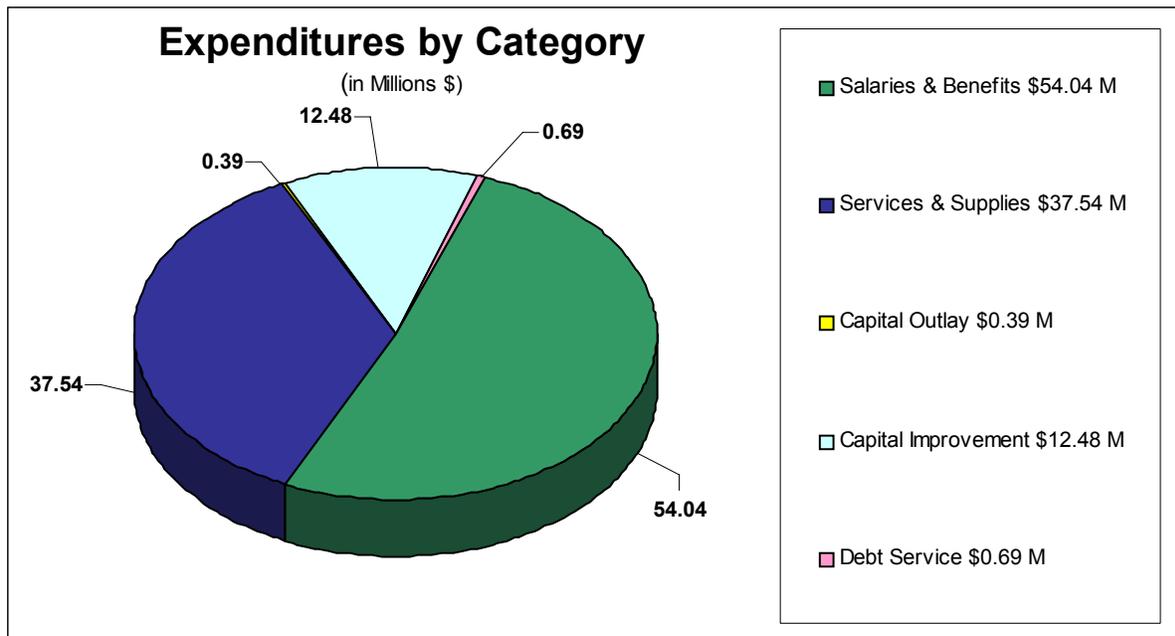
Utility rate increases are approved for both the Water and Sewer operations for FY 12-13. The increase for water rates ranges from 2% to 14% depending on the classification of customers, tier and consumption. For sewer utility ratepayers, the volumetric sewer rates remain unchanged from FY 2011-12, while the non-residential sewer fixed rate is increased by 7%. The rate increases are incorporated in the FY 12-13 Adopted Budget. In FY 12-13, approximately 65% or \$11.9 million of the water fund budget and 46% or \$8.3 million of the sewer fund budget 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 8% and 11.4% respectively. City’s Water operation cost and capital improvement project cost are approximately \$3.7 million and \$2.8 million respectively. 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 \$8.3 million next year. City’s Sewer operation and capital improvement project cost are approximately \$2.4 million and \$6.6 million respectively. The Sewer budget also includes a debt service cost of \$688,000.

EXPENDITURES

A budget comparison of appropriations for all funds between FY 11-12 (Adopted Budget) and FY 12-13 (Adopted Budget) is as follows:

| <u>Appropriations</u> | <u>Adopted Budget FY 11-12</u> | <u>Adopted Budget FY 12-13</u> | <u>Over (Under) Prior Year</u> |
|-----------------------------|------------------------------------|------------------------------------|------------------------------------|
| Salaries & Benefits | \$ 61,751,802 | \$ 54,042,790 | \$ (7,709,012) |
| Services & Supplies | 38,407,218 | 37,538,195 | (869,023) |
| Capital Outlay | 6,821,444 | 388,865 | (6,432,579) |
| Subtotal | \$ 106,980,464 | \$ 91,969,850 | \$ (15,010,614) |
| Capital Improvement | 15,525,651 | 12,485,000 | (3,040,651) |
| Debt Service | 18,281,000 | 688,000 | (17,593,000) |
| Total Appropriations | \$ 140,787,115 | \$ 105,142,850 | \$ (35,644,265) |

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



Total expenditures represent an overall 25.3% decrease from FY 11-12. Operating expenditures, excluding capital improvement and debt service, decreased by 14% compared to last year. Following is a summary of the changes in operating expenditures by category:

Salaries and benefits are expected to decrease by 12.5%. Compared to last fiscal year's budget, the total citywide decrease is \$7.7 million. The decrease reflects cost savings from attrition, layoff and outsourcing. Health insurance premiums are projected to increase 8% in January 2013. The employer PERS contribution percentages for FY 12-13 for Miscellaneous Employees group and Public Safety Employees group are at 19.769% and 30.175% of payroll respectively. In addition, the FY 12-13 budget includes pre-funding of retiree medical benefits in the amount of \$3.2 million citywide and \$2.8 million for the General Fund.

The City's services will be staffed by 311.5 full time employees and 52 temporary/seasonal employees. The historical number of authorized positions and funded positions can be found on pages 50 and 51 of this document. The detail for each department's funded positions can be found in their respective sections on pages 103 through 158.

Services and supplies are expected to decrease by \$869,000 or 2.3% citywide. The services and supplies budget include services that are provided by outside parties. The budget reflects increased contractual services in the General Fund due to outsourcing of Public Works maintenance services. However, the overall decrease Citywide is due to dissolution of the RDA and the resulting reduction of funding available for housing grants and consultant services.

Capital Outlay includes new and scheduled vehicle and equipment replacements. Total capital outlay request for FY 12-13 is \$6.4 million or 94.3% decrease from FY11-12. The decrease is due to a \$6 million real property purchase funded by the Redevelopment Agency in FY11-12. 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 include replacement of one heavy duty utility truck for Public Works. Other capital outlay include replacement of technology equipment, hydrants and water meters.

Debt Service in FY 12-13 totals \$688,000. Debt service budget is lower than last fiscal year by \$17.6 million due to dissolution of the RDA. The RDA debt is administered by the Successor Agency which is overseen by an outside oversight board. Consequently, the RDA debt service is no longer part of the City's budget.

The City's legal bonded debt limit, as established by the California Government Code, is approximately \$431 million. The 2006 Certificates of Participation ("COPS") has an outstanding balance of \$7,710,000 and the 2003 Tax Allocation Bonds has an outstanding balance of \$163,530,000. None of these bonded debts is subject to the legal debt limit although the payment of the 2003 Tax Allocation Bonds is no longer part of the City's budget. The interest rates on the outstanding COPS range from 3.5% to 4.2% and the final payments will occur in fiscal year 2027.

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

Pursuant to its debt covenant, the 2006 COPs are required to maintain annual net revenue sufficient to provide debt service coverage of 115%. The actual debt service coverage based on the FY 10-11 audited results was at 773%.

The following table shows the annual debt service requirements for the outstanding Certificates of Participation:

| <u>Year Ending, June 30</u> | <u>Sewer Fund</u> | |
|-----------------------------|------------------------|-----------------------|
| | <u>Total Principal</u> | <u>Total Interest</u> |
| 2013 | \$ 395,000 | \$ 292,965 |
| 2014 | 405,000 | 278,965 |
| 2015 | 420,000 | 264,527 |
| 2016 | 435,000 | 249,348 |
| 2017 | 450,000 | 233,192 |
| 2018-2022 | 2,530,000 | 889,986 |
| 2023-2027 | 3,075,000 | 330,772 |
| Total | \$7,710,000 | \$2,539,755 |

CAPITAL IMPROVEMENTS

The Capital Improvement Budget funding for FY 12-13 by Project Category is as follows:

| <u>Project Category</u> | <u>Adopted Budget</u> | <u>Percentage of Total</u> |
|--------------------------|-----------------------|----------------------------|
| Park Improvements | \$ 750,000 | 6.01% |
| Street Improvements | 1,860,000 | 14.90% |
| Water improvements | 2,775,000 | 22.22% |
| Sewer Improvements | 6,550,000 | 52.46% |
| Storm Drain Improvements | 550,000 | 4.41% |
| Total | \$12,485,000 | 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 12-13 Capital Improvement Program funding is \$3.04 million less than the FY 11-12 CIP, primarily due to the loss of RDA funding for capital improvement projects. The focus of FY 12-13 capital improvement program is on replacement and renovation. Funding of \$1.86 million for street improvement projects includes \$1.4 million for street resurfacing and reconstruction and \$0.4 million for street light replacement. The FY 12-13 Capital Improvement program also includes funding for utility projects such as water system seismic improvements and sewer system replacement. Parks improvement projects are for renovation of existing parks.

Letter of Transmittal

The funding for FY 12-13 capital improvement projects is primarily from the fund balances of various funds such as park fund and utility funds. Approximately 35.6% of the funding comes from outside sources such as grants, developer fees, gas tax revenue and Transit Area impact fee. 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 12-13 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. There will not be significant cost savings from replacement of aging infrastructure or parks. However, these projects will also not increase operating costs upon completion.

The Capital Budget Section of this document provides a brief description of the projects to be funded in FY 12-13. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2012-2017 prepared by the Engineering Division may be obtained at 455 E. Calaveras Blvd, Milpitas, CA 95035 or at the City's website.

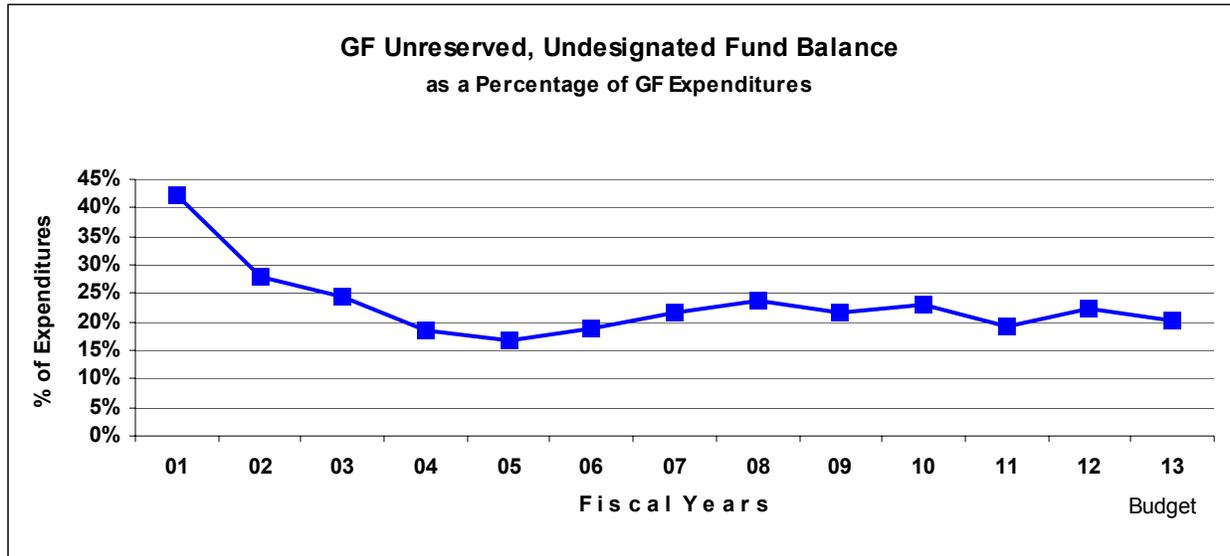
FUND BALANCES

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 City will use \$1.3 million of the Equipment Replacement fund reserve to balance the General Fund budget shortfall. Sewer utility fund will need \$3.6 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 \$554,000 of its reserve to fund capital improvement projects. There are no significant changes to the fund balances of other funds.

The fund balances are further divided into subcategories to indicate the portion that is nonspendable, restricted, committed, assigned and unassigned based on a hierarchy of constraint. Nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance classification includes amounts that are restricted because they are externally imposed by creditors, grantors, or laws or regulations of other governments. Committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council. Assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Unassigned fund balance represents amount that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The projected percentage of the estimated unassigned fund balance for the General Fund is 20.2% which meets the Council's policy of maintaining a minimum unassigned fund balance at 15% of the General Fund budget appropriations. It is also projected that \$4.4 million committed fund balance for the PERS Rate Stabilization will remain at the end of FY 12-13.

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



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 approved appropriations. The City Council 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 core services for all Milpitas citizens, even during difficult economic situations. The City Council's approval of the FY 12-13 Budget continues its commitment to excellence in citizen services and prudent financial management.

Respectfully submitted,


Thomas C. Williams
City Manager

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)

| | FY13-14 | FY14-15 | FY15-16 | FY16-17 | FY17-18 |
|---|----------------|----------------|----------------|----------------|----------------|
| Estimated Revenue | | | | | |
| Property Tax | 19,086 | 20,023 | 20,828 | 21,566 | 22,256 |
| Sales & Use Tax | 19,807 | 20,402 | 21,014 | 21,645 | 22,186 |
| Other Taxes | 3,814 | 3,907 | 4,002 | 4,084 | 4,166 |
| Hotel/Motel Tax | 5,742 | 5,856 | 5,973 | 6,092 | 6,213 |
| License & Permits | 4,124 | 4,269 | 4,417 | 4,504 | 4,594 |
| Charges for Services | 4,905 | 5,050 | 5,200 | 5,328 | 5,441 |
| Other Revenues | 1,218 | 1,236 | 1,248 | 1,260 | 1,273 |
| Operating Transfers | 3,843 | 3,928 | 4,022 | 4,105 | 4,199 |
| Total Estimated Revenues and Other Financing Sources | <u>62,539</u> | <u>64,671</u> | <u>66,704</u> | <u>68,584</u> | <u>70,328</u> |
| Estimated Expenditures | | | | | |
| Salaries | 31,700 | 32,335 | 32,981 | 33,642 | 34,314 |
| Benefits | 18,768 | 19,333 | 19,870 | 20,381 | 20,911 |
| Supplies & Contractual Services | 12,915 | 13,110 | 13,462 | 13,669 | 14,030 |
| Total Estimated Expenditures | <u>63,383</u> | <u>64,778</u> | <u>66,313</u> | <u>67,692</u> | <u>69,255</u> |
| Net Operating Deficit | (844) | (107) | 391 | 892 | 1,073 |

Property tax revenues are expected to increase 8% in FY 13-14, 4.9% in FY 14-15, 4% in FY 15-16, 3.5% in FY 16-17 and 3.2% in FY 17-18. The primary reason for such significant growth in property tax revenue is due to the dissolution of the Redevelopment Agency. The purpose of the dissolution of the RDA is to distribute any remaining tax increment revenues, after satisfying all the RDA obligations, to the taxing entities within the RDA area. The City's share of the distribution is about 15%. Staff estimated that the distribution amount ranges from \$2.4 million in FY 13-14 to \$3.1 million in FY 17-18. In addition, Proposition 13 allows the annual assessed value to increase by the lesser of 2% or the California consumer price index. Staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will increase at 2% in each of the next five years. Staff also projected a modest housing market recovery as well as enrollment of new construction on the tax roll.

Sales tax revenues are projected to increase 3% in FY 13-14 through FY 16-17, and 2.5% in FY 17-18. Staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will increase at 2% in each of the next five years. The increase of 3% in FY 13-14 through FY 16-17 reflects a moderate economic recovery. There is a renewed interest in residential developments in Milpitas. Staff projected that the number of residents will increase with the addition of new housing units. It is assumed that Milpitas businesses will capture a portion of the consumers' spending, especially in the retail, auto and restaurant economic segments.

Five Year General Fund Forecast

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 2.4% in FY 13-14 through FY15-16, and 2% increase in FY 16-17 and FY 17-18.

Hotel tax revenues are projected to increase 3% in FY 13-14, and then 2% in FY 14-15 through FY17-18. Hotel occupancy stabilized in FY 10-11 and showed significant increase in FY 11-12. It is assumed that the hotel operators will increase room price by the average consumer price index which is approximately 2.0% to recover costs.

License and permits consist of building permits and fire permits which are primarily construction related. It is projected that these revenues will continue to increase in the next few years due to a renewed interest in residential developments. It is projected that the Transit Area will add about 3,000 housing units. Consequently, staff projected a higher growth level at 4.7% in FY 13-14, 3.5% in FY 14-15 and FY 15-16, and 2% in FY 16-17 through FY 17-18.

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 0.8% increase in FY 13-14, 3% increase in FY 14-15 and FY 15-16, 2.5% in FY 16-17, and tapering off to 2.1% increase in FY 17-18. The reason for the relatively small increase of 0.8% in FY 13-14 is due to reduction in rent payment from the Santa Clara County Library Joint Powers Authority ("JPA") pursuant to a settlement agreement with the JPA.

Operating transfers are mainly reimbursements from other funds for the staff support and administrative overhead provided by the General Fund. These transfers will increase in conjunction with operating expenditure increases. The projected increases range from 2.1% to 2.8% in the next five years.

Salaries and benefits Salaries are anticipated to be flat in the FY 13-14 and then a 2% increase in the subsequent 4 years. 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 and contribution to CalPERS is anticipated to increase 9.3% in FY 13-14 and then 1.5% in each of the subsequent 4 years, compensation to employees in terms of salaries and other benefits will have to remain manageable in the future. It is anticipated that the City will negotiate for concessions in benefits with the employee groups when the contracts expire in December 2012. Due to the uncertainty of compensation negotiation, the projection assumes current contracts will continue without additional concessions from employee groups. Consequently, the total benefits costs are projected to increase by 6.6% in FY 13-14, 3% in FY 14-15, and 2.6% to 2.8% in the subsequent 3 years.

Services and Supplies costs are anticipated to increase between 1.5% to 4.9% reflecting consumer price increase but also assuming City departments continue to hold the line on this expenditure category. There are fluctuations of cost increase between each year due to election costs that are incurred by the City that typically happen every other year.

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.

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.

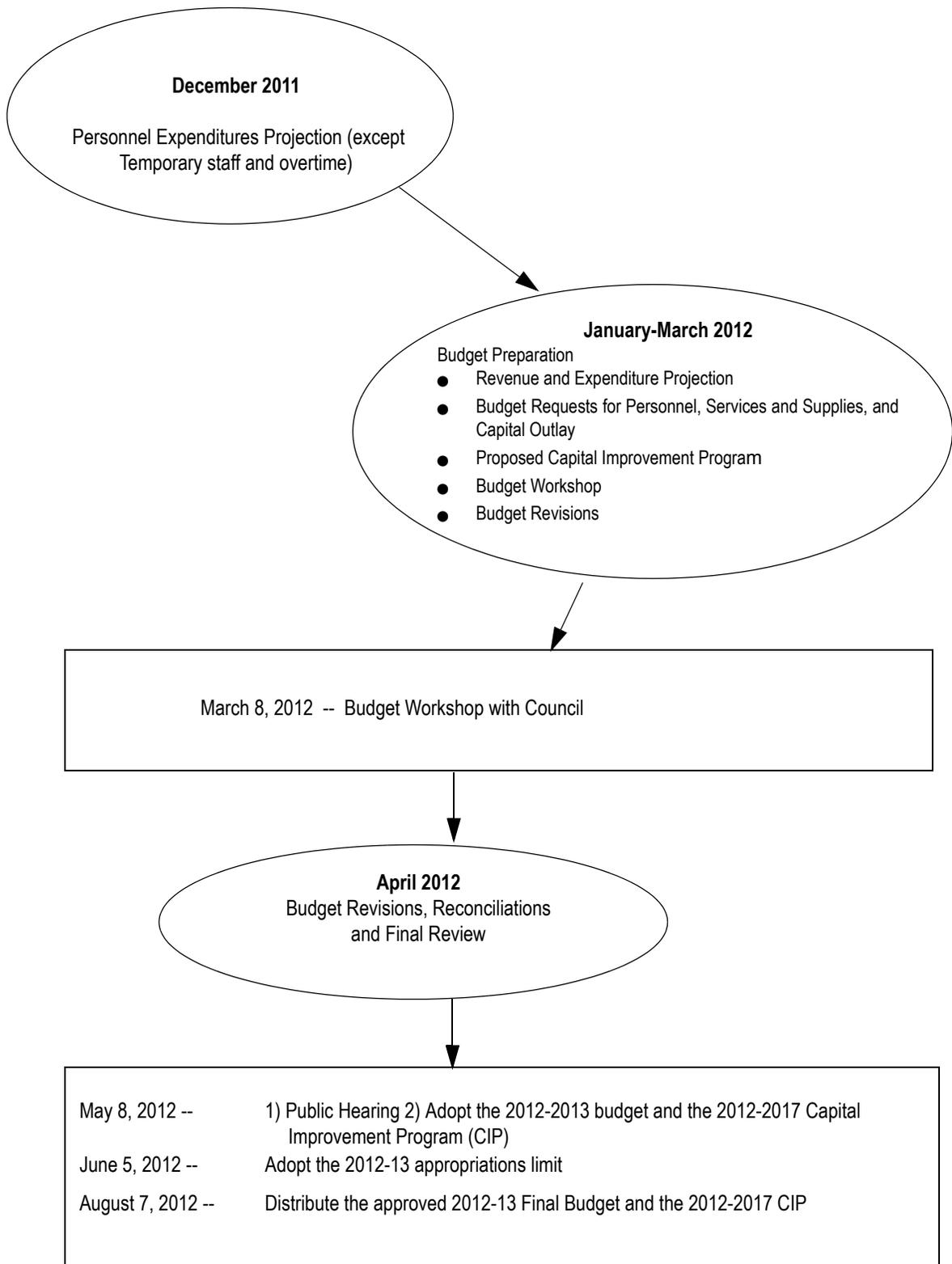
9. Budget Monitoring and Reporting

- 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".

City of Milpitas 2012-2013 Budget Process



CITY OF MILPITAS

**BUDGET PREPARATION TIMELINE
2012-2013 FINANCIAL PLAN**

| <u>Id#</u> | <u>DATE</u> | <u>TASK</u> | <u>RESPONSIBILITY</u> |
|------------|------------------------|--|---|
| 1 | 11/15/11 | Issue request for Capital Improvement Program (CIP) projects to Department Heads. | CIP Staff |
| 2 | 11/15/11 | Distribute inventory list and capital outlay request packet. | Accounting Staff |
| 3 | 12/13/11 | Meetings with Senior Staff to discuss programs, service levels, and general financial status overview. | City Manager, Director of Financial Services, Senior Management Staff |
| 4 | 01/03/12 | New Capital Improvement Program (CIP) projects requests are due. | Senior Management Staff |
| 5 | 01/04/12 | <ul style="list-style-type: none"> • Equipment Inventory changes due to Finance. • Capital Outlay Requests due to Finance. | Senior Management Staff, Budget Liaisons |
| 6 | 01/05/12 | 2012-13 Budget Preparation “Kick-Off” meeting with Budget Liaisons. | City Manager, Director of Financial Services, Budget Manager, Budget Liaisons |
| 7 | 01/05/12 - 01/11/12 | Budget Liaison Training | Budget Liaisons and Budget Manager |
| 8 | 01/13/12 - 01/19/12 | Budget projection for Non-Departmental. | Director of Financial Services, Budget Manager |
| 9 | 01/18/12 | 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 | 01/19/12 - 02/09/12 | Review new classification or reclassification requests. | HR Director |
| 11 | 01/20/12 - 01/25/12 | Complete Non-Department Budget BRASS entry. | Budget Manager |
| 12 | 01/23/12 - 01/27/12 | Conduct Revenue discussions with budget units (Department/ Divisions) and Special Fund expenditure projections and fund balance. | Director of Financial Services, Budget Manager, Department/Division Heads |

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

| <u>Id#</u> | <u>DATE</u> | <u>TASK</u> | <u>RESPONSIBILITY</u> |
|------------|------------------------|---|---|
| 13 | 01/25/12 | <ul style="list-style-type: none"> • Data entry in the BRASS budget system is complete. • Temporary Position Request Forms 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 |
| 14 | 02/03/12 | Print and distribute Budget Proformas to Budget Units for review. | Budget Manager |
| 15 | 02/06/12 - 02/10/12 | Meeting to discuss Capital Outlay Requests. | City Manager, Director of Financial Services, Public Works Director, Accounting Manager |
| 16 | 02/08/12 | <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 | 02/09/12 | HR completes review of new classification or reclassification requests and provides those results to Finance. | HR Director |
| 18 | 02/21/12 - 02/24/12 | Prepare budget reports and distribute to City Manager and Budget Units. | Finance Budget Team |
| 19 | 02/27/12 - 03/02/12 | Review draft CIP document and consider funding feasibility. | City Manager, Director of Financial Services, Public Works Director, Accounting Manager |
| 20 | 02/27/12 - 03/02/12 | Budget Unit Work sessions - Review Operating Budget requests with the respective budget unit staff. | City Manager, Senior Management Staff Director of Financial Services, Budget Manager |
| 21 | 03/05/12 - 03/09/12 | Review Proposed CIP document by Finance. | Director of Financial Services, Accounting Manager, CIP Accountant |
| 22 | 03/08/12 | Budget Workshop | City Council, Senior Management Staff |

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

| <u>Id#</u> | <u>DATE</u> | <u>TASK</u> | <u>RESPONSIBILITY</u> |
|------------|------------------------|---|--|
| 23 | 03/09/12 | Distribute budget reports to Budget Units for final review. | Finance Budget Team |
| 24 | 03/12/12 - 03/16/12 | Final review of budget unit operating budget. | Senior Management Staff, Budget Liaisons |
| 25 | 03/21/12 | Publish Draft 2012-2017 Capital Improvement Program and distribute. | CIP Staff |
| 26 | 03/22/12 | Finance Subcommittee: review requests for new and proposed CIP project. | Finance Subcommittee City Manager Public Works Director Director of Financial Services |
| 27 | 03/22/12 - 03/23/12 | Budget Reconciliation: Operating budget and CIP. | Budget Manager, CIP Staff |
| 28 | 03/26/12 - 03/30/12 | Draft the Transmittal Letter | Director of Financial Services |
| 29 | 04/02/12 | Review Draft Parks projects in the CIP Budget. | PRCRC |
| 30 | 04/02/12 - 04/06/12 | Review the Transmittal Letter. | City Manager |
| 31 | 04/02/12 - 04/06/12 | Final review of proposed budget. | Director of Financial Services, Budget Manager, Accounting Manager |
| 32 | 04/11/12 | Review Draft CIP for information and General Plan conformance findings. | Planning Commission, Public Work Director |
| 33 | 04/19/12 | Publish notice of public hearings regarding the Operating Budget and Capital Improvement Program. | City Clerk |
| 34 | 04/23/12 - 04/27/12 | Distribute the Proposed 2012-13 Operating Budget and Financial Plan. | Finance Budget Team |
| 35 | 05/1/12 | Review the Draft 2012-2017 Capital Improvement Program. | City Council |
| 36 | 05/08/12 | 1) Public hearing 2) Adopt the recommended 2012-2013 Proposed Budget and Financial Plan and the 2012-2017 Capital Improvement Program. | City Council, Senior Management Staff |

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

| <u>Id#</u> | <u>DATE</u> | <u>TASK</u> | <u>RESPONSIBILITY</u> |
|------------|-------------|---|-----------------------|
| 37 | 06/05/12 | Adopt the 2012-13 Appropriations Limit Resolution. | City Council |
| 38 | 07/01/12 | Fill out Personnel Action Forms for those employees whose split funding will be different in FY 12-13 and send the forms to HR. | Budget Liaisons |
| 39 | 08/07/12 | Distribute the approved 2012-13 Final Budget and the 2012-2017 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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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADOPTING THE APPROPRIATIONS LIMIT FOR THE CITY OF MILPITAS FOR FISCAL YEAR 2012-2013

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 2012-2013 of \$72,575,600. The calculation is attached hereto as Attachment No.1 ("FY 2012-2013 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 2012-2013 shall be \$72,575,600, 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 2012-2013 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 5TH day of June 2012, by the following vote:

AYES: (5) Mayor Esteves, Vice Mayor McHugh, and Councilmembers Giordano, Gomez and Polanski

NOES: (0) None

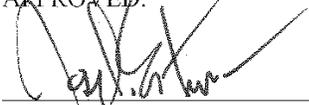
ABSENT: (0) None

ABSTAIN: (0) None

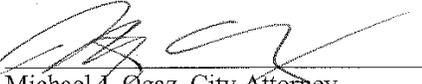
ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Jose S. Esteves, Mayor

APPROVED AS TO FORM:


Michael J. Ogaz, City Attorney

Attachment No. 1

**City of Milpitas
FY 2012-2013 APPROPRIATIONS LIMIT**

| | |
|---|--------------------------|
| Per Capita Change | 1.03770 |
| * Population Change | 1.01240 |
| Calculation Factor FY 11-12 1.03770×1.0124 | 1.05057 |
| FY 11-12 limit $\$69,082,283 \times 1.05057$ | 72,575,600 |
| Appropriations Subject to Limit | <u>48,192,811</u> |
| Appropriations under Limit | <u><u>24,382,789</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 2012-2013 appropriations limit, the population growth of the County and the California Per Capita Personal Income change were used.

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AND THE HOUSING AUTHORITY COMMISSION OF THE CITY OF MILPITAS APPROVING THE FINAL BUDGET FOR THE CITY OF MILPITAS FOR THE FISCAL YEAR 2012-2013

WHEREAS, the City Manager submitted a 2012-2013 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 Housing Authority Commission ("Authority") reviewed the City Manager's 2012-2013 Proposed Budget and Financial Plan; and

WHEREAS, on May 8, 2012, the City Council and Authority approved the 2012-2013 Financial Plan and the 2012-2013 Capital Budget.

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

1. The City Council and Authority 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 2012-2013 is hereby reaffirmed and adopted totaling \$105,142,850 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 2012-2013 Final Budget.
4. The budgets for all departments for the period July 1, 2012 through June 30, 2013, inclusively contained in this 2012-2013 Final Budget Resolution, are approved as the operating budget for those departments for fiscal 2012-2013.
5. Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager, at the end of fiscal 2011-2012 may be reappropriated for continued use in fiscal 2012-2013.
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 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 Approval Not Required. Prior approval of the City Council 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).
 - ii. When revisions, which involve transfers from appropriated contingency reserves, are less than the aggregate amount of 1% of General Fund appropriations, or \$616,000 during fiscal 2012-2013, provided that the Council 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 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 during the fiscal 2012-2013 Budget hearing.
- b. Prior Council Approval Required. Prior approval of the City Council 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 \$616,000 during fiscal 2012-2013, to be exceeded.
8. In order to balance the budget for fiscal year 2012-2013, 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 Budgets has been presented during this meeting of May 8, 2012, 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. It is found that this decision is a fundamental managerial policy decision of the City Council.
9. Any provision of any resolution adopted prior to the date of adoption of this resolution that is inconsistent with the intent of, or the language of, or which would thwart the immediate implementation of this budget resolution, is hereby repealed and rendered null and void to the extent of any such inconsistency, as an impediment and barrier to the current direction, intent and will of the City Council. Specifically, Subsection D of Section IV and Section VI of Resolution No. 5981 are hereby repealed immediately.
10. There is no potential impact on the environment from this action per Section 15061(b)(3) of the CEQA Guidelines.

PASSED AND ADOPTED this 8TH day of May 2012, by the following vote:

AYES: (4) Mayor/Chair Esteves, Vice Mayor/Vice Chair McHugh, and Councilmembers Giordano and Polanski

NOES: (1) Councilmember Gomez

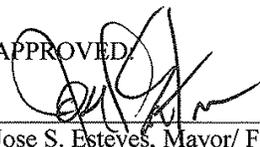
ABSENT: (0) None

ABSTAIN: (0) None

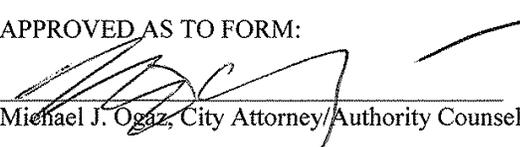
ATTEST:


Mary Lavelle, City Clerk/Authority Secretary

APPROVED:


Jose S. Esteves, Mayor/ First Chair

APPROVED AS TO FORM:


Michael J. Ogaz, City Attorney/Authority Counsel

RESOLUTION NO. 8178

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS
AMENDING THE CLASSIFICATION PLAN

WHEREAS, the City of Milpitas has a Classification Plan adopted as Resolution No. 1626 on December 17, 1968, which has been from time to time previously amended, and which is in accordance with the Personnel Rules and Regulations of the City of Milpitas (Resolution No. 792, as amended); and

WHEREAS, amendments to the Classification Plan are necessary to account for changes within the organization, reductions in staffing, transfer of duties, new job responsibilities, and adjustments to salary ranges.

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. Resolution No. 1626, as amended, is hereby amended effective July 1, 2012, as follows:
 - A. Forty-two and a half positions within various departments, many of which have been unfilled for many years, are deleted, a copy of which is attached hereto as Attachment No. 1 (the "Positions to be deleted from Authorized Position list").
 - B. The position of "Accounting Services Manager" is reclassified to "Finance Manager" due to the broadening of the duties of that position as a result of consolidation of Finance Department's operation from four divisions to two divisions.
 - C. The classification of "Legal Assistant" is reclassified to "Executive Secretary" in light of the increased interdependence and cross-over of administrative staff duties and responsibilities within the Third Floor executive wing making it appropriate that both administrative positions in that wing be of the same classification.

PASSED AND ADOPTED this 8TH day of May 2012, by the following vote:

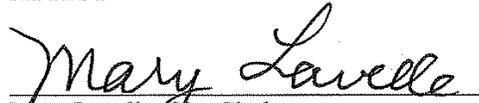
AYES: (4) Mayor Esteves, Vice Mayor McHugh, and Councilmembers Giordano and Polanski

NOES: (1) Councilmember Gomez

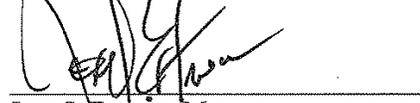
ABSENT: (0) None

ABSTAIN: (0) None

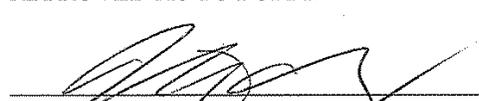
ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Jose S. Esteves, Mayor

APPROVED AS TO FORM:


Michael J. Ogaz, City Attorney

Attachment No 1

Positions to be deleted from Authorized Position List

| Department/Division | Job Title | FTE's |
|----------------------------------|---|--------------|
| City Clerk | Office Assistant | 2 |
| | Document Processing Technician | 1 |
| | Printing Services Technician | 1 |
| Information Services | Desktop Technician | 1 |
| | Customer Service Manager | 1 |
| | Assistant Information Services Director | 1 |
| | Systems Administrator | 1 |
| | Office Assistant | 1 |
| Finance | Assistant Finance Director | 1 |
| | Administrative Analyst | 1 |
| | Fiscal Assistant | 2 |
| | Fiscal Services Manager | 1 |
| | Maintenance Worker II | 1 |
| Planning & Neighborhood Services | Administrative Analyst | 1 |
| | Recreation Services Assistant IV | 0.5 |
| Police | Police Captain | 2 |
| Recreation | Recreation Services Supervisor | 1 |
| | Program Coordinator | 1 |
| | Public Services Supervisor | 1 |
| Engineering | Office Assistant | 1 |
| | Office Specialist | 1 |
| | Principal Civil Engineer | 1 |
| | Engineering Aid | 3 |
| | Assistant Civil Engineer | 2 |
| | Associate Civil Engineer | 1 |
| | Engineering Permit Technician | 1 |
| | Principal Transportation Planner | 2 |
| Public Works | Associate Civil Engineer | 1 |
| | Community Services Project Manager | 1 |
| | Office Specialist | 1 |
| | Secretary | 1 |
| | Maintenance Worker III | 2 |
| | Maintenance Worker II | 1 |
| | Maintenance Worker I | 1 |
| | Fleet Maintenance Assistant | 1 |
| | TOTAL | 42.5 |

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.

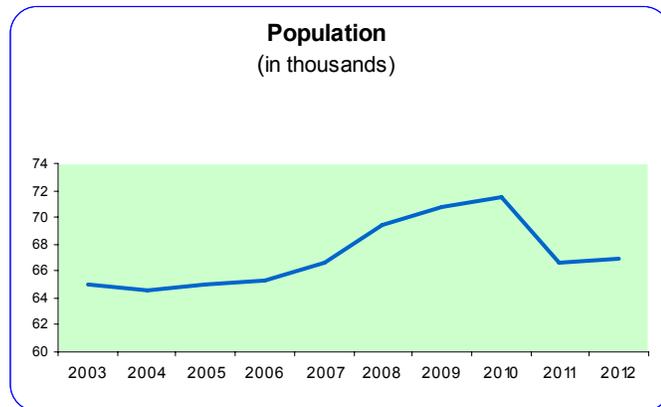
Following the computer firm boom of the 1980s and the opening of one of the nation's largest malls in 1994, the city is now home to more than 67,000 residents.

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 66,966 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; Liner 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 2010-11 | | |
| <u>Taxpayers</u> | <u>Taxable Assessed Value</u> | <u>% of Total City Assessed Value</u> |
| Cisco Technology Inc. | \$584,277,379 | 4.90% |
| Milpitas Mills LP | 318,591,678 | 2.67% |
| KLA Tencor Corporation | 203,516,223 | 1.71% |
| Silicon Valley California LLC | 175,255,293 | 1.47% |
| Diversified Real Estate Investors | 185,839,684 | 1.56% |
| Headway Technologies Inc. | 123,824,481 | 1.04% |
| BRE Milpitas LLC | 115,567,449 | 0.97% |
| Liner Technology Corporation | 107,655,795 | 0.90% |
| Solyndra Inc. | 82,207,448 | 0.69% |
| Lifescan Inc. | 80,419,329 | 0.68% |

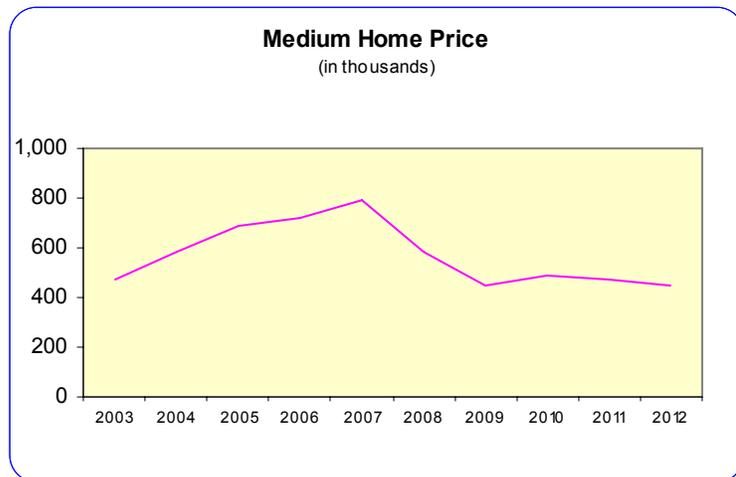
General Information Demographic Profile

Milpitas' neighborhoods are dotted with close to 19,915 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.

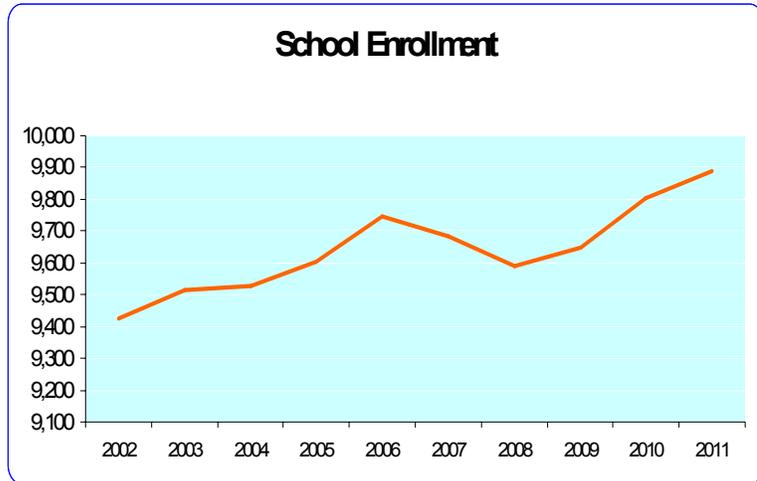


Milpitas' average household income is \$98,100. The percentage of households with incomes more than \$75,000 is close to 79 percent. About 41% of the households earn more than \$100,000 annually.

Close to 61 percent of Milpitan's own their own home. Rental prices vary from \$975 to \$1,520 per month for renters with one and two bedroom apartments and duplexes. Rent for two and three bedroom houses typically run \$1,425 to \$2,330. The median price of a home as of January 2012 in Milpitas is \$449,500. 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.



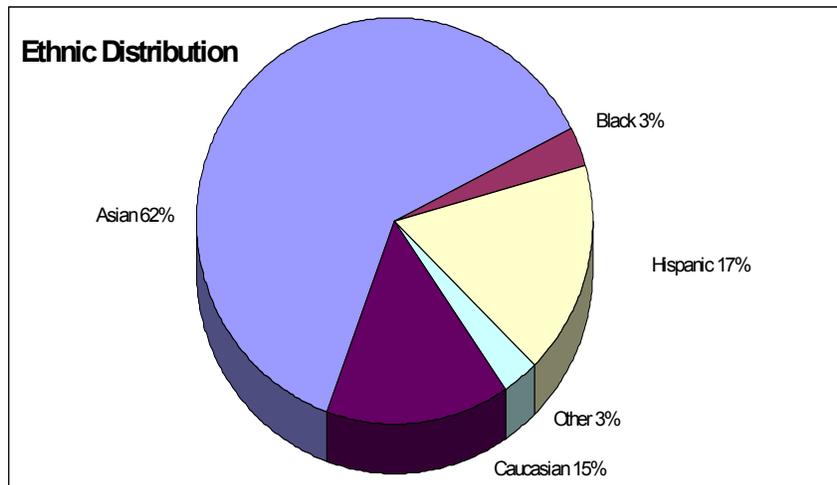
Milpitas public school system has 9 elementary schools, 2 middle schools, 2 high schools, 2 children centers, and an adult education program serving the community. Private school system has 4 elementary schools and 33 preschool/daycare facilities. School enrollment is 9,887.



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 \$105 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 | 14,259 |
| | | Commercial | 2,056 |
| | | Recycled Water | 192 |
| Population (estimated*) | 66,966 | Average Daily Consumption | |
| Land Area (Square Miles) | 13.6 | (in gallons) | 8,100,000 |
| 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 | 58 | 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 | 83 | High Schools | 2 |
| Crossing Guard Posts | 43 | Parks and Recreation | |
| Number of Vehicles | 75 | Acres of Parkland | 178 |
| Employees | | Number of Parks | 33 |
| Permanent | 455.0 | Number of Swimming Pools | 4 |
| Temporary (FTE) | 52.0 | Number of Tennis Courts | 17 |

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
Robert Gill
Bill Foulk
Robin Hays
Harriet McGuire
Nicole Phan
Tess Santos
Becky Strauss

Public Art Committee

Cyd Mathias
Larry Voellger

(Plus all Arts Commission Members including Alternates)

**Bicycle Pedestrian
Advisory Commission**

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

Economic Development

Ricardo Ablaza
Sumeet Ahuja
Dinna Bayangos
Chandru Bhambhra
Dhaval J. Brahmbhatt
Marsha Grilli
Tom McEvoy
Minh Ngyuen
Cat-Tuong Nguyen
Donald Peoples
Preeti Suri
Charlene Tsao
Warren Wettenstein

Community Advisory Commission

Edna R. Andres
Thelma Batilo
Samantha Beard
Janice Bobay
Eva Ferguson
Jennifer Lind
Mayvid Maclay
Michelle Manassau
Syed Mohsin
Phong Nguyen
Jose Rosario
Mia Bradway Winter

**Emergency Preparedness
Commission**

Mercedes Albana
Michael Berryhill
Michael Caulkins
Don Clendenin
Tim Howard
Betty Jo Reutter
Charlotte Torres Ronquillo
Brian Shreve
Stephen Strauss
Arlyn Swiger
Pamela Wells

Library Advisory Commission

Trinidad Aotalin
Linda Arbaugh
Melinda Cervantes
Yu-Lan Chou
Elpidio Estioko
Marilyn Hay
Nancy Howe
Carmen Montano
Marie Pham
Ha Phan
Margie Stephens
Sonny S. Wang

Board, Commissions, and Committee

Mobile Home Park Rental

Review Board

Huy Bui
Mila Garcia
Demetrio Nitafan
Arthus Sana

Parks, Recreation and Cultural

Resources Commission

George Baltazar
Stephanie Fong
Gerome Guerrero
Naomi Matau
Vishnu Mathur
Steve Munzel
Evelyn Ramirez
Rohit Sharma
Rebecca Villalobos

Planning Commission

Garry Barbadillo
Lawrence Ciardella
John Luk
Rajeev Madnawat
Sudhir Mandal
Zeya Mohsin
Gurdev "Dave" Sandhu
Steve Tao

Recycling and Source Reduction

Advisory Commission

Madan Arora
Echo Arthur
Ed Blake, Jr.
John Cimino
Garrett Dye
Kashmir Gill
Joe Kwong
Christopher Salian
Steve Ybarra

Senior Advisory Commission

Karen Adams
Mary Banick
Moo Jin Choi
Bal Daquigan
Barbara Ebright
Estrella Gilana
Melba Holliday
Deborah Langlely
Amanda Santos
Denny Weisgerber
Bernice Wrinkle

Sister Cities Commission

Dana Arbaugh
Massoud Arefi
German Galvan
Dennis Grilli
Miriam Hardin
Roselda Mateo
Maria Magdalena Ortega
Karen Serpa
Brenda Su
Marsha Binh Tran

Telecommunications Commission

Albert Alcorn
Kurt Bohan
Dinesh Gupta
Niranjan Gupta
William Lam
Debra (Whitlock) Lax
M. Idrees Munir
Sukhi Singh
Hai Tran

Veterans Commission

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

Youth Advisory Commission

Randolph Abaya
Jose Ajero III
Pilar Ferguson
Arjun Goyal
Sahil Hansalia
Veenu King
Monica La
Brian Leon
Isaiah Rigmaiden-Daniels
Sahil Sandhu
Vicky Tu
Cindy Wang
Veronica Wang

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Directory of Officials

Fiscal Year 2012 – 2013

City Manager

Thomas C. Williams

Police Chief

Steve Pangelinan, Acting

Director of Financial Services

Emma Karlen, CPA

Fire Chief

Brian Sturdivant

City Clerk

Mary Lavelle

City Attorney

Michael Ogaz

Chief Information Officer

Alan Rich, Acting

Human Resources Director

Carmen Valdez

Public Works Director/City Engineer

Kathleen Phalen, Acting

Planning & Neighborhd Svc Director

Felix Reliford, Acting

Chief Building Official

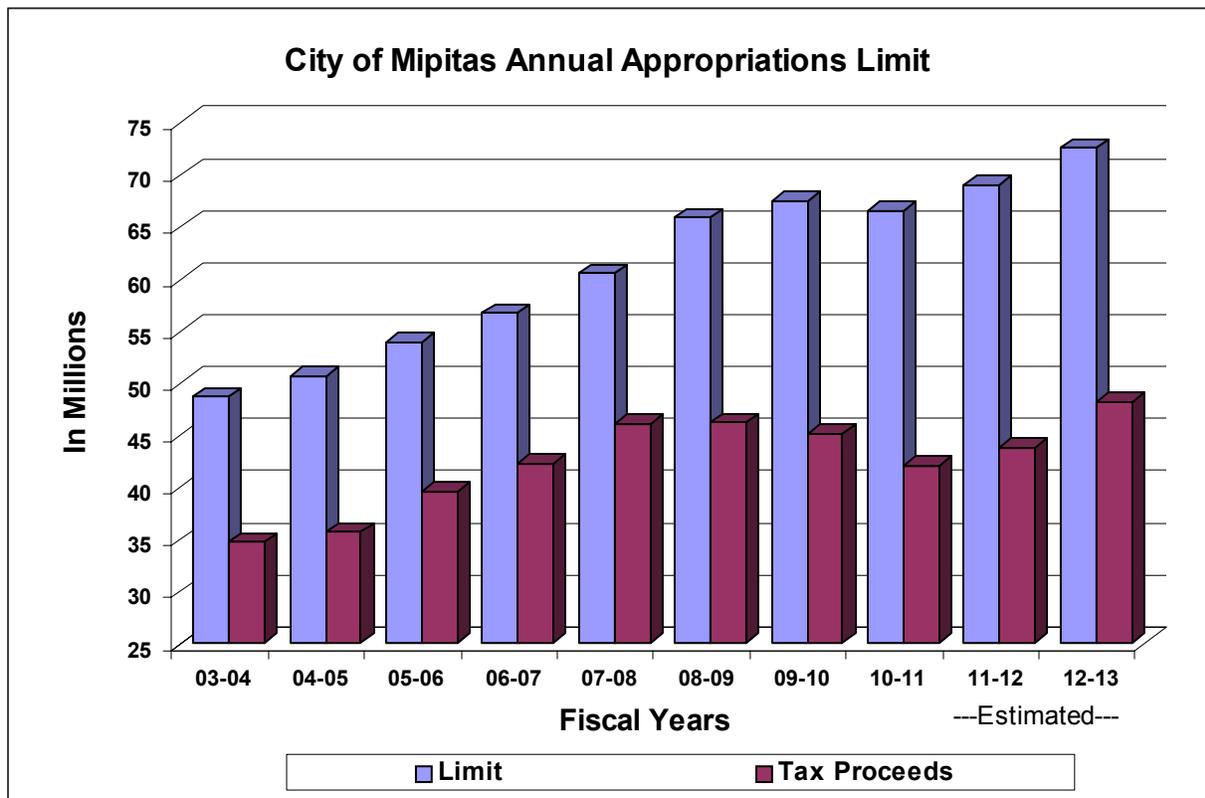
Keyvan Irannejad

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 FY2012-13 has been computed to be \$72,575,600. Appropriations subject to the limitation in FY2012-13 budget total \$48,192,811 that is \$24,382,789 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since Fiscal Year 2003-2004. 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, 2012**

ASSESSED VALUATION:

| | | |
|---|--|------------------|
| Secured property assessed value, net of exempt real property | | \$11,498,965,669 |
|---|--|------------------|

| | | |
|--|--|---------------|
| BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (A) | | \$431,211,213 |
|--|--|---------------|

AMOUNT OF DEBT SUBJECT TO LIMIT:

| | | |
|-------------------|--|---------------|
| Total Bonded Debt | | \$171,240,000 |
|-------------------|--|---------------|

| | | |
|---|--|---------------|
| Less: Tax Allocation Bonds and Certificates of Participation, not subject to limit | | \$171,240,000 |
|---|--|---------------|

| | | |
|---------------------------------|--|-----|
| Amount of debt subject to limit | | -0- |
|---------------------------------|--|-----|

| | | |
|--------------------------|--|---------------|
| LEGAL BONDED DEBT MARGIN | | \$431,211,213 |
|--------------------------|--|---------------|

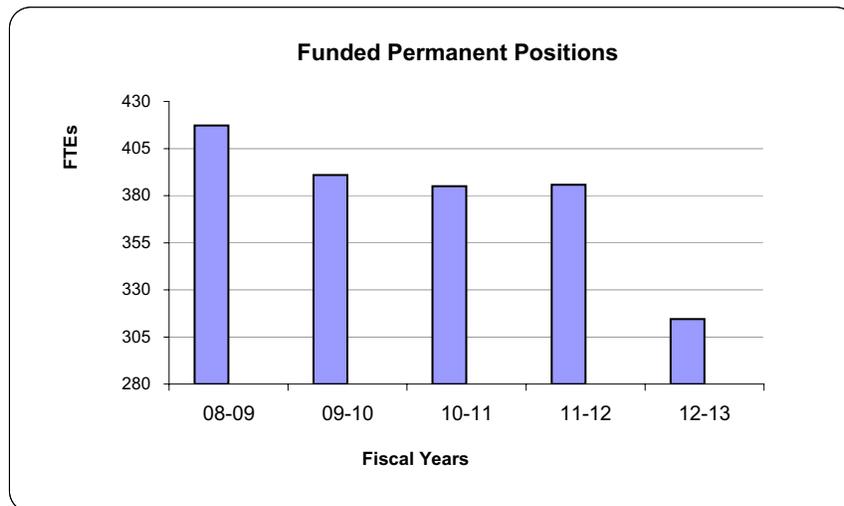
- (a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of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

Authorized Positions by Division

| | 09 - 10 | | 10 - 11 | | 11 - 12 | | Change | | 12 - 13 | |
|--------------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|----------------|---------------|---------------|--------------|
| | 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 | 1.00 | 0.00 | 5.00 | 0.00 |
| 114 City Clerk | 10.00 | 0.00 | 10.00 | 0.00 | 10.00 | 0.00 | (4.00) | 0.00 | 6.00 | 0.00 |
| 116 RDA & Economic Dvp | 1.00 | 0.00 | 1.00 | 0.00 | 1.00 | 0.00 | (1.00) | 0.00 | 0.00 | 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>(4.00)</u> | <u>0.00</u> | <u>16.00</u> | <u>0.00</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> |
| 530 Building and Safety | 28.00 | 0.00 | 28.00 | 0.00 | 28.00 | 0.00 | 0.00 | 0.00 | 28.00 | 0.00 |
| Building and Safety | <u>28.00</u> | <u>0.00</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 | (5.00) | 0.00 | 15.00 | 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>(5.00)</u> | <u>0.00</u> | <u>15.00</u> | <u>0.00</u> |
| 115 Human Resources | 7.00 | 0.00 | 6.00 | 0.50 | 6.00 | 0.50 | 0.00 | 0.00 | 6.00 | 0.50 |
| 450 Recreation Services | 28.50 | 44.00 | 28.50 | 39.00 | 28.50 | 34.00 | (3.00) | (3.50) | 25.50 | 30.50 |
| HR & Recreation | <u>35.50</u> | <u>44.00</u> | <u>34.50</u> | <u>39.50</u> | <u>34.50</u> | <u>34.50</u> | <u>(3.00)</u> | <u>(3.50)</u> | <u>31.50</u> | <u>31.00</u> |
| 300 Finance Administration | 12.00 | 0.00 | 12.00 | 0.00 | 12.00 | 0.00 | (5.00) | 0.00 | 7.00 | 0.00 |
| 310 Finance Operations | 21.50 | 1.00 | 21.50 | 0.75 | 21.50 | 0.75 | (1.00) | 0.25 | 20.50 | 1.00 |
| Finance | <u>33.50</u> | <u>1.00</u> | <u>33.50</u> | <u>0.75</u> | <u>33.50</u> | <u>0.75</u> | <u>(6.00)</u> | <u>0.25</u> | <u>27.50</u> | <u>1.00</u> |
| 420 Public Works | 96.00 | 4.25 | 96.00 | 5.00 | 96.00 | 5.00 | (9.00) | 0.00 | 87.00 | 5.00 |
| 410 Engineering | 41.00 | 1.00 | 40.00 | 0.50 | 40.00 | 0.50 | (12.00) | 0.00 | 28.00 | 0.50 |
| Public Works & Engring | <u>137.00</u> | <u>5.25</u> | <u>136.00</u> | <u>5.50</u> | <u>136.00</u> | <u>5.50</u> | <u>(21.00)</u> | <u>0.00</u> | <u>115.00</u> | <u>5.50</u> |
| 510 Planning & Nghbrhd | 17.00 | 0.00 | 18.00 | 0.00 | 18.00 | 0.00 | (1.50) | 0.00 | 16.50 | 0.00 |
| Planning & Nghbrhd Srves | <u>17.00</u> | <u>0.00</u> | <u>18.00</u> | <u>0.00</u> | <u>18.00</u> | <u>0.00</u> | <u>(1.50)</u> | <u>0.00</u> | <u>16.50</u> | <u>0.00</u> |
| 700 Police Administration | 3.00 | 0.00 | 3.00 | 0.00 | 3.00 | 0.00 | (1.00) | 0.00 | 2.00 | 0.00 |
| 710 Police Technical Services | 30.50 | 1.75 | 30.50 | 1.00 | 30.50 | 1.00 | (1.00) | 0.00 | 29.50 | 1.00 |
| 720 Police Field Services | 73.00 | 13.00 | 74.00 | 13.00 | 74.00 | 13.00 | 2.00 | 0.00 | 76.00 | 13.00 |
| 730 Special Operations | 17.00 | 0.00 | 16.00 | 0.00 | 16.00 | 0.00 | (2.00) | 0.00 | 14.00 | 0.00 |
| Police | <u>123.50</u> | <u>14.75</u> | <u>123.50</u> | <u>14.00</u> | <u>123.50</u> | <u>14.00</u> | <u>(2.00)</u> | <u>0.00</u> | <u>121.50</u> | <u>14.00</u> |
| 800 Fire Administration | 3.00 | 0.00 | 3.00 | 0.00 | 4.00 | 0.00 | 0.00 | 0.50 | 4.00 | 0.50 |
| 810 Emerg Resp & Prep Div | 67.00 | 0.00 | 67.00 | 0.00 | 66.00 | 0.00 | 0.00 | 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>0.50</u> | <u>80.00</u> | <u>0.50</u> |
| TOTAL | <u>498.50</u> | <u>65.00</u> | <u>497.50</u> | <u>59.75</u> | <u>497.50</u> | <u>54.75</u> | <u>(42.50)</u> | <u>(2.75)</u> | <u>455.00</u> | <u>52.00</u> |

Funded Permanent Positions by Department

| | 08-09 | | 09-10 | | 10-11 | | 11-12 | | 12-13 |
|--------------------------|---------------|----------------|---------------|---------------|---------------|-------------|---------------|----------------|---------------|
| | Funded | Change | Funded | Change | Funded | Change | Funded | Change | Funded |
| City Council | 5.00 | 0.00 | 5.00 | 0.00 | 5.00 | 0.00 | 5.00 | 0.00 | 5.00 |
| City Manager | 2.00 | 0.00 | 2.00 | 0.00 | 2.00 | 0.00 | 2.00 | 0.00 | 2.00 |
| City Clerk | 8.00 | (2.00) | 6.00 | 0.00 | 6.00 | 0.00 | 6.00 | (3.00) | 3.00 |
| RDA & Economic Dvp | 1.00 | 0.00 | 1.00 | 0.00 | 1.00 | 0.00 | 1.00 | (1.00) | 0.00 |
| City Manager | 16.00 | (2.00) | 14.00 | 0.00 | 14.00 | 0.00 | 14.00 | (4.00) | 10.00 |
| City Attorney | 4.00 | 0.00 | 4.00 | 0.00 | 4.00 | 0.00 | 4.00 | (1.00) | 3.00 |
| Building and Safety | 18.00 | (1.00) | 17.00 | (0.50) | 16.50 | 0.50 | 17.00 | (3.00) | 14.00 |
| Information Services | 16.00 | (2.00) | 14.00 | 0.00 | 14.00 | 0.00 | 14.00 | (3.75) | 10.25 |
| HR and Recreation Svcs | 44.00 | (4.00) | 40.00 | (1.00) | 39.00 | (2.75) | 36.25 | (19.50) | 16.75 |
| Finance | 28.00 | (2.50) | 25.50 | 0.00 | 25.50 | 0.00 | 25.50 | (4.00) | 21.50 |
| Public Works & Engring | 94.00 | (9.00) | 85.00 | (1.50) | 83.50 | 0.50 | 84.00 | (26.00) | 58.00 |
| Planning & Nghbrhd Srves | 12.50 | (1.00) | 11.50 | 1.00 | 12.50 | (1.50) | 11.00 | (1.00) | 10.00 |
| Police | 112.75 | (2.75) | 110.00 | 1.00 | 111.00 | (1.00) | 110.00 | (6.00) | 104.00 |
| Fire | 68.00 | (2.00) | 66.00 | (5.00) | 61.00 | 5.00 | 66.00 | (2.00) | 64.00 |
| TOTAL | 413.25 | (26.25) | 387.00 | (6.00) | 381.00 | 0.75 | 381.75 | (70.25) | 311.50 |



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| | Grand Total | General Fund (1) | Measure I TOT |
|---|--------------------|-------------------|--------------------|
| ESTIMATED REVENUES | | | |
| PROPERTY TAXES | 17,659,000 | 17,659,000 | 0 |
| TAXES OTHER THAN PROPERTY | 30,462,000 | 28,530,000 | 1,395,000 |
| LICENSES AND PERMITS | 3,938,000 | 3,938,000 | 0 |
| FINES AND FORFEITS | 635,000 | 635,000 | 0 |
| USE OF MONEY AND PROPERTY | 991,000 | 127,000 | 36,000 |
| INTERGOVERNMENTAL | 2,604,000 | 655,000 | 0 |
| CHARGES FOR CURRENT SERVICES | 37,816,981 | 4,866,000 | 0 |
| OTHER REVENUE | 12,582,800 | 159,000 | 0 |
| sub-total | 106,688,781 | 56,569,000 | 1,431,000 |
| OTHER FINANCING SOURCES | | | |
| (INCREASE) DECREASE IN FUND BALANCE | 4,214,669 | 0 | (913,100) |
| (INCREASE) DECREASE IN CIP FUND BALANCE | (5,760,600) | 0 | 0 |
| OPERATING TRANSFERS IN | 8,996,265 | 5,043,265 | 0 |
| OPERATING TRANSFERS OUT | (8,996,265) | 0 | (427,900) |
| sub-total | (1,545,931) | 5,043,265 | (1,341,000) |
| TOTAL | 105,142,850 | 61,612,265 | 90,000 |
| BUDGETED APPROPRIATIONS | | | |
| PERSONNEL SERVICES | 54,042,790 | 49,303,984 | 45,000 |
| SUPPLIES & CONTRACTUAL SERVICES | 37,538,195 | 12,308,281 | 45,000 |
| CAPITAL OUTLAY | 388,865 | 0 | 0 |
| sub-total | 91,969,850 | 61,612,265 | 90,000 |
| CAPITAL IMPROVEMENTS | 12,485,000 | 0 | 0 |
| DEBT SERVICE | 688,000 | 0 | 0 |
| sub-total | 13,173,000 | 0 | 0 |
| TOTAL | 105,142,850 | 61,612,265 | 90,000 |
| FUND BALANCE | | | |
| FUND BALANCE 7/1/2012 | 115,573,362 | 24,580,762 | 4,500,000 |
| NET CHANGES IN FUND BALANCE | 1,545,931 | 0 | 913,100 |
| FUND BALANCE 6/30/2013 | <u>117,119,293</u> | <u>24,580,762</u> | <u>5,413,100</u> |
| RESTRICTED | 19,911,447 | 1,000,000 | 0 |
| RESTRICTED FOR CIP | 59,140,600 | 0 | 0 |
| COMMITTED FOR PERS | 4,432,703 | 4,432,703 | 0 |
| ASSIGNED | 15,149,100 | 6,700,000 | 5,413,100 |
| UNASSIGNED, UNRESTRICTED | 18,485,443 | 12,448,059 | 0 |
| TOTAL | 117,119,293 | 24,580,762 | 5,413,100 |

(1) General Fund includes Abandon Vehicle Abatement Fund and administration funds of the former Redevelopment Agency.

(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 Fund, Equipment Replacement Fund, Information Technology Replacement Fund and Permit Automation Fund.

Financial Information Budget Summary

| <u>Housing Authority</u> | <u>Other Funds (2)</u> | <u>Capital Projects (3)</u> | <u>Water Fund (4)</u> | <u>Sewer Fund (5)</u> |
|--------------------------|------------------------|-----------------------------|-----------------------|-----------------------|
| 0 | 0 | 0 | 0 | 0 |
| 0 | 537,000 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 364,000 | 122,000 | 139,000 | 99,000 | 104,000 |
| 0 | 1,572,000 | 347,000 | 30,000 | 0 |
| 67,000 | 1,994,981 | 0 | 18,739,000 | 12,150,000 |
| 85,000 | 691,800 | 10,150,000 | 657,000 | 840,000 |
| <u>516,000</u> | <u>4,917,781</u> | <u>10,636,000</u> | <u>19,525,000</u> | <u>13,094,000</u> |
| 0 | 1,588,605 | (2,020,000) | 1,070,457 | 4,488,707 |
| 0 | 0 | (4,400,600) | (516,000) | (844,000) |
| 0 | 0 | 1,453,000 | 0 | 2,500,000 |
| 0 | (3,003,729) | (2,500,000) | (1,706,077) | (1,358,559) |
| <u>0</u> | <u>(1,415,124)</u> | <u>(7,467,600)</u> | <u>(1,151,620)</u> | <u>4,786,148</u> |
| <u>516,000</u> | <u>3,502,657</u> | <u>3,168,400</u> | <u>18,373,380</u> | <u>17,880,148</u> |
| 147,162 | 842,367 | 0 | 2,193,643 | 1,510,634 |
| 368,838 | 2,478,278 | 8,400 | 13,231,310 | 9,098,088 |
| 0 | 182,012 | 0 | 173,427 | 33,426 |
| <u>516,000</u> | <u>3,502,657</u> | <u>8,400</u> | <u>15,598,380</u> | <u>10,642,148</u> |
| 0 | 0 | 3,160,000 | 2,775,000 | 6,550,000 |
| 0 | 0 | 0 | 0 | 688,000 |
| <u>0</u> | <u>0</u> | <u>3,160,000</u> | <u>2,775,000</u> | <u>7,238,000</u> |
| <u>516,000</u> | <u>3,502,657</u> | <u>3,168,400</u> | <u>18,373,380</u> | <u>17,880,148</u> |
| 8,900,000 | 19,622,600 | 15,270,000 | 15,900,000 | 26,800,000 |
| 0 | (1,588,605) | 6,420,600 | (554,457) | (3,644,707) |
| <u>8,900,000</u> | <u>18,033,995</u> | <u>21,690,600</u> | <u>15,345,543</u> | <u>23,155,293</u> |
| 8,900,000 | 10,011,447 | 0 | 0 | 0 |
| 0 | 0 | 31,080,600 | 11,416,000 | 16,644,000 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 291,000 | 2,745,000 | 0 | 0 |
| 0 | 7,731,548 | (12,135,000) | 3,929,543 | 6,511,293 |
| <u>8,900,000</u> | <u>18,033,995</u> | <u>21,690,600</u> | <u>15,345,543</u> | <u>23,155,293</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.

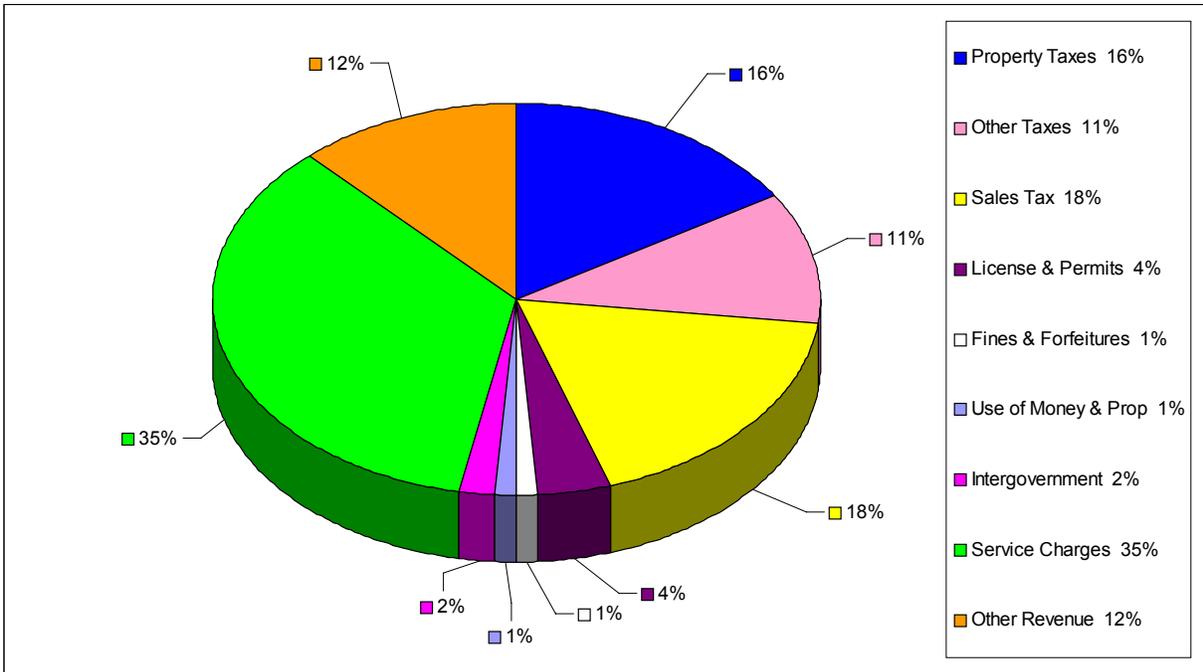
(4) Water Fund includes Water Fund, Water Fund CIP, Water Line Extension Fund and Water Infrastructure Replacement Fund.

(5) 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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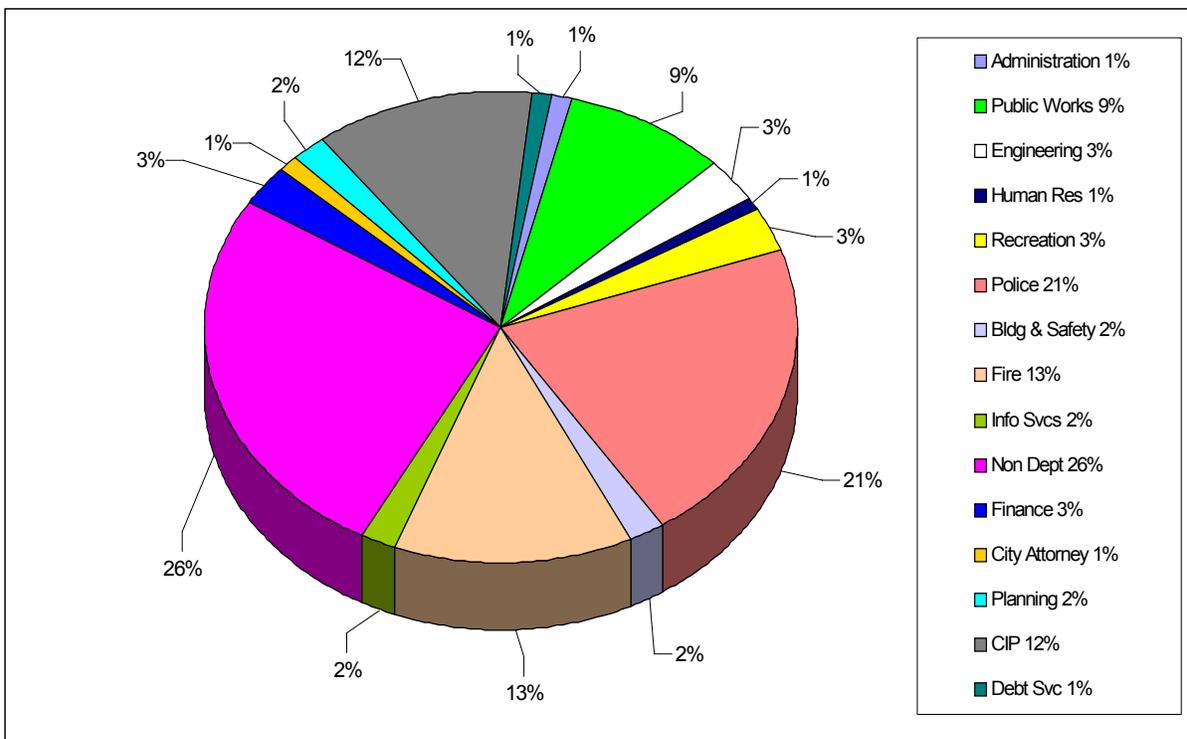
Distribution of Revenues

2012-2013
(All Funds)



Distribution of Expenditures

2012-2013
(All Funds)



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Financial Information General Fund Revenue Assumptions

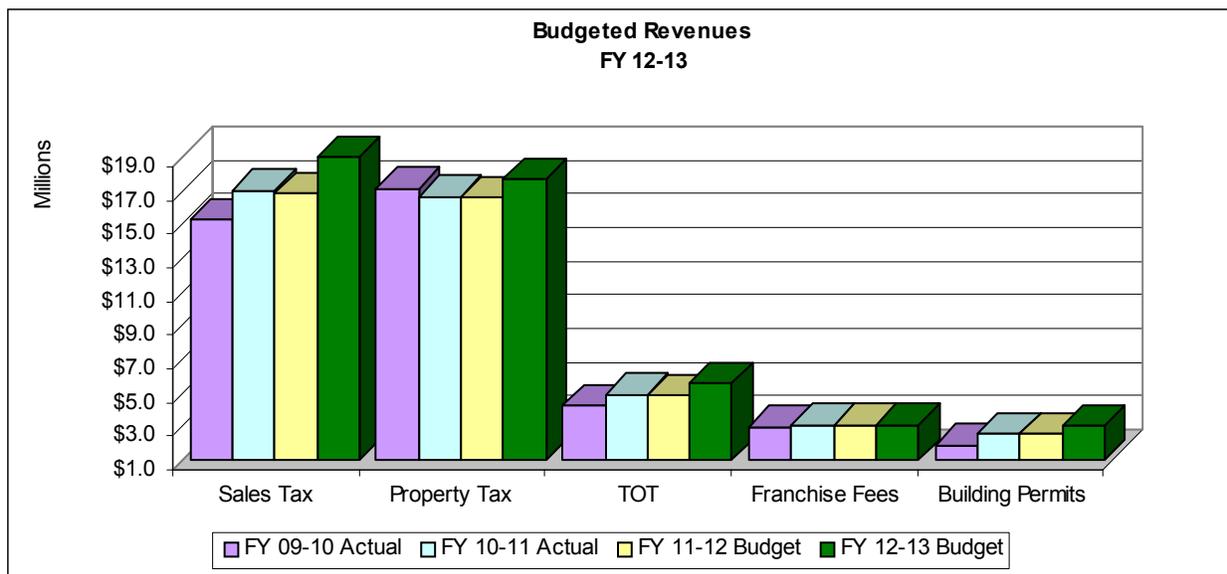
CPI Projected to be 2% increase based on the average urban consumer Consumer Price Index in the last 10 years for the San Francisco-Oakland-San Jose Metropolitan Areas.

Sales Tax Sales tax revenues for FY 11-12 are revised to be more than budget by \$1.76 million. In addition to increased sales in general retail and auto sales, there is an overall recovery in all other economic categories such as business to business and construction. Staff's assumption for FY 12-13 sales tax revenue is a 3.3% increase from the FY 11-12 revised estimate. The projection is in line with general inflation increase and a modest economic recovery.

Property Tax Property tax revenues are estimated to increase by 12.6% in FY 12-13 from the FY 11-12 revised revenue. The increase is partially attributed to the inflation adjustment allowed by Proposition 13 at the lower of 2% or California Consumer Price Index and partially due to a modest improvement in the housing market thus adding to the assessed valuation of the secured properties. In addition, pursuant to ABx1 26 that legislates the dissolution of the RDA, all remaining tax increment revenue after satisfying the approved obligations of the RDA, will be distributed to the taxing entities within the RDA project area. The City is one of the taxing entities that will receive its estimated share of approximately \$1.5 million in FY 12-13.

Transient Occupancy Tax (TOT) Transient Occupancy tax revenue showed an increase of \$763,000 or 15.9% from the FY 11-12 budget but the projection is only a 3.0% increase from the FY 11-12 revised projection of \$5.41 million. The hotel industry in the local area has been depressed for the last few years. It has finally stabilized and began to recover in FY 10-11 and it is anticipated that FY 12-13 will continue with a modest increase.

Building Permits Building and Inspection revenue for FY 11-12 is estimated to be \$603,000 more than budget due to revenue received from various residential development projects. In FY 12-13, building permit and inspection revenues are projected to be \$3.94 million, a 2.7% decrease from the FY 11-12 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.



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Revenues by Fund (Summary)

| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|--------------------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| 100 General Fund | 62,878,531 | 88,380,478 | 63,749,925 | 61,572,265 |
| 102 Measure I TOT | 808,123 | 634,038 | (713,000) | 1,003,100 |
| 105 Abandon Veh Abatement | 56,580 | 41,084 | 45,000 | 40,000 |
| 211 H-Hetch Ground Lease | 34,360 | 64,279 | 37,289 | 38,075 |
| 212 Public Art Fund-Restricted | 518,703 | 114,642 | (961,000) | 6,000 |
| 213 Public Art Fund-Nonrestricted | 3,730 | 2,251 | 2,000 | 1,000 |
| 221 Gas Tax Fund | (30,322) | 1,582,240 | 415,000 | (278,000) |
| 235 95-1 Lighting/Lscape Dist | 279,951 | 277,244 | 80,600 | 278,000 |
| 236 98-1 Lighting/Lscape Dist | 36,411 | 36,071 | 35,800 | 35,800 |
| 237 05 Community Fclty Dist | 253,066 | 265,157 | 301,000 | 381,000 |
| 250 HCD Fund | 497,706 | 432,148 | 658,938 | 391,000 |
| 251 HCD Loan | 3,149 | 2,979 | 0 | 0 |
| 261 Supplemental Law Enforcement | 119,069 | 76,043 | 1,000 | 1,000 |
| 262 State Asset Seizure | 14,714 | 8,258 | 1,000 | 1,000 |
| 263 Federal Asset Seizure | 3,245 | 1,982 | 2,000 | 1,000 |
| 267 Justice Assistance Grant | 15,787 | 22,889 | 0 | 0 |
| 268 Justice Assistance Grant 2009 | 67,791 | 6,421 | 0 | 0 |
| 280 Solid Waste Services | 581,930 | 673,816 | 524,953 | 621,528 |
| 290 Housing Reserve Fund | 8,580,595 | (3,815,267) | 9,474,849 | 0 |
| 295 Housing Authority | 0 | 0 | 0 | 516,000 |
| 310 Street Fund | (2,202,432) | (1,249,573) | (536,800) | (18,000) |
| 311 Street CIP | 4,582,825 | 5,515,334 | 4,131,651 | 1,860,000 |
| 312 Traffic Impact Fee | 3,208,483 | (1,171,768) | 79,000 | 220,000 |
| 313 Traffic Congestion Relief | 656,642 | (1,081,673) | (736,000) | 0 |
| 320 Park Improvement Fund | (1,574,514) | (2,589,873) | (608,000) | 3,274,000 |
| 321 Park Improvement CIP | 2,198,299 | 2,689,930 | 750,000 | 750,000 |
| 322 Midtown Park Fund | 49,434 | 2,753,383 | 35,000 | 1,028,000 |
| 330 General Government | 4,016 | 11,409 | 11,000 | 5,000 |
| 331 General Government CIP | 50,000 | 0 | 260,000 | 0 |
| 332 Technology COP | (118) | 0 | 0 | 0 |
| 340 Storm Drain Development | 142,750 | (37,507) | (176,000) | (95,000) |
| 341 Storm Drain CIP | 175,000 | 85,000 | 500,000 | 550,000 |
| 350 Transit Area Impact Fee Fund | (5,636,455) | (2,549,174) | 8,000 | 2,015,000 |
| 351 Transit Area Impact Fee CIP Fund | 1,641,000 | 2,550,000 | 0 | 0 |
| 390 RDA Project Fund | 25,840,140 | (28,003,788) | 17,169,202 | 0 |
| 391 Redevelopment CIP | 9,663,157 | (589,001) | 6,259,000 | 0 |
| 392 97 RDA TABs | (1,087,963) | (446,521) | (204,000) | 0 |
| 395 2003 RDA TABs | (6,640,180) | (11,098,149) | (3,196,000) | 0 |
| 400 Water M & O Fund | 11,931,002 | 13,602,951 | 14,308,058 | 14,527,923 |
| 401 Water CIP | 5,300,000 | 1,215,000 | 2,075,000 | 2,775,000 |
| 402 Water Line Extension Fund | (1,606,668) | (2,593) | 168,000 | 516,000 |
| 405 Water Infrastructure Replmnt | (1,094,115) | (2,356) | 0 | 0 |
| 450 Sewer M & O Fund | 19,387,698 | 10,037,447 | 9,316,791 | 6,841,441 |
| 451 Sewer CIP | 1,155,026 | 400,580 | 1,550,000 | 6,550,000 |
| 452 Treatment Plant Construction | 1,443,089 | 218,669 | 453,000 | 822,000 |
| 453 Sewer 2006 COPS | 38 | (1,667) | 0 | 0 |
| 455 Sewer Infratrtrure Replmnt | (900,190) | (246,153) | 53,000 | 22,000 |

Financial Information Revenues by Fund (Summary)

| | <u>Actual 2009-10</u> | <u>Actual 2010-11</u> | <u>Budget 2011-12</u> | <u>Approved 2012-13</u> |
|----------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| 500 Equipment Mgnt Fund | 2,855,716 | 2,542,345 | 2,222,820 | 335,649 |
| 505 Information Tec Replmt | 355,452 | 23,099 | 105,000 | 1,000 |
| 506 Permit Automation Fund | 1,525 | 64,928 | 0 | 100,000 |
| TOTAL | <u>144,621,778</u> | <u>81,447,032</u> | <u>127,653,076</u> | <u>106,688,781</u> |

Financial Information Revenues by Fund (Detail)

| Description | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---------------------------------------|-------------------|-------------------|-------------------|---------------------|
| GENERAL FUND (100) | | | | |
| PROPERTY TAXES | | | | |
| 3010 Property Taxes, Current | 16,845,694 | 16,540,772 | 16,463,000 | 17,452,000 |
| 3030 Property Taxes, Supplement | 300,387 | 110,864 | 142,000 | 207,000 |
| sub-total | <u>17,146,081</u> | <u>16,651,636</u> | <u>16,605,000</u> | <u>17,659,000</u> |
| TAXES OTHER THAN PROPERTY | | | | |
| 3110 Sales and Use Tax | 15,267,613 | 16,994,002 | 16,860,000 | 19,230,000 |
| 3120 Real Estate Transfer Tax | 277,384 | 250,691 | 286,000 | 281,000 |
| 3131 Electric Franchise | 1,067,374 | 1,149,409 | 1,108,000 | 1,173,000 |
| 3132 Gas Franchise | 148,112 | 152,127 | 198,000 | 155,000 |
| 3133 Garbage Franchise-Commercial | 944,959 | 906,412 | 950,000 | 900,000 |
| 3134 Garbage Franchise-NonCommercial | 423,919 | 445,791 | 434,000 | 434,000 |
| 3137 Nitrogen Gas Franchise | 41,720 | 46,485 | 43,000 | 43,000 |
| 3138 CATV Franchise | 367,428 | 382,309 | 374,000 | 416,000 |
| 3140 Business License Tax | 389,025 | 311,451 | 290,000 | 323,000 |
| 3150 Hotel/Motel Tax | 4,234,489 | 4,896,058 | 4,812,000 | 5,575,000 |
| sub-total | <u>23,162,022</u> | <u>25,534,735</u> | <u>25,355,000</u> | <u>28,530,000</u> |
| LICENSES AND PERMITS | | | | |
| 3210 Building Permits | 1,903,070 | 2,557,237 | 2,537,000 | 3,029,000 |
| 3220 Fire Permits | 642,278 | 629,992 | 620,000 | 614,000 |
| 3240 Life Safety Annual Permits | 252,302 | 254,241 | 259,000 | 260,000 |
| 3250 Fire Inspections | 3,003 | 44,187 | 27,000 | 35,000 |
| sub-total | <u>2,800,653</u> | <u>3,485,657</u> | <u>3,443,000</u> | <u>3,938,000</u> |
| FINES AND FORFEITS | | | | |
| 3301 Vehicle Code Fines | 311,815 | 292,500 | 308,000 | 268,000 |
| 3302 Other Court Fines | 209,255 | 355,973 | 262,000 | 242,000 |
| 3305 Booking Fees | 12,558 | 4,022 | 5,000 | 2,000 |
| 3306 NBO Violation Fees | 2,426 | 3,700 | 4,000 | 3,000 |
| 3307 Impound Fees | 91,636 | 118,607 | 84,000 | 92,000 |
| 3308 Animal Violations | 15,950 | 9,660 | 10,000 | 9,000 |
| 3309 False Alarm Fee | 36,700 | 38,900 | 39,000 | 19,000 |
| sub-total | <u>680,340</u> | <u>823,362</u> | <u>712,000</u> | <u>635,000</u> |
| USE OF MONEY AND PROPERTY | | | | |
| 3431 Pooled Investment-Interest | (48,993) | 79,883 | 0 | 0 |
| 3433 Other Interest Income | (83,116) | (192,483) | 20,000 | 13,000 |
| 3434 Pooled Interest Allocation | 533,466 | 354,199 | 269,000 | 114,000 |
| 3435 Gain on Sale of Investments | 60,254 | 0 | 0 | 0 |
| sub-total | <u>461,611</u> | <u>241,599</u> | <u>289,000</u> | <u>127,000</u> |
| INTERGOVERNMENTAL | | | | |
| 3511 Motor Vehicle In Lieu Tax | 208,686 | 323,360 | 172,000 | 0 |
| 3521 Homeowners Property Tax Relief | 128,092 | 129,318 | 128,000 | 128,000 |
| 3532 Off-Highway Tax | 1,048 | 0 | 0 | 0 |
| 3556 Federal Contributions-Recreation | 16,717 | 19,319 | 15,000 | 5,000 |
| 3557 Federal Contributions-Police | 31,842 | 30,882 | 0 | 0 |
| 3558 Federal Contributions-Fire | 80,672 | 153,039 | 0 | 0 |
| 3562 POST Grant | 11,191 | 6,333 | 12,000 | 6,000 |
| 3567 State Contributions-Police | 0 | 21,258 | 0 | 0 |
| 3568 State Contributions-Fire | 37,776 | 7,468 | 0 | 0 |

Financial Information Revenues by Fund (Detail)

| Description | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|--|-------------------|-------------------|-------------------|---------------------|
| 3569 TDA Grant | 0 | 12,653 | 0 | 0 |
| 3575 County Cont-Public Works | 0 | 353,964 | 370,000 | 370,000 |
| 3576 County Contributions-Recreation | 71,921 | 83,969 | 81,000 | 86,000 |
| 3581 Other Restricted Grants-General Gov't | 0 | 9,552 | 8,000 | 0 |
| 3582 SB90 Grant | 39,174 | 48,285 | 15,000 | 20,000 |
| 3585 Other Res Grant-Public Works | 0 | 37,500 | 0 | 0 |
| 3591 Misc Unrestricted Intergovernmental | 1,000 | 0 | 0 | 0 |
| sub-total | 628,120 | 1,236,900 | 801,000 | 615,000 |
| CHARGES FOR CURRENT SERVICES | | | | |
| 3601 General Government Service Charges | 176,731 | 134,525 | 111,000 | 155,000 |
| 3602 Sales of Maps and Documents-Gen Gov't | 283 | 297 | 0 | 0 |
| 3603 Rents, Leases and Concessions-Gen Gov't | 287,507 | 369,988 | 253,000 | 291,000 |
| 3604 B L Processing Fee | 28,452 | 146,936 | 145,000 | 85,000 |
| 3608 PJ Legal Overhead Charge | 20,984 | 17,201 | 16,000 | 8,000 |
| 3609 PJ Legal Reimbursement | 16,041 | 7,475 | 7,000 | 4,000 |
| 3611 PJ Overhead Charges-PW/E | 331,969 | 301,289 | 370,000 | 480,000 |
| 3612 PJ Labor Reimbursement-PW/E | 147,435 | 124,576 | 160,000 | 180,000 |
| 3613 PJ Vendor Reimbursement-PW/E | 534 | 1,342 | 2,000 | 20,000 |
| 3615 Public Works and Engr Fees | 0 | 659 | 0 | 0 |
| 3616 Engineering Plan Check Fee | 13,205 | 7,866 | 10,000 | 10,000 |
| 3617 Planning Fees | 4,709 | 760 | 1,000 | 1,000 |
| 3618 Sales of Maps and Doc-PW/Engr | 1,406 | 1,547 | 1,000 | 1,000 |
| 3619 Rent,Lease & Concession-PW/Eng | 28,000 | 28,000 | 25,000 | 25,000 |
| 3631 Paramedic Service | 1,781 | 6,167 | 2,000 | 5,000 |
| 3632 Firewatch Services | 787 | 2,980 | 1,000 | 3,000 |
| 3633 Fire Cost Recovery | 15,773 | 5,054 | 0 | 0 |
| 3634 Unwanted Alarms-Fire | 12,900 | 60,600 | 13,000 | 10,000 |
| 3637 Fire Service Charges | 203,999 | 207,068 | 200,000 | 216,000 |
| 3638 Sale of Maps & Documents-Fire | 0 | 15 | 0 | 0 |
| 3639 Fire Electroinc Archieve Charge | 9,189 | 7,236 | 8,000 | 8,000 |
| 3641 Police Service Charges | 404,205 | 404,195 | 430,000 | 627,000 |
| 3643 Fingerprints | 852 | 1,409 | 2,000 | 2,000 |
| 3644 Sales of Maps & Documents-Police | 13,214 | 11,575 | 12,000 | 12,000 |
| 3645 Police Cost Recovery | 1,602 | 1,202 | 2,000 | 0 |
| 3646 Rents, Leases & Concessions-Police | 4,200 | 18,000 | 4,000 | 7,000 |
| 3647 DUI-Police Cost Recovery | 5,290 | 16,556 | 6,000 | 9,000 |
| 3651 Rents, Leases & Concessions-Recreation | 130,475 | 146,582 | 135,000 | 145,000 |
| 3652 Recreation Fees | 1,494,745 | 1,487,638 | 1,425,953 | 1,809,000 |
| 3653 Senior Nutrition Fees | 14,486 | 24,158 | 20,000 | 24,000 |
| 3655 Sales of Merchandise Recreation | 2,053 | 3,260 | 2,000 | 0 |
| 3661 Sales of Maps & Documents-Building | 124 | 0 | 0 | 0 |
| 3662 Records Retention Fee | 28,383 | 36,950 | 30,000 | 30,000 |
| 3663 Building Service Charges | 1,082 | 2,313 | 1,000 | 0 |
| 3665 PJ Overhead Charges-Building | 55,425 | 137,126 | 103,000 | 120,000 |
| 3666 PJ Labor Reimbursement-Building | 25,148 | 62,117 | 47,000 | 45,000 |
| 3667 Building State Mandated Standard Fee | 4,224 | 5,639 | 4,000 | 5,000 |
| 3672 Public Works Cost Recovery | 50,086 | 98,793 | 10,000 | 10,000 |
| 3681 PJ Overhead Charge-Planning | 91,938 | 94,811 | 90,000 | 320,000 |
| 3682 PJ Labor Reimbursement-Planning | 42,545 | 42,154 | 40,000 | 120,000 |
| 3683 PJ Vendor Reimbursement-Planning | 15,301 | (26,352) | 13,000 | 22,000 |

Financial Information Revenues by Fund (Detail)

| Description | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---|---------------------------|---------------------------|---------------------------|-----------------------------|
| 3685 Housing & Neighborhood Services | 9,004 | 14,310 | 18,000 | 14,000 |
| 3687 Animal Control Services Fee | 0 | 0 | 0 | 28,000 |
| 3691 Fire GIS Mapping | 7 | 286 | 0 | 0 |
| 3692 Fire Automation Fee | 8,166 | 13,291 | 17,000 | 15,000 |
| sub-total | <u>3,704,240</u> | <u>4,027,594</u> | <u>3,736,953</u> | <u>4,866,000</u> |
| OTHER REVENUE | | | | |
| 3710 Development | 22,700 | 29,350 | 20,000 | 30,000 |
| 3730 Recycling | 3,642 | 1,443 | 1,000 | 0 |
| 3740 Reimbursements | 4,400,000 | 2,000,024 | 0 | 0 |
| 3750 Donations | 2,500 | 5,651 | 6,114 | 50,000 |
| 3770 Sale of Property, Plant and Equipment | 4,679 | 5,423 | 3,000 | 3,000 |
| 3790 Miscellaneous Other Revenue | 83,834 | 82,649 | 65,000 | 76,000 |
| sub-total | <u>4,517,355</u> | <u>2,124,541</u> | <u>95,114</u> | <u>159,000</u> |
| OPERATING TRANSFERS IN | | | | |
| 3806 Op Trfs in from Solid Waste Service | 171,542 | 134,180 | 127,512 | 242,472 |
| 3807 Op Trfs in from Solid Waste Reduction | 96,476 | 126,017 | 112,535 | 0 |
| 3808 Op Trfs in from Housing Reserves | 1,083,675 | 1,065,811 | 1,032,754 | 0 |
| 3811 Op Trfs in from RDA | 4,679,032 | 4,630,655 | 8,148,195 | 0 |
| 3812 Op Trfs in from Water M&O | 1,848,085 | 1,788,178 | 1,703,840 | 1,706,077 |
| 3814 Op Trfs in from Recycled | 119,701 | 131,010 | 151,102 | 0 |
| 3815 Op Trfs in from Sewer M&O | 1,509,340 | 1,470,992 | 1,434,209 | 1,358,559 |
| 3817 Op Trfs in from Equipment Replacement | 0 | 0 | 0 | 1,306,332 |
| 3819 Op Trfs in from Other | 2,800 | 2,715 | 2,711 | 1,925 |
| 3822 Op Trfs in from General Gov't Fund | 11,871 | 0 | 0 | 0 |
| 3823 Op Trfs in Storm Drain Fund | 8,368 | 0 | 0 | 0 |
| 3826 Op Trfs in from Measure I TOT Fund | 0 | 0 | 0 | 427,900 |
| 3838 Appn Transfers in from Housing | 0 | 15,773,898 | 0 | 0 |
| 3841 Appn Transfers in from Redevel | 5,000 | 1,792,200 | 0 | 0 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 350,000 | 350,000 | 0 | 0 |
| sub-total | <u>9,885,890</u> | <u>27,265,656</u> | <u>12,712,858</u> | <u>5,043,265</u> |
| OPERATING TRANSFERS OUT | | | | |
| 3917 Op Trfs Out To the Equipment Fund | (100,000) | 0 | 0 | 0 |
| 3981 Contributions-Proprietary Fund | 0 | 6,988,800 | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (7,782) | 0 | 0 | 0 |
| sub-total | <u>(107,782)</u> | <u>6,988,800</u> | <u>0</u> | <u>0</u> |
| TOTAL (100) | <u><u>62,878,531</u></u> | <u><u>88,380,478</u></u> | <u><u>63,749,925</u></u> | <u><u>61,572,265</u></u> |
| MEASURE I TOT (102) | | | | |
| 3150 Hotel/Motel Tax | 1,062,844 | 1,228,124 | 1,203,000 | 1,395,000 |
| 3431 Pooled Investment-Interest | (19,599) | 451 | 0 | 0 |
| 3434 Pooled Interest Allocation | 114,878 | 105,463 | 84,000 | 36,000 |
| 3819 Op Trfs in from Other | 0 | 150,000 | 0 | 0 |
| 3901 Op Trfs Out To the General Fund | (350,000) | 0 | 0 | (427,900) |
| 3909 Op Trfs Out To the Street Improvement Fund | 0 | 0 | (500,000) | 0 |
| 3911 Op Trfs Out To the RDA Project Fund | 0 | 0 | (1,500,000) | 0 |
| 3956 Appn Trfs Out to Library Fund | 0 | (500,000) | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | 0 | (350,000) | 0 | 0 |
| TOTAL (102) | <u><u>808,123</u></u> | <u><u>634,038</u></u> | <u><u>(713,000)</u></u> | <u><u>1,003,100</u></u> |

Financial Information Revenues by Fund (Detail)

| Description | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---|-------------------|-------------------|-------------------|---------------------|
| ABANDON VEH ABATEMENT (105) | | | | |
| 3577 County Contributions-Police | 48,798 | 41,084 | 45,000 | 40,000 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 7,782 | 0 | 0 | 0 |
| TOTAL (105) | 56,580 | 41,084 | 45,000 | 40,000 |
| H-HETCH GROUND LEASE (211) | | | | |
| 3431 Pooled Investment-Interest | 10,674 | 39,941 | 40,000 | 40,000 |
| 3433 Other Interest Income | 26,119 | 26,981 | 0 | 0 |
| 3434 Pooled Interest Allocation | 367 | 71 | 0 | 0 |
| 3901 Op Trfs Out To the General Fund | (2,800) | (2,715) | (2,711) | (1,925) |
| TOTAL (211) | 34,360 | 64,279 | 37,289 | 38,075 |
| PUBLIC ART FUND-RESTRICTED (212) | | | | |
| 3431 Pooled Investment-Interest | 1,987 | (893) | 0 | 0 |
| 3433 Other Interest Income | 0 | (9,460) | 0 | 0 |
| 3434 Pooled Interest Allocation | 24,254 | 17,883 | 14,000 | 6,000 |
| 3602 Sales of Maps and Documents-Gen Gov't | 183 | 0 | 0 | 0 |
| 3811 Op Trfs in from RDA | 492,280 | 107,112 | 25,000 | 0 |
| 3911 Op Trfs Out To the RDA Project Fund | 0 | 0 | (1,000,000) | 0 |
| TOTAL (212) | 518,703 | 114,642 | (961,000) | 6,000 |
| PUBLIC ART FUND-NONRESTRICTED (213) | | | | |
| 3431 Pooled Investment-Interest | (531) | (292) | 0 | 0 |
| 3434 Pooled Interest Allocation | 4,261 | 2,543 | 2,000 | 1,000 |
| TOTAL (213) | 3,730 | 2,251 | 2,000 | 1,000 |
| GAS TAX FUND (221) | | | | |
| 3431 Pooled Investment-Interest | (601) | 848 | 0 | 0 |
| 3434 Pooled Interest Allocation | 6,914 | 9,988 | 3,000 | 13,000 |
| 3543 Sec 2103-Gas Tax | 0 | 572,138 | 0 | 0 |
| 3545 Sec 2105-Gas Tax | 386,490 | 334,027 | 386,000 | 386,000 |
| 3546 Sec 2106-Gas Tax | 254,263 | 219,825 | 254,000 | 254,000 |
| 3547 Sec 2107-Gas Tax | 515,112 | 445,414 | 515,000 | 515,000 |
| 3548 Sec 2107.5-Gas Tax | 7,500 | 0 | 7,000 | 7,000 |
| 3909 Op Trfs Out To the Street Improvement Fund | (1,200,000) | 0 | (750,000) | (1,453,000) |
| TOTAL (221) | (30,322) | 1,582,240 | 415,000 | (278,000) |
| 95-1 LIGHTING/LSCAPE DIST (235) | | | | |
| 3431 Pooled Investment-Interest | (228) | (331) | 0 | 0 |
| 3433 Other Interest Income | 748 | 351 | 0 | 0 |
| 3434 Pooled Interest Allocation | 7,419 | 5,213 | 4,000 | 2,000 |
| 3720 Special Assessments | 272,012 | 272,012 | 276,600 | 276,000 |
| 3922 Op Trfs Out To the General Government Fund | 0 | 0 | (200,000) | 0 |
| TOTAL (235) | 279,951 | 277,244 | 80,600 | 278,000 |
| 98-1 LIGHTING/LSCAPE DIST (236) | | | | |
| 3431 Pooled Investment-Interest | (11) | (40) | 0 | 0 |
| 3433 Other Interest Income | 98 | 46 | 0 | 0 |
| 3434 Pooled Interest Allocation | 837 | 577 | 0 | 0 |
| 3720 Special Assessments | 35,488 | 35,488 | 35,800 | 35,800 |
| TOTAL (236) | 36,411 | 36,071 | 35,800 | 35,800 |

Financial Information Revenues by Fund (Detail)

| Description | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|--|-------------------|-------------------|-------------------|---------------------|
| 05 COMMUNITY FCLTY DIST (237) | | | | |
| 3431 Pooled Investment-Interest | 89 | 244 | 0 | 0 |
| 3433 Other Interest Income | 0 | 350 | 0 | 0 |
| 3434 Pooled Interest Allocation | 483 | 1,516 | 1,000 | 1,000 |
| 3720 Special Assessments | 272,494 | 299,995 | 300,000 | 380,000 |
| 3911 Op Trfs Out To the RDA Project Fund | (20,000) | (36,947) | 0 | 0 |
| TOTAL (237) | 253,066 | 265,157 | 301,000 | 381,000 |
| HCD FUND (250) | | | | |
| 3555 Federal Contri-Public Works | 480,989 | 412,829 | 638,938 | 391,000 |
| 3556 Federal Contributions-Recreation | 16,717 | 19,319 | 20,000 | 0 |
| TOTAL (250) | 497,706 | 432,148 | 658,938 | 391,000 |
| HCD LOAN (251) | | | | |
| 3433 Other Interest Income | 3,149 | 2,979 | 0 | 0 |
| TOTAL (251) | 3,149 | 2,979 | 0 | 0 |
| SUPPLEMENTAL LAW ENFORCEMENT (261) | | | | |
| 3431 Pooled Investment-Interest | 4 | (274) | 0 | 0 |
| 3434 Pooled Interest Allocation | 2,490 | 1,028 | 1,000 | 1,000 |
| 3567 State Contributions-Police | 116,576 | 75,289 | 0 | 0 |
| TOTAL (261) | 119,069 | 76,043 | 1,000 | 1,000 |
| STATE ASSET SEIZURE (262) | | | | |
| 3431 Pooled Investment-Interest | (200) | (93) | 0 | 0 |
| 3434 Pooled Interest Allocation | 2,190 | 1,561 | 1,000 | 1,000 |
| 3567 State Contributions-Police | 12,725 | 6,790 | 0 | 0 |
| TOTAL (262) | 14,714 | 8,258 | 1,000 | 1,000 |
| FEDERAL ASSET SEIZURE (263) | | | | |
| 3431 Pooled Investment-Interest | (452) | (248) | 0 | 0 |
| 3434 Pooled Interest Allocation | 3,697 | 2,230 | 2,000 | 1,000 |
| TOTAL (263) | 3,245 | 1,982 | 2,000 | 1,000 |
| JUSTICE ASSISTANCE GRANT (267) | | | | |
| 3431 Pooled Investment-Interest | (3) | (24) | 0 | 0 |
| 3434 Pooled Interest Allocation | 179 | 53 | 0 | 0 |
| 3557 Federal Contributions-Police | 15,611 | 22,861 | 0 | 0 |
| TOTAL (267) | 15,787 | 22,889 | 0 | 0 |
| JUSTICE ASSISTANCE GRANT 2009 (268) | | | | |
| 3431 Pooled Investment-Interest | 200 | (183) | 0 | 0 |
| 3434 Pooled Interest Allocation | 984 | 74 | 0 | 0 |
| 3557 Federal Contributions-Police | 66,607 | 6,530 | 0 | 0 |
| TOTAL (268) | 67,791 | 6,421 | 0 | 0 |
| SOLID WASTE SERVICES (280) | | | | |
| 3135 Solid Waste-Community Relations | 154,220 | 155,460 | 151,000 | 153,000 |
| 3136 Solid Waste-HHW-Contract & Public | 255,005 | 255,706 | 248,000 | 257,000 |
| 3139 County-wide AB 939 Fee | 107,549 | 140,816 | 100,000 | 127,000 |
| 3431 Pooled Investment-Interest | (3,070) | (1,772) | 0 | 0 |
| 3434 Pooled Interest Allocation | 30,369 | 19,493 | 16,000 | 8,000 |
| 3565 State Contri-Public Works | 8,616 | 0 | 0 | 19,000 |

Financial Information Revenues by Fund (Detail)

| Description | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---|--------------------|--------------------|-------------------|---------------------|
| 3615 Public Works and Engr Fees | 109,720 | 110,784 | 110,000 | 110,000 |
| 3671 Public Works Service Charges | 182,218 | 250,477 | 200,000 | 190,000 |
| 3790 Miscellaneous Other Revenue | 5,323 | 3,050 | 0 | 0 |
| 3901 Op Trfs Out To the General Fund | (268,018) | (260,197) | (240,047) | (242,472) |
| 3922 Op Trfs Out To the General Government Fund | 0 | 0 | (60,000) | 0 |
| TOTAL (280) | 581,930 | 673,816 | 524,953 | 621,528 |
| HOUSING RESERVE FUND (290) | | | | |
| 3431 Pooled Investment-Interest | (74,619) | (20,595) | 0 | 0 |
| 3433 Other Interest Income | 109,955 | 173,740 | 51,000 | 0 |
| 3434 Pooled Interest Allocation | 298,569 | 177,580 | 165,000 | 0 |
| 3603 Rents, Leases and Concessions-Gen Gov't | 29,910 | 46,848 | 0 | 0 |
| 3740 Reimbursements | 236,892 | 940,606 | 0 | 0 |
| 3760 Developer Contribution | 1,275,000 | 425,000 | 0 | 0 |
| 3790 Miscellaneous Other Revenue | 45 | 270 | 0 | 0 |
| 3811 Op Trfs in from RDA | 8,175,650 | 11,668,669 | 10,679,000 | 0 |
| 3901 Op Trfs Out To the General Fund | (1,083,675) | (1,065,811) | (1,032,754) | 0 |
| 3911 Op Trfs Out To the RDA Project Fund | 0 | (387,677) | (387,397) | 0 |
| 3931 Appn Transfers out to General | 0 | (15,773,898) | 0 | 0 |
| 3941 Appn Transfers out to RDA | (387,131) | 0 | 0 | 0 |
| TOTAL (290) | 8,580,595 | (3,815,267) | 9,474,849 | 0 |
| HOUSING AUTHORITY (295) | | | | |
| 3433 Other Interest Income | 0 | 0 | 0 | 364,000 |
| 3603 Rents, Leases and Concessions-Gen Gov't | 0 | 0 | 0 | 67,000 |
| 3740 Reimbursements | 0 | 0 | 0 | 85,000 |
| TOTAL (295) | 0 | 0 | 0 | 516,000 |
| STREET FUND (310) | | | | |
| 3431 Pooled Investment-Interest | (22,941) | (11,078) | 0 | 0 |
| 3433 Other Interest Income | (48,148) | (86,857) | 0 | 0 |
| 3434 Pooled Interest Allocation | 183,277 | 115,944 | 83,000 | 42,000 |
| 3555 Federal Contri-Public Works | 0 | 8,323 | 0 | 0 |
| 3790 Miscellaneous Other Revenue | 0 | 1,500 | 0 | 0 |
| 3802 Op Trfs in from Gas Tax Fund | 1,200,000 | 0 | 0 | 0 |
| 3811 Op Trfs in from RDA | 1,511 | 244,439 | 0 | 0 |
| 3822 Op Trfs in from General Gov't Fund | 3,097 | 0 | 0 | 0 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 0 | 1,093,661 | 0 | 0 |
| 3911 Op Trfs Out To the RDA Project Fund | (133,852) | (318,886) | 0 | 0 |
| 3914 Op Trfs Out To the Recycled Water Fund | 0 | (620) | 0 | 0 |
| 3941 Appn Transfers out to RDA | (75,000) | 0 | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (3,310,377) | (2,296,000) | (619,800) | (60,000) |
| TOTAL (310) | (2,202,432) | (1,249,573) | (536,800) | (18,000) |
| STREET CIP (311) | | | | |
| 3511 Motor Vehicle In Lieu Tax | 0 | 0 | 0 | 347,000 |
| 3555 Federal Contri-Public Works | 952,654 | 754,359 | 501,000 | 0 |
| 3565 State Contri-Public Works | 19,794 | 695,847 | 60,924 | 0 |
| 3575 County Cont-Public Works | 0 | 0 | 712,000 | 0 |
| 3585 Other Res Grant-Public Works | 0 | 0 | 45,727 | 0 |
| 3760 Developer Contribution | 0 | 0 | 142,200 | 0 |
| 3802 Op Trfs in from Gas Tax Fund | 0 | 0 | 750,000 | 1,453,000 |

Financial Information Revenues by Fund (Detail)

| Description | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---|--------------------|--------------------|-------------------|---------------------|
| 3811 Op Trfs in from RDA | 0 | 0 | 50,000 | 0 |
| 3826 Op Trfs in from Measure I TOT Fund | 0 | 0 | 500,000 | 0 |
| 3841 Appn Transfers in from Redevel | 300,000 | 0 | 0 | 0 |
| 3856 Appn Trfs in from Library Fund | 0 | 500,000 | 0 | 0 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 3,310,377 | 4,082,877 | 1,369,800 | 60,000 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | 0 | (517,748) | 0 | 0 |
| TOTAL (311) | 4,582,825 | 5,515,334 | 4,131,651 | 1,860,000 |
| TRAFFIC IMPACT FEE (312) | | | | |
| 3431 Pooled Investment-Interest | 127 | 4,268 | 0 | 0 |
| 3434 Pooled Interest Allocation | 50,151 | 64,091 | 59,000 | 20,000 |
| 3710 Development | 3,158,205 | 138,499 | 20,000 | 200,000 |
| 3941 Appn Transfers out to RDA | 0 | (104,397) | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | 0 | (1,274,229) | 0 | 0 |
| TOTAL (312) | 3,208,483 | (1,171,768) | 79,000 | 220,000 |
| TRAFFIC CONGESTION RELIEF (313) | | | | |
| 3431 Pooled Investment-Interest | 1,687 | (839) | 0 | 0 |
| 3434 Pooled Interest Allocation | 12,709 | 7,726 | 14,000 | 0 |
| 3565 State Contri-Public Works | 642,246 | 0 | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | 0 | (1,088,561) | (750,000) | 0 |
| TOTAL (313) | 656,642 | (1,081,673) | (736,000) | 0 |
| PARK IMPROVEMENT FUND (320) | | | | |
| 3431 Pooled Investment-Interest | (20,618) | (16,152) | 0 | 0 |
| 3433 Other Interest Income | (41,671) | (58,028) | 0 | 0 |
| 3434 Pooled Interest Allocation | 155,422 | 68,356 | 57,000 | 24,000 |
| 3585 Other Res Grant-Public Works | 0 | 33,951 | 0 | 0 |
| 3710 Development | 0 | 0 | 0 | 4,000,000 |
| 3911 Op Trfs Out To the RDA Project Fund | (22,648) | 0 | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (1,645,000) | (2,618,000) | (665,000) | (750,000) |
| TOTAL (320) | (1,574,514) | (2,589,873) | (608,000) | 3,274,000 |
| PARK IMPROVEMENT CIP (321) | | | | |
| 3555 Federal Contri-Public Works | 90,000 | 10,000 | 0 | 0 |
| 3575 County Cont-Public Works | 0 | 2,430 | 0 | 0 |
| 3576 County Contributions-Recreation | 463,299 | 59,500 | 85,000 | 0 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 1,645,000 | 2,618,000 | 665,000 | 750,000 |
| TOTAL (321) | 2,198,299 | 2,689,930 | 750,000 | 750,000 |
| MIDTOWN PARK FUND (322) | | | | |
| 3431 Pooled Investment-Interest | (6,825) | 1,414 | 0 | 0 |
| 3434 Pooled Interest Allocation | 56,259 | 56,939 | 35,000 | 28,000 |
| 3710 Development | 0 | 2,695,030 | 0 | 1,000,000 |
| TOTAL (322) | 49,434 | 2,753,383 | 35,000 | 1,028,000 |
| GENERAL GOVERNMENT (330) | | | | |
| 3431 Pooled Investment-Interest | (1,533) | (1,905) | 0 | 0 |
| 3434 Pooled Interest Allocation | 24,160 | 13,314 | 11,000 | 5,000 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 118 | 0 | 0 | 0 |
| 3901 Op Trfs Out To the General Fund | (11,871) | 0 | 0 | 0 |
| 3909 Op Trfs Out To the Street Improvement Fund | (3,097) | 0 | 0 | 0 |

Financial Information Revenues by Fund (Detail)

| Description | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---|--------------------|--------------------|-------------------|---------------------|
| 3911 Op Trfs Out To the RDA Project Fund | (2,237) | 0 | 0 | 0 |
| 3919 Op Trfs Out To Other Miscellaneous Funds | (1,525) | 0 | 0 | 0 |
| TOTAL (330) | 4,016 | 11,409 | 11,000 | 5,000 |
| GENERAL GOVERNMENT CIP (331) | | | | |
| 3760 Developer Contribution | 50,000 | 0 | 0 | 0 |
| 3806 Op Trfs in from Solid Waste Service | 0 | 0 | 60,000 | 0 |
| 3827 Op Trfs in from LLMD Fund | 0 | 0 | 200,000 | 0 |
| TOTAL (331) | 50,000 | 0 | 260,000 | 0 |
| TECHNOLOGY COP (332) | | | | |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (118) | 0 | 0 | 0 |
| TOTAL (332) | (118) | 0 | 0 | 0 |
| STORM DRAIN DEVELOPMENT (340) | | | | |
| 3431 Pooled Investment-Interest | (2,069) | (1,347) | 0 | 0 |
| 3434 Pooled Interest Allocation | 21,998 | 13,840 | 12,000 | 5,000 |
| 3710 Development | 256,189 | 0 | 100,000 | 300,000 |
| 3811 Op Trfs in from RDA | 150,000 | 0 | 0 | 0 |
| 3901 Op Trfs Out To the General Fund | (8,368) | 0 | 0 | 0 |
| 3911 Op Trfs Out To the RDA Project Fund | (100,000) | 0 | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (175,000) | (50,000) | (288,000) | (400,000) |
| TOTAL (340) | 142,750 | (37,507) | (176,000) | (95,000) |
| STORM DRAIN CIP (341) | | | | |
| 3760 Developer Contribution | 0 | 0 | 0 | 150,000 |
| 3811 Op Trfs in from RDA | 0 | 35,000 | 212,000 | 0 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 175,000 | 50,000 | 288,000 | 400,000 |
| TOTAL (341) | 175,000 | 85,000 | 500,000 | 550,000 |
| TRANSIT AREA IMPACT FEE FUND (350) | | | | |
| 3431 Pooled Investment-Interest | 8,364 | (6,673) | 0 | 0 |
| 3434 Pooled Interest Allocation | 41,181 | 7,499 | 8,000 | 15,000 |
| 3710 Development | 0 | 0 | 0 | 4,500,000 |
| 3915 Op Trfs Out To the Sewer Fund | 0 | 0 | 0 | (2,500,000) |
| 3941 Appn Transfers out to RDA | (1,330,000) | 0 | 0 | 0 |
| 3945 Appn Transfers out to Sewer M& | (4,356,000) | 0 | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | 0 | (2,550,000) | 0 | 0 |
| TOTAL (350) | (5,636,455) | (2,549,174) | 8,000 | 2,015,000 |
| TRANSIT AREA IMPACT FEE CIP FUND (351) | | | | |
| 3811 Op Trfs in from RDA | 341,000 | 0 | 0 | 0 |
| 3814 Op Trfs in from Recycled | 1,300,000 | 0 | 0 | 0 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 0 | 2,550,000 | 0 | 0 |
| TOTAL (351) | 1,641,000 | 2,550,000 | 0 | 0 |
| RDA PROJECT FUND (390) | | | | |
| 3010 Property Taxes, Current | 36,031,498 | 35,938,127 | 35,596,000 | 0 |
| 3030 Property Taxes, Supplement | 1,130,783 | 415,610 | 200,000 | 0 |
| 3431 Pooled Investment-Interest | (115,947) | 0 | 0 | 0 |
| 3432 Cash with Fiscal Agents | 0 | 0 | 8,000 | 0 |
| 3433 Other Interest Income | (170,711) | 31,729 | 26,000 | 0 |
| 3434 Pooled Interest Allocation | 1,190,116 | 359,694 | 384,000 | 0 |

Financial Information Revenues by Fund (Detail)

| Description | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|--|---------------------------|---------------------------|---------------------------|-----------------------------|
| 3555 Federal Contri-Public Works | 0 | 10,636 | 0 | 0 |
| 3575 County Cont-Public Works | 0 | 12,750 | 0 | 0 |
| 3710 Development | 0 | 7,700 | 0 | 0 |
| 3790 Miscellaneous Other Revenue | 19,693 | 3,221 | 0 | 0 |
| 3808 Op Trfs in from Housing Reserves | 0 | 387,677 | 387,397 | 0 |
| 3809 Op Trfs in from Street Fund | 8,852 | 318,886 | 0 | 0 |
| 3810 Op Trfs in from Park Impr | 22,648 | 0 | 0 | 0 |
| 3819 Op Trfs in from Other | 20,000 | 36,947 | 0 | 0 |
| 3822 Op Trfs in from General Gov't Fund | 2,237 | 0 | 0 | 0 |
| 3838 Appn Transfers in from Housing | 387,131 | 0 | 0 | 0 |
| 3854 Appn Tfr in from Transit Area Fund | 1,330,000 | 0 | 0 | 0 |
| 3855 Appn Tfr in from ECO Dev Corp | 0 | 8,869,988 | 0 | 0 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 1,628,925 | 2,076,350 | 2,882,000 | 0 |
| 3901 Op Trfs Out To the General Fund | (4,679,032) | (4,630,655) | (8,148,195) | 0 |
| 3903 Op Trfs Out To the Public Art Fund | (492,280) | (107,112) | (25,000) | 0 |
| 3908 Op Trfs Out To the Housing Reserve Fund | (8,175,650) | (11,668,669) | (10,679,000) | 0 |
| 3909 Op Trfs Out To the Street Improvement Fund | (1,511) | (244,439) | (50,000) | 0 |
| 3912 Op Trfs Out To the Water Fund | (1,511) | 0 | 0 | 0 |
| 3915 Op Trfs Out To the Sewer Fund | (1,511) | 0 | 0 | 0 |
| 3923 Op Trfs Out To the Storm Drain Fund | (150,000) | (35,000) | (212,000) | 0 |
| 3924 Op Trfs Out To the Transit Area Impact Fund | (341,000) | 0 | 0 | 0 |
| 3931 Appn Transfers out to General | (5,000) | (1,792,200) | 0 | 0 |
| 3939 Appn Transfers out to Street F | (300,000) | 0 | 0 | 0 |
| 3981 Contributions-Proprietary Fund | 0 | (57,378,527) | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (1,497,590) | (616,500) | (3,200,000) | 0 |
| TOTAL (390) | 25,840,140 | (28,003,788) | 17,169,202 | 0 |
| REDEVELOPMENT CIP (391) | | | | |
| 3555 Federal Contri-Public Works | 1,656,906 | 0 | 0 | 0 |
| 3575 County Cont-Public Works | 0 | 73,525 | 0 | 0 |
| 3585 Other Res Grant-Public Works | 0 | 15,820 | 0 | 0 |
| 3710 Development | 0 | 93,467 | 0 | 0 |
| 3803 Op Trfs in from Public Art Fund | 0 | 0 | 1,000,000 | 0 |
| 3809 Op Trfs in from Street Fund | 125,000 | 0 | 0 | 0 |
| 3823 Op Trfs in Storm Drain Fund | 100,000 | 0 | 0 | 0 |
| 3826 Op Trfs in from Measure I TOT Fund | 0 | 0 | 1,500,000 | 0 |
| 3839 Appn Transfers in from Street | 75,000 | 104,397 | 0 | 0 |
| 3842 Appn Transfers in from Water M | 10,000 | 0 | 0 | 0 |
| 3845 Appn Transfers in from Sewer M | 10,000 | 0 | 0 | 0 |
| 3855 Appn Tfr in from ECO Dev Corp | 0 | 448,941 | 0 | 0 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 9,313,651 | 2,660,985 | 3,759,000 | 0 |
| 3919 Op Trfs Out To Other Miscellaneous Funds | 0 | (150,000) | 0 | 0 |
| 3981 Contributions-Proprietary Fund | 0 | (3,759,787) | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (1,627,400) | (76,350) | 0 | 0 |
| TOTAL (391) | 9,663,157 | (589,001) | 6,259,000 | 0 |
| 97 RDA TABS (392) | | | | |
| 3431 Pooled Investment-Interest | (17,647) | (3,366) | 0 | 0 |
| 3434 Pooled Interest Allocation | 16,573 | 4,967 | 5,000 | 0 |
| 3855 Appn Tfr in from ECO Dev Corp | 0 | 79,823 | 0 | 0 |

Financial Information Revenues by Fund (Detail)

| Description | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|--|--------------------|---------------------|--------------------|---------------------|
| 3981 Contributions-Proprietary Fund | 0 | (400,230) | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (1,086,889) | (127,714) | (209,000) | 0 |
| TOTAL (392) | (1,087,963) | (446,521) | (204,000) | 0 |
| 2003 RDA TABS (395) | | | | |
| 3431 Pooled Investment-Interest | 100,011 | 20,708 | 32,000 | 0 |
| 3433 Other Interest Income | (4,825) | 0 | 0 | 0 |
| 3434 Pooled Interest Allocation | 356 | 2,978 | 4,000 | 0 |
| 3855 Appn Tfr in from ECO Dev Corp | 0 | 308,698 | 0 | 0 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 80,510 | 0 | 0 | 0 |
| 3915 Op Trfs Out To the Sewer Fund | (5,026) | (15,580) | 0 | 0 |
| 3981 Contributions-Proprietary Fund | 0 | (7,498,182) | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (6,811,207) | (3,916,771) | (3,232,000) | 0 |
| TOTAL (395) | (6,640,180) | (11,098,149) | (3,196,000) | 0 |
| WATER M & O FUND (400) | | | | |
| 3431 Pooled Investment-Interest | (35,252) | (34,322) | 0 | 0 |
| 3433 Other Interest Income | (99,446) | (128,084) | 0 | 0 |
| 3434 Pooled Interest Allocation | 465,193 | 266,780 | 223,000 | 95,000 |
| 3585 Other Res Grant-Public Works | 78,685 | 70,072 | 50,000 | 30,000 |
| 3622 Water Service Agreements | 27,226 | 2,071 | 5,000 | 15,000 |
| 3623 Metered Water Sales | 15,105,843 | 16,323,144 | 17,800,000 | 18,714,000 |
| 3626 Construction Water | 25,497 | 24,339 | 20,000 | 10,000 |
| 3627 Water & Sewer Reimbursements | 188 | 405 | 0 | 0 |
| 3672 Public Works Cost Recovery | 6,360 | 8,480 | 0 | 0 |
| 3790 Miscellaneous Other Revenue | 131,416 | 133,634 | 140,000 | 145,000 |
| 3809 Op Trfs in from Street Fund | 0 | 620 | 0 | 0 |
| 3811 Op Trfs in from RDA | 1,511 | 0 | 0 | 0 |
| 3814 Op Trfs in from Recycled | 0 | 879,000 | 1,137,000 | 0 |
| 3844 Appn Transfers in from Recycle | 836,679 | 0 | 0 | 0 |
| 3901 Op Trfs Out To the General Fund | (1,967,786) | (1,919,188) | (1,854,942) | (1,706,077) |
| 3912 Op Trfs Out To the Water Fund | 0 | (1,179,000) | (1,137,000) | 0 |
| 3924 Op Trfs Out To the Transit Area Impact Fund | (1,300,000) | 0 | 0 | 0 |
| 3941 Appn Transfers out to RDA | (10,000) | 0 | 0 | 0 |
| 3942 Appn Transfers out to Water M& | (836,679) | 0 | 0 | 0 |
| 3981 Contributions-Proprietary Fund | 1,501,567 | 0 | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (2,000,000) | (845,000) | (2,075,000) | (2,775,000) |
| TOTAL (400) | 11,931,002 | 13,602,951 | 14,308,058 | 14,527,923 |
| WATER CIP (401) | | | | |
| 3814 Op Trfs in from Recycled | 0 | 300,000 | 0 | 0 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 5,300,000 | 915,000 | 2,075,000 | 2,775,000 |
| TOTAL (401) | 5,300,000 | 1,215,000 | 2,075,000 | 2,775,000 |
| WATER LINE EXTENSION FUND (402) | | | | |
| 3431 Pooled Investment-Interest | (10,595) | (3,566) | 0 | 0 |
| 3434 Pooled Interest Allocation | 28,419 | 9,783 | 8,000 | 4,000 |
| 3710 Development | 561,076 | 51,570 | 160,000 | 512,000 |
| 3790 Miscellaneous Other Revenue | 14,432 | 9,620 | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (2,200,000) | (70,000) | 0 | 0 |
| TOTAL (402) | (1,606,668) | (2,593) | 168,000 | 516,000 |

Financial Information Revenues by Fund (Detail)

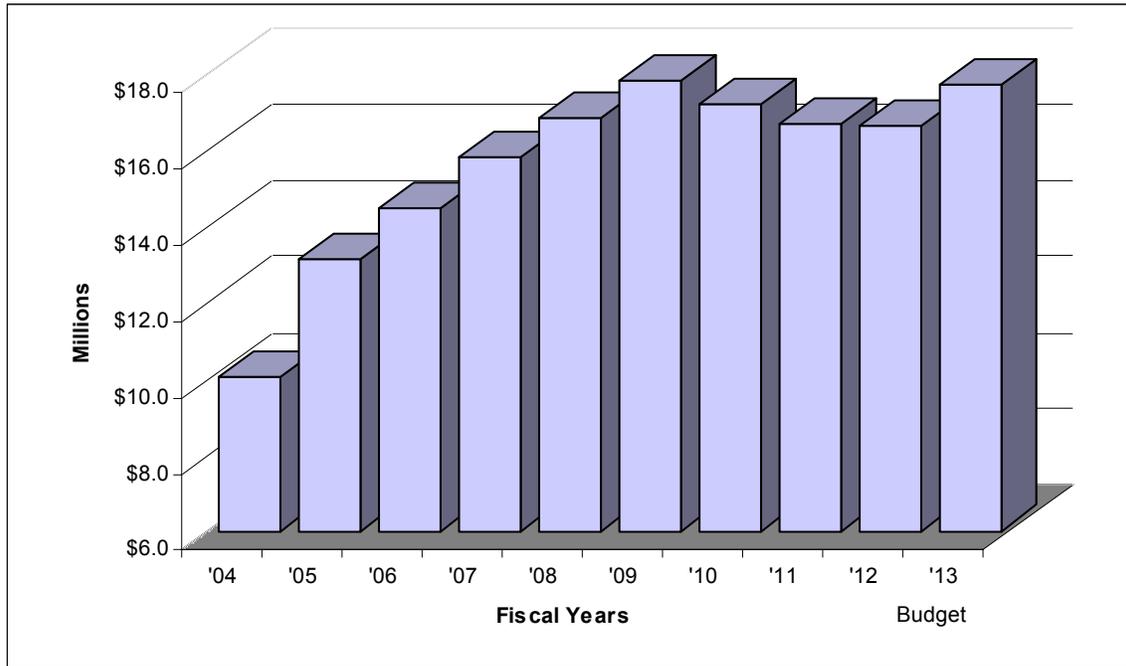
| Description | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---|--------------------|-------------------|-------------------|---------------------|
| WATER INFRASTRUCTURE REPLMNT (405) | | | | |
| 3431 Pooled Investment-Interest | (5,714) | (2,356) | 0 | 0 |
| 3434 Pooled Interest Allocation | 11,600 | 0 | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (1,100,000) | 0 | 0 | 0 |
| TOTAL (405) | (1,094,115) | (2,356) | 0 | 0 |
| SEWER M & O FUND (450) | | | | |
| 3431 Pooled Investment-Interest | (39,284) | (8,467) | 0 | 0 |
| 3433 Other Interest Income | 131,854 | 85,516 | 0 | 0 |
| 3434 Pooled Interest Allocation | 162,990 | 109,245 | 91,000 | 40,000 |
| 3628 Sewer Service Charges | 10,372,361 | 11,338,337 | 12,150,000 | 12,150,000 |
| 3760 Developer Contribution | (43,025) | 0 | 0 | 0 |
| 3790 Miscellaneous Other Revenue | 63,903 | 67,143 | 60,000 | 60,000 |
| 3811 Op Trfs in from RDA | 1,511 | 0 | 0 | 0 |
| 3854 Appn Tfr in from Transit Area Fund | 4,356,000 | 0 | 0 | 0 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 0 | 1,666 | 0 | 0 |
| 3901 Op Trfs Out To the General Fund | (1,509,340) | (1,470,992) | (1,434,209) | (1,358,559) |
| 3941 Appn Transfers out to RDA | (10,000) | 0 | 0 | 0 |
| 3981 Contributions-Proprietary Fund | 6,050,727 | 0 | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (150,000) | (85,000) | (1,550,000) | (4,050,000) |
| TOTAL (450) | 19,387,698 | 10,037,447 | 9,316,791 | 6,841,441 |
| SEWER CIP (451) | | | | |
| 3818 Op Trfs in from Tax Alloc | 5,026 | 15,580 | 0 | 0 |
| 3824 Op Trfs in Transit Area Fund | 0 | 0 | 0 | 2,500,000 |
| 3899 Op Trfs in from Subsidiary CIP Fund | 1,150,000 | 385,000 | 1,550,000 | 4,050,000 |
| TOTAL (451) | 1,155,026 | 400,580 | 1,550,000 | 6,550,000 |
| TREATMENT PLANT CONSTRUCTION (452) | | | | |
| 3431 Pooled Investment-Interest | (9,821) | (6,451) | 0 | 0 |
| 3434 Pooled Interest Allocation | 157,441 | 113,194 | 93,000 | 42,000 |
| 3710 Development | 1,295,469 | 111,926 | 360,000 | 780,000 |
| TOTAL (452) | 1,443,089 | 218,669 | 453,000 | 822,000 |
| SEWER 2006 COPS (453) | | | | |
| 3431 Pooled Investment-Interest | (4) | (8) | 0 | 0 |
| 3434 Pooled Interest Allocation | 42 | 8 | 0 | 0 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | 0 | (1,666) | 0 | 0 |
| TOTAL (453) | 38 | (1,667) | 0 | 0 |
| SEWER INFRASTRTURE REPLMNT (455) | | | | |
| 3431 Pooled Investment-Interest | (16,335) | (9,341) | 0 | 0 |
| 3434 Pooled Interest Allocation | 116,145 | 63,187 | 53,000 | 22,000 |
| 3999 Op Trfs Out To the Subsidiary CIP Fund | (1,000,000) | (300,000) | 0 | 0 |
| TOTAL (455) | (900,190) | (246,153) | 53,000 | 22,000 |
| EQUIPMENT MGNT FUND (500) | | | | |
| 3431 Pooled Investment-Interest | (16,511) | (10,628) | 0 | 0 |
| 3433 Other Interest Income | (39,511) | (61,545) | 0 | 0 |
| 3434 Pooled Interest Allocation | 193,743 | 127,365 | 104,000 | 47,000 |
| 3671 Public Works Service Charges | 2,456,495 | 2,225,380 | 2,118,820 | 1,594,981 |
| 3770 Sale of Property, Plant and Equipment | 166,748 | 9,662 | 0 | 0 |

Financial Information Revenues by Fund (Detail)

| Description | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|--|-------------------|-------------------|-------------------|---------------------|
| 3901 Op Trfs Out To the General Fund | 0 | 0 | 0 | (1,306,332) |
| 3981 Contributions-Proprietary Fund | 94,752 | 252,111 | 0 | 0 |
| TOTAL (500) | 2,855,716 | 2,542,345 | 2,222,820 | 335,649 |
| INFORMATION TEC REPLMT (505) | | | | |
| 3431 Pooled Investment-Interest | (1,382) | (190) | 0 | 0 |
| 3434 Pooled Interest Allocation | 7,073 | 5,526 | 5,000 | 1,000 |
| 3581 Other Restricted Grants-General Gov't | 3,677 | 0 | 0 | 0 |
| 3601 General Government Service Charges | 246,084 | 17,763 | 100,000 | 0 |
| 3801 Op Trfs in from General Fund | 100,000 | 0 | 0 | 0 |
| TOTAL (505) | 355,452 | 23,099 | 105,000 | 1,000 |
| PERMIT AUTOMATION FUND (506) | | | | |
| 3601 General Government Service Charges | 0 | 64,928 | 0 | 100,000 |
| 3822 Op Trfs in from General Gov't Fund | 1,525 | 0 | 0 | 0 |
| TOTAL (506) | 1,525 | 64,928 | 0 | 100,000 |
| TOTAL | 144,621,778 | 81,447,032 | 127,653,076 | 106,688,781 |

History of Property Tax Revenue

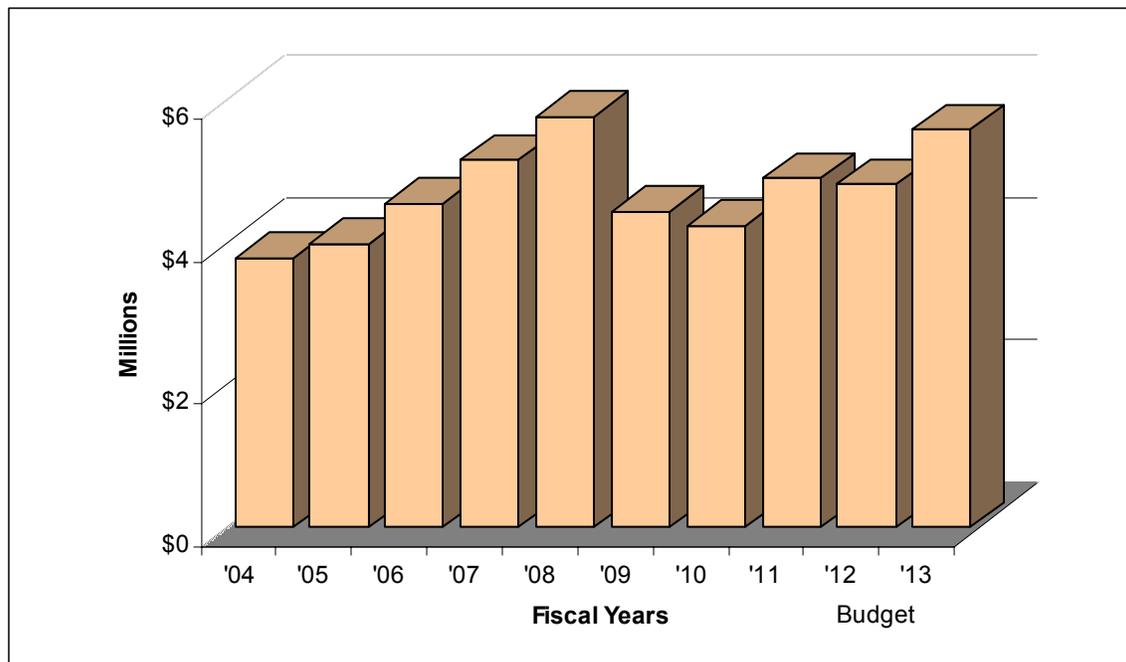
General Fund 2004 through 2013



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

History of Transient Occupancy Tax Revenue

General Fund 2004 through 2013

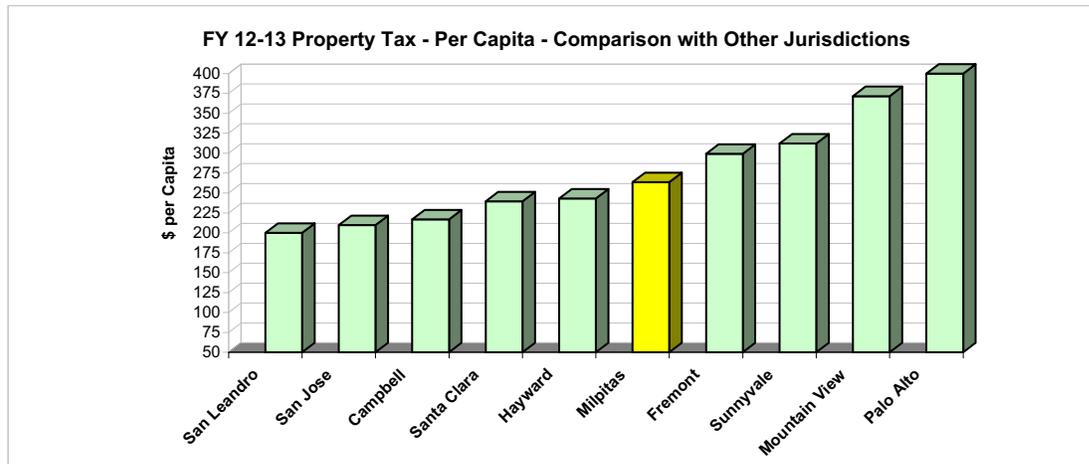


The City of Milpitas Transient Occupancy Rate is currently 10%

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Property Tax, Comparison with Other Jurisdictions FY 2008-09 through FY 2012-13

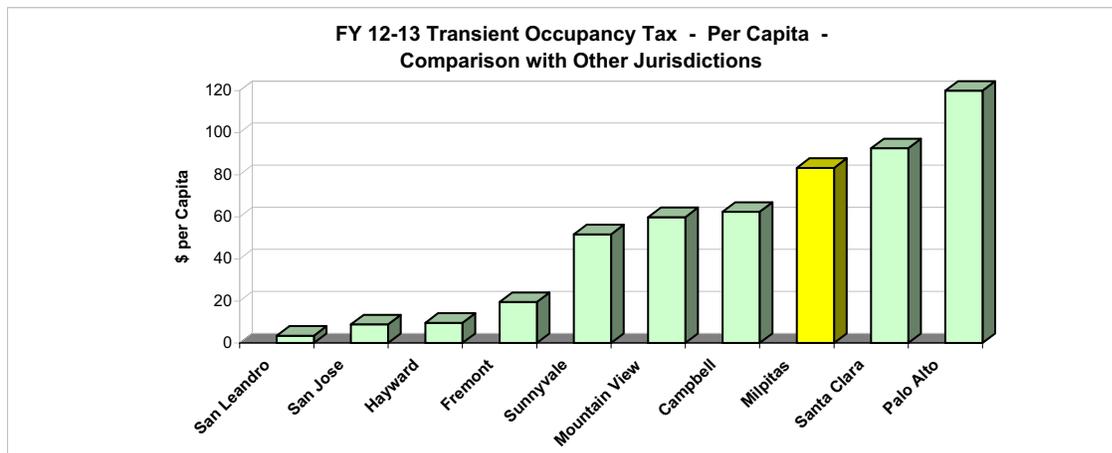
| City | Actual 2008-09 | Actual 2009-10 | Actual 2010-11 | Budgeted 2011-12 | Budgeted 2012-13 |
|----------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Milpitas | \$17,749,152 | \$17,146,081 | \$16,651,636 | \$16,605,000 | \$17,659,000 |
| % of General Fund | 27% | 27% | 19% | 26% | 29% |
| Per Capita | 255.68 | 242.12 | 232.72 | 246.09 | 263.70 |
| Campbell | \$8,882,191 | \$8,761,391 | \$8,506,573 | \$8,664,000 | \$8,868,000 |
| % of General Fund | 27% | 28% | 25% | 25% | 24% |
| Per Capita | 221.16 | 216.76 | 208.19 | 212.04 | 217.03 |
| Fremont | \$62,833,000 | \$61,941,000 | \$61,739,000 | \$61,815,000 | \$65,139,000 |
| % of General Fund | 49% | 52% | 50% | 50% | 50% |
| Per Capita | 294.28 | 287.25 | 288.96 | 287.03 | 299.21 |
| Hayward | \$40,700,000 | \$37,293,000 | \$35,726,000 | \$36,654,000 | \$35,768,000 |
| % of General Fund | 39% | 34% | 29% | 31% | 30% |
| Per Capita | 269.57 | 247.17 | 247.78 | 252.61 | 243.13 |
| Mountain View | \$25,647,300 | \$26,017,182 | \$25,141,878 | \$25,987,162 | \$27,976,580 |
| % of General Fund | 29% | 30% | 29% | 29% | 30% |
| Per Capita | 346.90 | 348.00 | 339.45 | 347.78 | 371.66 |
| Palo Alto | \$25,445,000 | \$25,981,000 | \$25,688,000 | \$26,052,000 | \$27,006,000 |
| % of General Fund | 18% | 20% | 18% | 18% | 18% |
| Per Capita | 401.55 | 397.21 | 398.78 | 399.24 | 408.55 |
| San Jose | \$210,843,575 | \$202,186,036 | \$194,814,000 | \$200,095,000 | \$205,375,000 |
| % of General Fund | 32% | 31% | 29% | 25% | 29% |
| Per Capita | 209.38 | 213.73 | 203.49 | 205.99 | 209.63 |
| San Leandro | \$16,697,676 | \$16,118,173 | \$15,616,380 | \$15,400,000 | \$17,004,000 |
| % of General Fund | 23% | 22% | 21% | 21% | 23% |
| Per Capita | 202.46 | 195.37 | 182.67 | 181.28 | 200.16 |
| Santa Clara | \$29,918,830 | \$29,432,789 | \$27,945,684 | \$27,390,000 | \$28,490,000 |
| % of General Fund | 21% | 22% | 19% | 20% | 20% |
| Per Capita | 255.19 | 253.06 | 236.83 | 230.53 | 239.41 |
| Sunnyvale | \$42,259,090 | \$43,699,859 | \$42,356,100 | \$43,077,019 | \$44,600,117 |
| % of General Fund | 37% | 37% | 35% | 33% | 32% |
| Per Capita | 309.93 | 314.78 | 301.57 | 305.30 | 312.12 |



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Transient Occupancy Tax, Comparison with Other Jurisdictions FY 2008-09 through FY 2012-13

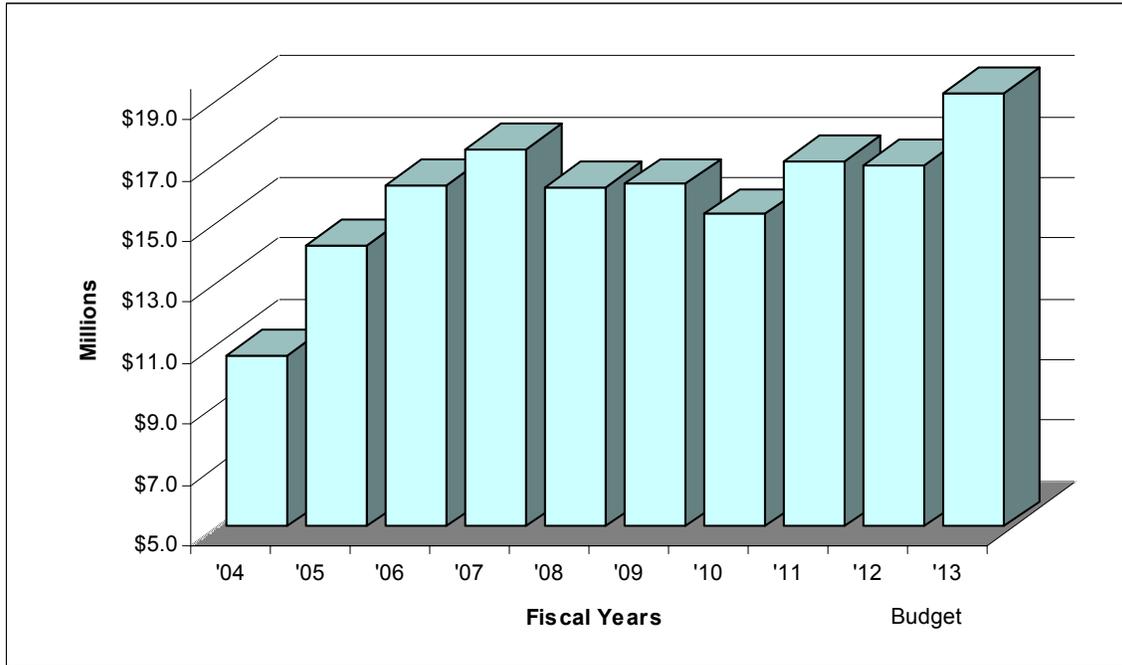
| City | Actual 2008-09 | Actual 2009-10 | Actual 2010-11 | Budgeted 2011-12 | Budgeted 2012-13 |
|----------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Milpitas | \$4,437,872 | \$4,234,489 | \$4,896,058 | \$4,812,000 | \$5,575,000 |
| % of General Fund | 7% | 7% | 6% | 8% | 9% |
| Per Capita | 63.93 | 59.79 | 68.43 | 71.31 | 83.25 |
| Campbell | \$1,287,184 | \$1,297,573 | \$2,031,585 | \$1,839,000 | \$2,550,000 |
| % of General Fund | 4% | 4% | 6% | 5% | 7% |
| Per Capita | 32.05 | 32.10 | 49.72 | 45.01 | 62.41 |
| Fremont | \$2,864,000 | \$2,867,000 | \$3,476,000 | \$3,843,000 | \$4,248,000 |
| % of General Fund | 2% | 2% | 3% | 3% | 3% |
| Per Capita | 13.41 | 13.30 | 16.27 | 17.84 | 19.51 |
| Hayward | \$1,325,000 | \$1,110,000 | \$1,252,797 | \$1,250,000 | \$1,418,000 |
| % of General Fund | 1% | 1% | 1% | 1% | 1% |
| Per Capita | 8.78 | 7.36 | 8.69 | 8.61 | 9.64 |
| Mountain View | \$3,154,885 | \$3,266,982 | \$3,913,957 | \$4,208,892 | \$4,508,300 |
| % of General Fund | 4% | 4% | 4% | 5% | 5% |
| Per Capita | 42.67 | 43.70 | 52.84 | 56.33 | 59.89 |
| Palo Alto | \$7,111,000 | \$6,858,000 | \$8,082,000 | \$8,204,000 | \$9,591,000 |
| % of General Fund | 5% | 5% | 6% | 6% | 6% |
| Per Capita | 112.22 | 104.85 | 125.46 | 125.72 | 145.09 |
| San Jose | \$7,795,177 | \$6,900,000 | \$7,222,000 | \$8,300,000 | \$8,715,000 |
| % of General Fund | 1% | 1% | 1% | 1% | 1% |
| Per Capita | 7.74 | 7.29 | 7.54 | 8.54 | 8.90 |
| San Leandro | \$294,496 | \$304,454 | \$351,612 | \$275,000 | \$300,000 |
| % of General Fund | 0.41% | 0.42% | 0.48% | 0.38% | 0.40% |
| Per Capita | 3.57 | 3.69 | 4.11 | 3.24 | 3.53 |
| Santa Clara | \$9,762,655 | \$8,106,319 | \$9,805,926 | \$9,900,000 | \$11,021,000 |
| % of General Fund | 7% | 6% | 7% | 7% | 8% |
| Per Capita | 83.27 | 69.70 | 83.10 | 83.32 | 92.61 |
| Sunnyvale | \$5,686,217 | \$5,578,196 | \$6,589,448 | \$7,314,725 | \$7,383,795 |
| % of General Fund | 5% | 5% | 5% | 6% | 5% |
| Per Capita | 41.70 | 40.18 | 46.92 | 51.84 | 51.67 |



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History of Sales Tax Revenue

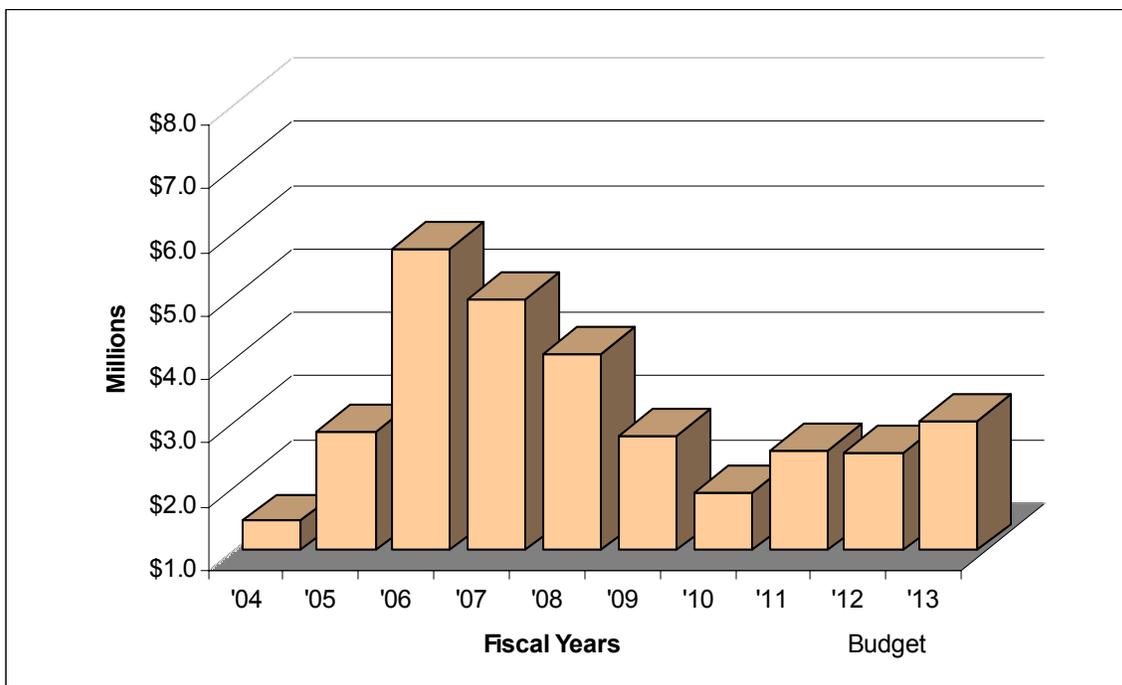
General Fund 2004 through 2013



Of the \$.08375 sales tax paid on every \$1 spent when shopping in Milpitas, \$.01 is returned to the City.

History of Building Permit

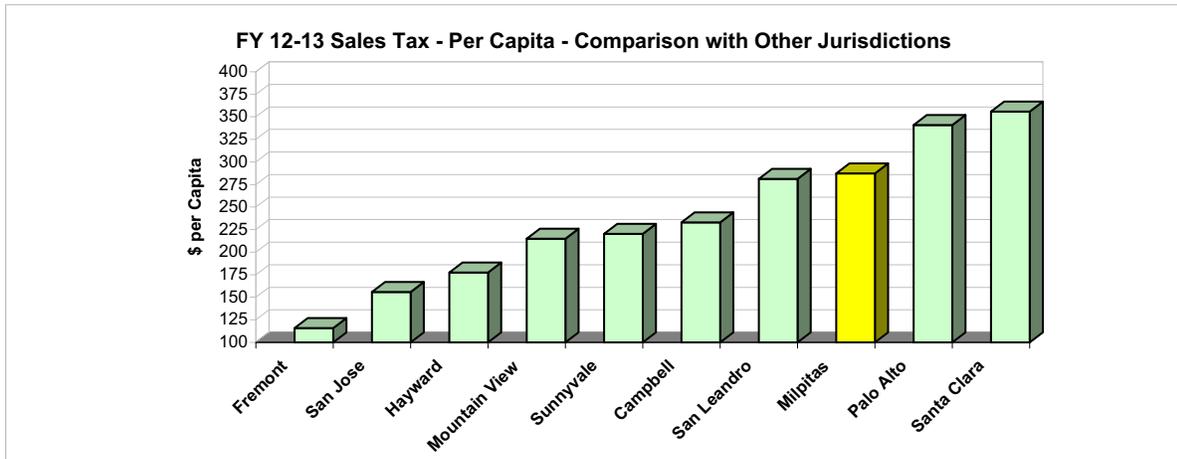
General Fund 2004 through 2013



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Sales Tax, Comparison with Other Jurisdictions FY 2008-09 through FY 2012-13

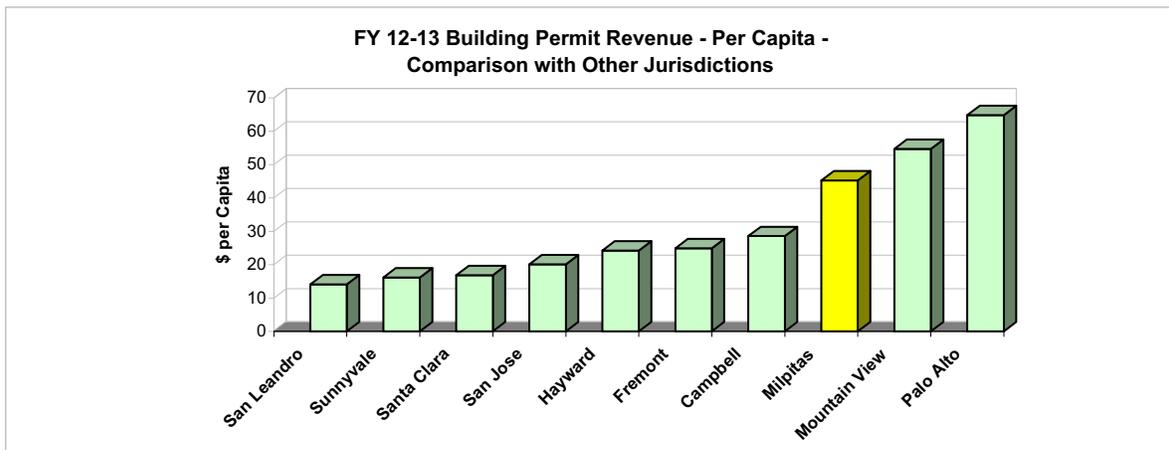
| City | Actual 2008-09 | Actual 2009-10 | Actual 2010-11 | Budgeted 2011-12 | Budgeted 2012-13 |
|----------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Milpitas | \$16,250,920 | \$15,267,613 | \$16,994,002 | \$16,860,000 | \$19,230,000 |
| % of General Fund | 24% | 24% | 19% | 26% | 32% |
| Per Capita | 234.10 | 215.59 | 237.51 | 249.87 | 287.16 |
| Campbell | \$9,685,398 | \$7,967,190 | \$8,591,819 | \$8,318,000 | \$9,524,000 |
| % of General Fund | 29% | 25% | 25% | 24% | 26% |
| Per Capita | 241.16 | 197.11 | 210.27 | 203.57 | 233.09 |
| Fremont | \$31,632,000 | \$26,770,000 | \$22,974,000 | \$24,244,000 | \$25,218,000 |
| % of General Fund | 25% | 22% | 19% | 19% | 19% |
| Per Capita | 148.15 | 124.14 | 107.53 | 112.57 | 115.84 |
| Hayward | \$25,630,000 | \$23,509,000 | \$25,492,000 | \$23,647,000 | \$26,090,000 |
| % of General Fund | 24% | 22% | 21% | 20% | 22% |
| Per Capita | 169.75 | 155.81 | 176.80 | 162.97 | 177.35 |
| Mountain View | \$16,263,633 | \$15,241,857 | \$15,501,602 | \$16,802,480 | \$16,183,920 |
| % of General Fund | 18% | 18% | 18% | 18% | 17% |
| Per Capita | 219.98 | 203.87 | 209.29 | 224.86 | 215.00 |
| Palo Alto | \$20,089,000 | \$17,991,000 | \$20,746,000 | \$20,246,000 | \$22,545,000 |
| % of General Fund | 14% | 14% | 14% | 14% | 15% |
| Per Capita | 317.03 | 275.06 | 322.06 | 310.26 | 341.06 |
| San Jose | \$132,005,205 | \$127,237,778 | \$137,970,000 | \$150,450,000 | \$152,680,000 |
| % of General Fund | 20% | 20% | 20% | 19% | 21% |
| Per Capita | 131.09 | 134.50 | 144.11 | 154.88 | 155.84 |
| San Leandro | \$19,351,645 | \$17,826,272 | \$22,051,722 | \$23,110,000 | \$23,892,000 |
| % of General Fund | 27% | 25% | 30% | 32% | 32% |
| Per Capita | 234.65 | 216.08 | 257.95 | 272.04 | 281.25 |
| Santa Clara | \$35,780,564 | \$30,102,296 | \$35,567,422 | \$36,625,000 | \$42,364,000 |
| % of General Fund | 25% | 22% | 24% | 26% | 29% |
| Per Capita | 305.19 | 258.82 | 301.42 | 308.26 | 356.00 |
| Sunnyvale | \$25,071,916 | \$25,431,711 | \$29,228,078 | \$29,971,933 | \$31,481,509 |
| % of General Fund | 22% | 22% | 24% | 23% | 22% |
| Per Capita | 183.88 | 183.19 | 208.10 | 212.42 | 220.31 |



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Building Permits, Comparison with Other Jurisdictions FY 2008-09 through FY 2012-13

| City | Actual 2008-09 | Actual 2009-10 | Actual 2010-11 | Budgeted 2011-12 | Budgeted 2012-13 |
|------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Milpitas | \$2,803,026 | \$1,903,070 | \$2,557,237 | \$2,537,000 | \$3,029,000 |
| % of General Fund | 4% | 3% | 3% | 4% | 5% |
| Per Capita | 40.38 | 26.87 | 35.74 | 37.60 | 45.23 |
| Campbell | \$750,000 | \$455,803 | \$1,100,932 | \$750,000 | \$1,167,000 |
| % of General Fund | 2% | 1% | 3% | 2% | 3% |
| Per Capita | 18.67 | 11.28 | 26.94 | 18.36 | 28.56 |
| Fremont * | \$4,506,030 | \$5,956,977 | \$4,375,860 | \$6,148,484 | \$5,419,243 |
| % of General Fund | 3% | 5% | 3% | 5% | 4% |
| Per Capita | 21.10 | 27.63 | 20.48 | 28.55 | 24.89 |
| Hayward | \$1,516,000 | \$1,502,000 | \$3,757,000 | \$3,546,000 | \$3,565,000 |
| % of General Fund | 1% | 1% | 3% | 3% | 3% |
| Per Capita | 10.04 | 9.96 | 26.06 | 24.44 | 24.23 |
| Mountain View * | \$1,561,174 | \$1,852,634 | \$2,785,354 | \$2,746,502 | \$4,121,293 |
| % of General Fund | 2% | 2% | 3% | 3% | 4% |
| Per Capita | 21.12 | 24.78 | 37.61 | 36.76 | 54.75 |
| Palo Alto | \$2,777,300 | \$4,036,139 | \$3,491,191 | \$3,600,000 | \$4,286,860 |
| % of General Fund | 2% | 3% | 2% | 2% | 3% |
| Per Capita | 43.83 | 61.71 | 54.20 | 55.17 | 64.85 |
| San Jose | \$17,505,815 | \$16,303,336 | \$22,403,000 | \$18,491,479 | \$19,700,000 |
| % of General Fund | 3% | 3% | 3% | 2% | 3% |
| Per Capita | 17.38 | 17.23 | 23.40 | 19.04 | 20.11 |
| San Leandro | \$1,296,892 | \$1,084,540 | \$1,468,983 | \$1,200,000 | \$1,200,000 |
| % of General Fund | 2% | 1% | 2% | 2% | 2% |
| Per Capita | 15.73 | 13.15 | 17.18 | 14.13 | 14.13 |
| Santa Clara | \$1,727,802 | \$1,150,852 | \$2,350,611 | \$2,000,000 | \$2,000,000 |
| % of General Fund | 1% | 1% | 2% | 1% | 1% |
| Per Capita | 14.74 | 9.89 | 19.92 | 16.83 | 16.81 |
| Sunnyvale | \$1,924,519 | \$1,537,860 | \$2,079,470 | \$3,212,511 | \$2,313,008 |
| % of General Fund | 2% | 1% | 2% | 2% | 2% |
| Per Capita | 14.11 | 11.08 | 14.81 | 22.77 | 16.19 |

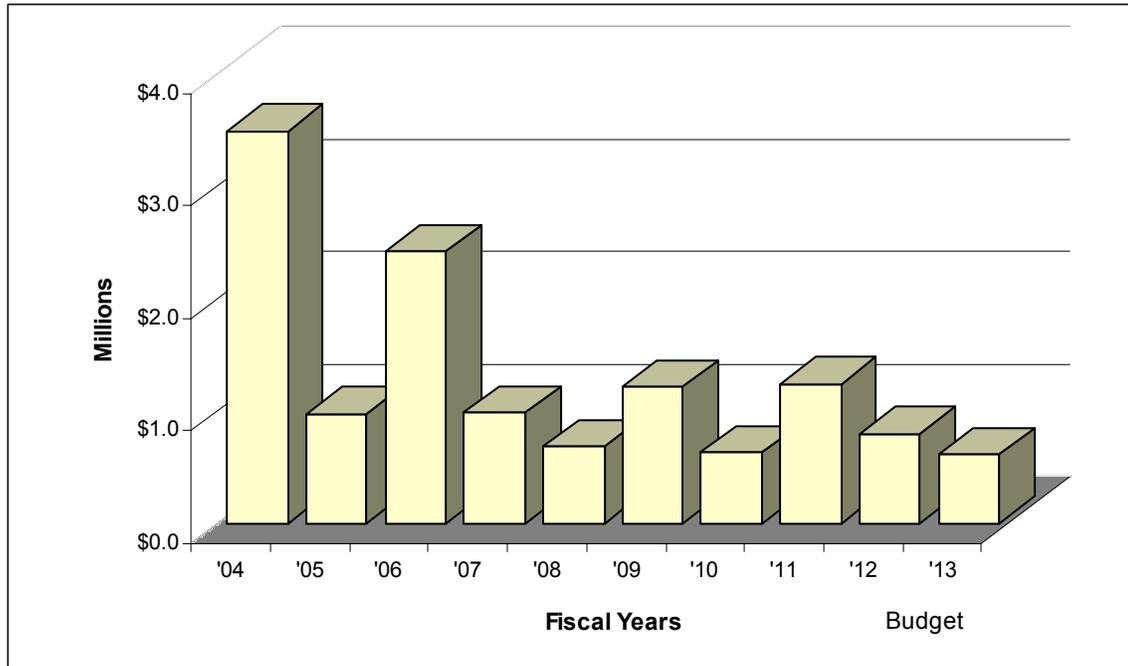


* For the Cities of Fremont and Mountain View Building permits are not part of the General Fund revenues, but for comparison purposes, we included this revenue as part of the General Fund.

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History of Intergovernmental Revenue

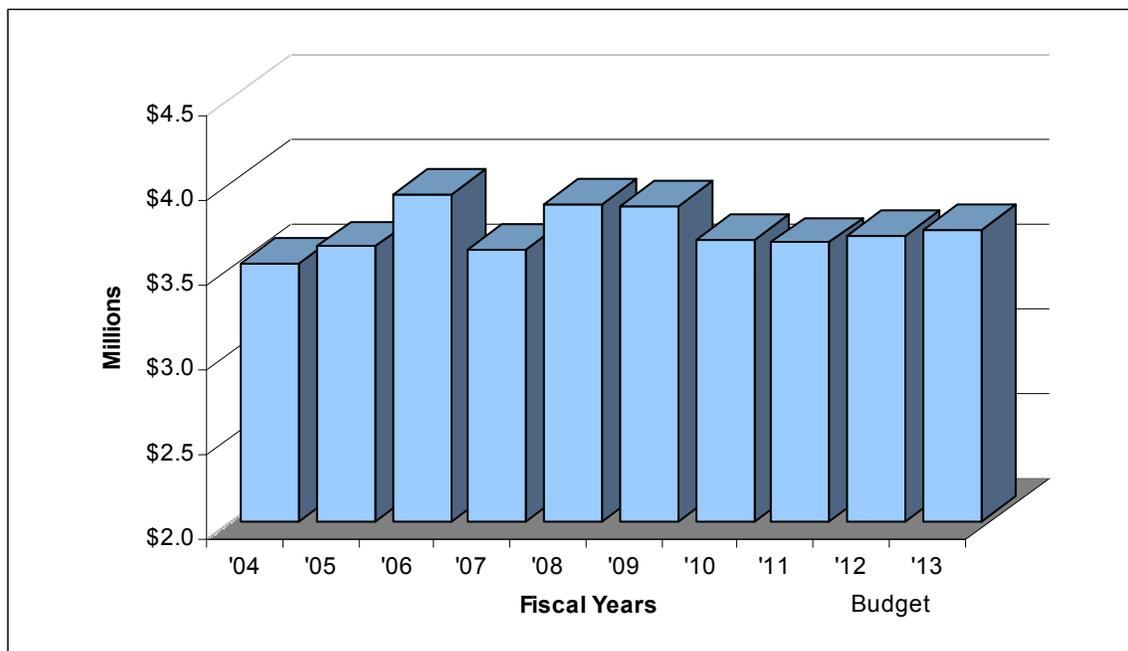
General Fund 2004 through 2013



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

History of "Other" Tax Revenue

General Fund 2004 through 2013

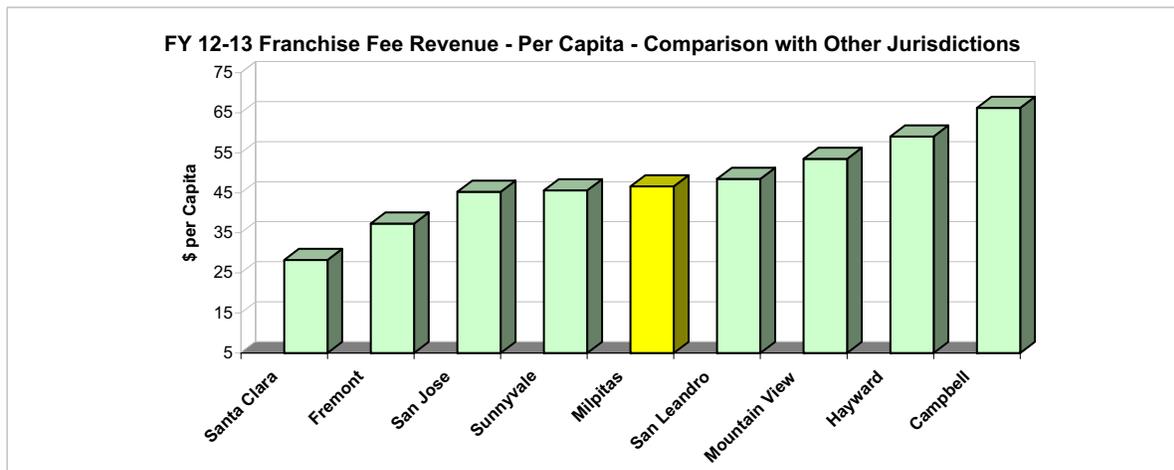


"Other" Tax Revenue include: Real Estate Transfer Tax, Franchise Fees and Business License Tax.

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Franchise Fees, Comparison with Other Jurisdictions FY 2008-09 through FY 2012-13

| City | Actual 2008-09 | Actual 2009-10 | Actual 2010-11 | Budgeted 2011-12 | Budgeted 2012-13 |
|----------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Milpitas | \$3,151,420 | \$2,993,512 | \$3,082,533 | \$3,107,000 | \$3,121,000 |
| % of General Fund | 5% | 5% | 3% | 5% | 5% |
| Per Capita | 45.40 | 42.27 | 43.08 | 46.05 | 46.61 |
| Campbell | \$2,225,000 | \$2,337,022 | \$2,619,457 | \$2,586,000 | \$2,706,000 |
| % of General Fund | 7% | 7% | 8% | 7% | 7% |
| Per Capita | 55.40 | 57.82 | 64.11 | 63.29 | 66.23 |
| Fremont | \$8,329,000 | \$7,929,000 | \$8,261,000 | \$8,100,000 | \$8,120,000 |
| % of General Fund | 7% | 7% | 7% | 7% | 6% |
| Per Capita | 39.01 | 36.77 | 38.66 | 37.61 | 37.30 |
| Hayward | \$8,786,000 | \$8,601,000 | \$9,091,000 | \$9,126,000 | \$8,686,000 |
| % of General Fund | 8% | 8% | 7% | 8% | 7% |
| Per Capita | 58.19 | 57.01 | 63.05 | 62.89 | 59.04 |
| Mountain View | \$2,940,485 | \$2,833,880 | \$3,838,466 | \$3,903,894 | \$4,025,385 |
| % of General Fund | 3% | 3% | 4% | 4% | 4% |
| Per Capita | 39.77 | 37.91 | 51.82 | 52.24 | 53.48 |
| Palo Alto | n/a | n/a | n/a | n/a | n/a |
| San Jose | \$41,067,393 | \$38,410,068 | \$41,272,000 | \$42,625,000 | \$44,325,000 |
| % of General Fund | 6% | 6% | 6% | 5% | 6% |
| Per Capita | 40.78 | 40.60 | 43.11 | 43.88 | 45.24 |
| San Leandro | \$4,103,027 | \$4,005,464 | \$4,136,335 | \$3,960,000 | \$4,117,500 |
| % of General Fund | 6% | 6% | 6% | 6% | 5% |
| Per Capita | 49.75 | 48.55 | 48.38 | 46.62 | 48.47 |
| Santa Clara | \$3,369,990 | \$3,000,696 | \$3,146,270 | \$3,185,900 | \$3,357,700 |
| % of General Fund | 2% | 2% | 2% | 2% | 2% |
| Per Capita | 28.74 | 25.80 | 26.66 | 26.81 | 28.22 |
| Sunnyvale | \$6,127,049 | \$5,979,301 | \$6,246,832 | \$6,344,385 | \$6,521,751 |
| % of General Fund | 5% | 5% | 5% | 5% | 5% |
| Per Capita | 44.94 | 43.07 | 44.48 | 44.96 | 45.64 |



Note: Palo Alto does not collect Franchise Fees.

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Expenditures by Fund (Summary)

| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|--------------------------------------|--------------------|--------------------|--------------------|---------------------|
| 100 General Fund | 63,350,249 | 63,258,881 | 65,757,098 | 60,608,103 |
| 102 Measure I TOT | 376,938 | 450,769 | 427,901 | 90,000 |
| 105 Abandon Veh Abatement | 55,619 | 38,196 | 45,500 | 45,500 |
| 140 Housing Administration | 0 | 0 | 0 | 251,956 |
| 150 Redevelopment Administration | 0 | 0 | 0 | 706,706 |
| 211 H-Hetch Ground Lease | 26,749 | 27,376 | 29,000 | 29,000 |
| 212 Public Art Fund-Restricted | 80,230 | 56,251 | 232,500 | 0 |
| 213 Public Art Fund-Nonrestricted | 10,000 | 0 | 0 | 0 |
| 235 95-1 Lighting/Lscape Dist | 266,883 | 197,927 | 312,267 | 300,630 |
| 236 98-1 Lighting/Lscape Dist | 29,373 | 38,902 | 16,551 | 14,530 |
| 237 05 Community Fclty Dist | 150,936 | 170,185 | 185,040 | 402,350 |
| 250 HCD Fund | 497,706 | 432,148 | 413,556 | 353,736 |
| 251 HCD Loan | 38,995 | 25,766 | 226,370 | 36,980 |
| 261 Supplemental Law Enforcement | 121,683 | 78,674 | 0 | 0 |
| 262 State Asset Seizure | 0 | 7,973 | 30,000 | 30,000 |
| 263 Federal Asset Seizure | 8,351 | 1,832 | 54,712 | 30,000 |
| 267 Justice Assistance Grant | 16,203 | 22,975 | 0 | 0 |
| 268 Justice Assistance Grant 2009 | 66,607 | 7,588 | 0 | 0 |
| 280 Solid Waste Services | 610,628 | 512,820 | 610,670 | 610,330 |
| 290 Housing Reserve Fund | 3,621,551 | 3,346,490 | 8,323,022 | 0 |
| 295 Housing Authority | 0 | 0 | 0 | 516,000 |
| 310 Street Fund | 87,722 | 110,241 | 157,700 | 8,400 |
| 311 Street CIP | 3,325,861 | 2,751,634 | 4,131,651 | 1,860,000 |
| 321 Park Improvement CIP | 2,695,436 | 559,488 | 750,000 | 750,000 |
| 331 General Government CIP | 87,312 | 163,744 | 260,000 | 0 |
| 340 Storm Drain Development | 0 | 19,404 | 0 | 0 |
| 341 Storm Drain CIP | 177,515 | 21,140 | 500,000 | 550,000 |
| 350 Transit Area Impact Fee Fund | 5,070,919 | 637,381 | 0 | 0 |
| 351 Transit Area Impact Fee CIP Fund | 946,334 | 602,414 | 0 | 0 |
| 390 RDA Project Fund | 33,693,694 | 31,192,926 | 19,775,642 | 0 |
| 391 Redevelopment CIP | 10,510,722 | 2,140,476 | 6,259,000 | 0 |
| 400 Water M & O Fund | 11,183,684 | 11,842,649 | 14,697,147 | 15,598,380 |
| 401 Water CIP | 4,319,303 | 3,729,381 | 2,075,000 | 2,775,000 |
| 450 Sewer M & O Fund | 12,259,159 | 9,295,778 | 11,881,161 | 11,330,148 |
| 451 Sewer CIP | 669,091 | 944,726 | 1,550,000 | 6,550,000 |
| 500 Equipment Mgmt Fund | 1,426,959 | 1,525,871 | 1,890,427 | 1,499,901 |
| 505 Information Tec Replmt | 18,706 | 83,897 | 167,200 | 167,200 |
| 506 Permit Automation Fund | 40,000 | 46,000 | 28,000 | 28,000 |
| TOTAL | 155,841,117 | 134,341,900 | 140,787,115 | 105,142,850 |

Financial Information Expenditures by Fund (Detail)

| Fund/Function | Personnel Services | Supplies & Contractual Svcs | Capital Outlay | Debt Service | Capital Improvements | Total |
|----------------------------------|---------------------------|--|-----------------------|---------------------|-----------------------------|--------------|
| GENERAL FUND | | | | | | |
| City Council | 98,443 | 146,015 | 0 | 0 | 0 | 244,458 |
| City Manager | 277,886 | 15,212 | 0 | 0 | 0 | 293,098 |
| City Clerk | 315,000 | 121,000 | 0 | 0 | 0 | 436,000 |
| City Attorney | 407,610 | 80,470 | 0 | 0 | 0 | 488,080 |
| Building Inspection Services | 656,268 | 36,282 | 0 | 0 | 0 | 692,550 |
| Plan Checking | 445,382 | 12,675 | 0 | 0 | 0 | 458,057 |
| Building Administration | 216,980 | 10,330 | 0 | 0 | 0 | 227,310 |
| Permit Center | 452,954 | 45,250 | 0 | 0 | 0 | 498,204 |
| Public Works Inspection Services | 0 | 3,615 | 0 | 0 | 0 | 3,615 |
| Information Services | 1,459,907 | 623,493 | 0 | 0 | 0 | 2,083,400 |
| Human Resources | 414,102 | 453,589 | 0 | 0 | 0 | 867,691 |
| Recreation Administration | 812,518 | 63,108 | 0 | 0 | 0 | 875,626 |
| Senior Citizen Services | 294,282 | 195,605 | 0 | 0 | 0 | 489,887 |
| Preschool | 0 | 248,950 | 0 | 0 | 0 | 248,950 |
| Youth Programs | 403,376 | 31,476 | 0 | 0 | 0 | 434,852 |
| Special Events | 29,144 | 57,402 | 0 | 0 | 0 | 86,546 |
| Cultural Arts | 0 | 13,592 | 0 | 0 | 0 | 13,592 |
| General Classes | 66,464 | 266,759 | 0 | 0 | 0 | 333,223 |
| Aquatics | 328,299 | 14,273 | 0 | 0 | 0 | 342,572 |
| Sports & Fitness Classes | 263,288 | 176,937 | 0 | 0 | 0 | 440,225 |
| Adult Sports | 31,465 | 11,860 | 0 | 0 | 0 | 43,325 |
| Volunteer Services | 33,224 | 2,500 | 0 | 0 | 0 | 35,724 |
| Finance Administration | 510,134 | 122,064 | 0 | 0 | 0 | 632,198 |
| Finance Operations | 1,029,480 | 20,960 | 0 | 0 | 0 | 1,050,440 |
| Public Works Administration | 197,408 | 8,820 | 0 | 0 | 0 | 206,228 |
| Street Maintenance | 299,906 | 845,249 | 0 | 0 | 0 | 1,145,155 |
| Utility Maintenance | 126,234 | 0 | 0 | 0 | 0 | 126,234 |
| Park Maintenance | 16,043 | 1,172,638 | 0 | 0 | 0 | 1,188,681 |
| Trees & Landscape Mnt | 72,775 | 550,155 | 0 | 0 | 0 | 622,930 |
| Facilities Maintenance | 1,315,527 | 714,896 | 0 | 0 | 0 | 2,030,423 |
| Engineering Administration | (2,961) | 11,938 | 0 | 0 | 0 | 8,977 |
| Design & Construction | 2,414 | 1,829 | 0 | 0 | 0 | 4,243 |
| Land Development | 489,028 | 101,799 | 0 | 0 | 0 | 590,827 |
| Traffic Engineering | 158,364 | 14,106 | 0 | 0 | 0 | 172,470 |
| Utility Engineering | 0 | 136,500 | 0 | 0 | 0 | 136,500 |
| Planning | 817,066 | 119,700 | 0 | 0 | 0 | 936,766 |
| Neighborhood Services | 365,913 | 385,949 | 0 | 0 | 0 | 751,862 |
| Police Administration | 291,903 | 19,700 | 0 | 0 | 0 | 311,603 |
| Records | 935,956 | 194,178 | 0 | 0 | 0 | 1,130,134 |
| Personnel & Training | 242,258 | 84,203 | 0 | 0 | 0 | 326,461 |
| Communications | 2,151,502 | 307,534 | 0 | 0 | 0 | 2,459,036 |
| Patrol Services | 11,742,876 | 345,474 | 0 | 0 | 0 | 12,088,350 |
| Traffic | 2,611,931 | 106,215 | 0 | 0 | 0 | 2,718,146 |

Financial Information Expenditures by Fund (Detail)

| Fund/Function | Personnel Services | Supplies & Contractual Svcs | Capital Outlay | Debt Service | Capital Improvements | Total |
|-----------------------------------|---------------------------|--|-----------------------|---------------------|-----------------------------|-------------------|
| Crossing Guards | 290,147 | 2,000 | 0 | 0 | 0 | 292,147 |
| Community Relations | 433,435 | 23,631 | 0 | 0 | 0 | 457,066 |
| Investigations | 1,807,501 | 328,981 | 0 | 0 | 0 | 2,136,482 |
| Fire Administration | 419,874 | 52,673 | 0 | 0 | 0 | 472,547 |
| A/B/C Battalions Operations | 11,459,196 | 833,758 | 0 | 0 | 0 | 12,292,954 |
| Disaster Prep & Public Ed | 158,722 | 32,139 | 0 | 0 | 0 | 190,861 |
| Prevention Div Admin | 233,254 | 35,471 | 0 | 0 | 0 | 268,725 |
| Fire Inspection, Plan Check & Inv | 613,090 | 129,228 | 0 | 0 | 0 | 742,318 |
| Non-Departmental | 2,643,800 | 2,836,554 | 0 | 0 | 0 | 5,480,354 |
| sub-total (100) | 48,439,368 | 12,168,735 | 0 | 0 | 0 | 60,608,103 |
| MEASURE I TOT | | | | | | |
| Facilities Maintenance | 45,000 | 5,000 | 0 | 0 | 0 | 50,000 |
| Non-Departmental | 0 | 40,000 | 0 | 0 | 0 | 40,000 |
| sub-total (102) | 45,000 | 45,000 | 0 | 0 | 0 | 90,000 |
| 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 |
| HOUSING ADMINISTRATION | | | | | | |
| City Council | 13,340 | 0 | 0 | 0 | 0 | 13,340 |
| City Manager | 77,426 | 0 | 0 | 0 | 0 | 77,426 |
| City Clerk | 40,998 | 0 | 0 | 0 | 0 | 40,998 |
| City Attorney | 58,252 | 0 | 0 | 0 | 0 | 58,252 |
| Human Resources | 4,460 | 0 | 0 | 0 | 0 | 4,460 |
| Finance Administration | 26,126 | 0 | 0 | 0 | 0 | 26,126 |
| Finance Operations | 17,254 | 0 | 0 | 0 | 0 | 17,254 |
| Non-Departmental | 0 | 14,100 | 0 | 0 | 0 | 14,100 |
| sub-total (140) | 237,856 | 14,100 | 0 | 0 | 0 | 251,956 |
| REDEVELOPMENT ADMINSTN | | | | | | |
| City Council | 17,240 | 0 | 0 | 0 | 0 | 17,240 |
| City Manager | 93,700 | 0 | 0 | 0 | 0 | 93,700 |
| City Clerk | 58,602 | 0 | 0 | 0 | 0 | 58,602 |
| City Attorney | 116,450 | 26,800 | 0 | 0 | 0 | 143,250 |
| Human Resources | 44,634 | 0 | 0 | 0 | 0 | 44,634 |
| Finance Administration | 103,936 | 0 | 0 | 0 | 0 | 103,936 |
| Finance Operations | 128,514 | 0 | 0 | 0 | 0 | 128,514 |
| Public Works Administration | 24,154 | 0 | 0 | 0 | 0 | 24,154 |
| Neighborhood Services | 17,030 | 0 | 0 | 0 | 0 | 17,030 |
| Non-Departmental | 0 | 75,646 | 0 | 0 | 0 | 75,646 |
| sub-total (150) | 604,260 | 102,446 | 0 | 0 | 0 | 706,706 |
| 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 |

Financial Information Expenditures by Fund (Detail)

| Fund/Function | Personnel Services | Supplies & Contractual Svcs | Capital Outlay | Debt Service | Capital Improvements | Total |
|----------------------------------|---------------------------|--|-----------------------|---------------------|-----------------------------|------------------|
| 95-1 LIGHTING/LSCAPE DIST | | | | | | |
| Trees & Landscape Mnt | 0 | 234,500 | 0 | 0 | 0 | 234,500 |
| Land Development | 5,000 | 61,130 | 0 | 0 | 0 | 66,130 |
| sub-total (235) | 5,000 | 295,630 | 0 | 0 | 0 | 300,630 |
| 98-1 LIGHTING/LSCAPE DIST | | | | | | |
| Trees & Landscape Mnt | 0 | 10,400 | 0 | 0 | 0 | 10,400 |
| Land Development | 3,000 | 1,130 | 0 | 0 | 0 | 4,130 |
| sub-total (236) | 3,000 | 11,530 | 0 | 0 | 0 | 14,530 |
| 05 COMMUNITY FCLTY DIST | | | | | | |
| Park Maintenance | 0 | 230,000 | 0 | 0 | 0 | 230,000 |
| Trees & Landscape Mnt | 31,850 | 133,500 | 0 | 0 | 0 | 165,350 |
| Non-Departmental | 0 | 7,000 | 0 | 0 | 0 | 7,000 |
| sub-total (237) | 31,850 | 370,500 | 0 | 0 | 0 | 402,350 |
| HCD FUND | | | | | | |
| Building Inspection Services | 13,636 | 0 | 0 | 0 | 0 | 13,636 |
| Finance Operations | 14,800 | 0 | 0 | 0 | 0 | 14,800 |
| Neighborhood Services | 47,343 | 271,957 | 0 | 0 | 0 | 319,300 |
| Non-Departmental | 0 | 6,000 | 0 | 0 | 0 | 6,000 |
| sub-total (250) | 75,779 | 277,957 | 0 | 0 | 0 | 353,736 |
| HCD LOAN | | | | | | |
| Neighborhood Services | 0 | 36,980 | 0 | 0 | 0 | 36,980 |
| sub-total (251) | 0 | 36,980 | 0 | 0 | 0 | 36,980 |
| STATE ASSET SEIZURE | | | | | | |
| Investigations | 0 | 0 | 30,000 | 0 | 0 | 30,000 |
| sub-total (262) | 0 | 0 | 30,000 | 0 | 0 | 30,000 |
| FEDERAL ASSET SEIZURE | | | | | | |
| Investigations | 0 | 0 | 30,000 | 0 | 0 | 30,000 |
| sub-total (263) | 0 | 0 | 30,000 | 0 | 0 | 30,000 |
| SOLID WASTE SERVICES | | | | | | |
| Utility Engineering | 141,330 | 441,700 | 0 | 0 | 0 | 583,030 |
| Non-Departmental | 0 | 27,300 | 0 | 0 | 0 | 27,300 |
| sub-total (280) | 141,330 | 469,000 | 0 | 0 | 0 | 610,330 |
| HOUSING AUTHORITY | | | | | | |
| Finance Operations | 62,044 | 0 | 0 | 0 | 0 | 62,044 |
| Planning | 0 | 3,500 | 0 | 0 | 0 | 3,500 |
| Neighborhood Services | 85,118 | 0 | 0 | 0 | 0 | 85,118 |
| Non-Departmental | 0 | 365,338 | 0 | 0 | 0 | 365,338 |
| sub-total (295) | 147,162 | 368,838 | 0 | 0 | 0 | 516,000 |
| STREET FUND | | | | | | |
| Non-Departmental | 0 | 8,400 | 0 | 0 | 0 | 8,400 |
| sub-total (310) | 0 | 8,400 | 0 | 0 | 0 | 8,400 |
| STREET CIP | | | | | | |
| Capital Improvement Projects | 0 | 0 | 0 | 0 | 1,860,000 | 1,860,000 |
| sub-total (311) | 0 | 0 | 0 | 0 | 1,860,000 | 1,860,000 |

Financial Information Expenditures by Fund (Detail)

| Fund/Function | Personnel Services | Supplies & Contractual Svcs | Capital Outlay | Debt Service | Capital Improvements | Total |
|-------------------------------|---------------------------|--|-----------------------|---------------------|-----------------------------|--------------------|
| 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 |
| STORM DRAIN CIP | | | | | | |
| Capital Improvement Projects | 0 | 0 | 0 | 0 | 550,000 | 550,000 |
| sub-total (341) | 0 | 0 | 0 | 0 | 550,000 | 550,000 |
| WATER M & O FUND | | | | | | |
| Finance Operations | 481,660 | 93,193 | 30,000 | 0 | 0 | 604,853 |
| Public Works Administration | 103,512 | 598 | 0 | 0 | 0 | 104,110 |
| Utility Maintenance | 867,105 | 371,130 | 143,427 | 0 | 0 | 1,381,662 |
| Land Development | 8,000 | 0 | 0 | 0 | 0 | 8,000 |
| Utility Engineering | 520,366 | 247,689 | 0 | 0 | 0 | 768,055 |
| Non-Departmental | 213,000 | 12,518,700 | 0 | 0 | 0 | 12,731,700 |
| sub-total (400) | 2,193,643 | 13,231,310 | 173,427 | 0 | 0 | 15,598,380 |
| WATER CIP | | | | | | |
| Capital Improvement Projects | 0 | 0 | 0 | 0 | 2,775,000 | 2,775,000 |
| sub-total (401) | 0 | 0 | 0 | 0 | 2,775,000 | 2,775,000 |
| SEWER M & O FUND | | | | | | |
| Finance Operations | 181,654 | 90,067 | 0 | 0 | 0 | 271,721 |
| Public Works Administration | 103,438 | 598 | 0 | 0 | 0 | 104,036 |
| Utility Maintenance | 700,918 | 229,154 | 33,426 | 0 | 0 | 963,498 |
| Utility Engineering | 390,724 | 69,969 | 0 | 0 | 0 | 460,693 |
| Non-Departmental | 133,900 | 8,708,300 | 0 | 0 | 0 | 8,842,200 |
| Debt Service | 0 | 0 | 0 | 688,000 | 0 | 688,000 |
| sub-total (450) | 1,510,634 | 9,098,088 | 33,426 | 688,000 | 0 | 11,330,148 |
| SEWER CIP | | | | | | |
| Capital Improvement Projects | 0 | 0 | 0 | 0 | 6,550,000 | 6,550,000 |
| sub-total (451) | 0 | 0 | 0 | 0 | 6,550,000 | 6,550,000 |
| EQUIPMENT MGNT FUND | | | | | | |
| Fleet Maintenance | 575,408 | 854,481 | 0 | 0 | 0 | 1,429,889 |
| Non-Departmental | 0 | 38,000 | 0 | 0 | 0 | 38,000 |
| Equipment to be Depreciated | 0 | 0 | 32,012 | 0 | 0 | 32,012 |
| sub-total (500) | 575,408 | 892,481 | 32,012 | 0 | 0 | 1,499,901 |
| INFORMATION TEC REPLMT | | | | | | |
| Information Services | 0 | 77,200 | 90,000 | 0 | 0 | 167,200 |
| sub-total (505) | 0 | 77,200 | 90,000 | 0 | 0 | 167,200 |
| PERMIT AUTOMATION FUND | | | | | | |
| Information Services | 10,000 | 18,000 | 0 | 0 | 0 | 28,000 |
| sub-total (506) | 10,000 | 18,000 | 0 | 0 | 0 | 28,000 |
| TOTAL | 54,042,790 | 37,538,195 | 388,865 | 688,000 | 12,485,000 | 105,142,850 |

Financial Information Expenditures by Function by Fund

| Function | General Fund | Housing Authority | Water Fund | Sewer Fund | Other Funds | Total |
|------------------------------|--------------|-------------------|------------|------------|-------------|-----------|
| City Council | 275,038 | 0 | 0 | 0 | 0 | 275,038 |
| City Manager | 464,224 | 0 | 0 | 0 | 0 | 464,224 |
| City Clerk | 535,600 | 0 | 0 | 0 | 0 | 535,600 |
| City Attorney | 689,582 | 0 | 0 | 0 | 0 | 689,582 |
| Building Inspection Services | 692,550 | 0 | 0 | 0 | 13,636 | 706,186 |
| Plan Checking | 458,057 | 0 | 0 | 0 | 0 | 458,057 |
| Building Administration | 227,310 | 0 | 0 | 0 | 0 | 227,310 |
| Permit Center | 498,204 | 0 | 0 | 0 | 0 | 498,204 |
| Public Works Inspection Srv | 3,615 | 0 | 0 | 0 | 0 | 3,615 |
| Information Services | 2,083,400 | 0 | 0 | 0 | 195,200 | 2,278,600 |
| Human Resources | 916,785 | 0 | 0 | 0 | 0 | 916,785 |
| Recreation Administration | 875,626 | 0 | 0 | 0 | 0 | 875,626 |
| Senior Citizen Services | 489,887 | 0 | 0 | 0 | 0 | 489,887 |
| Preschool | 248,950 | 0 | 0 | 0 | 0 | 248,950 |
| Youth Programs | 434,852 | 0 | 0 | 0 | 0 | 434,852 |
| Special Events | 86,546 | 0 | 0 | 0 | 0 | 86,546 |
| Cultural Arts | 13,592 | 0 | 0 | 0 | 0 | 13,592 |
| General Classes | 333,223 | 0 | 0 | 0 | 0 | 333,223 |
| Aquatics | 342,572 | 0 | 0 | 0 | 0 | 342,572 |
| Sports & Fitness Classes | 440,225 | 0 | 0 | 0 | 0 | 440,225 |
| Adult Sports | 43,325 | 0 | 0 | 0 | 0 | 43,325 |
| Volunteer Services | 35,724 | 0 | 0 | 0 | 0 | 35,724 |
| Finance Administration | 762,260 | 0 | 0 | 0 | 0 | 762,260 |
| Finance Operations | 1,196,208 | 62,044 | 604,853 | 271,721 | 14,800 | 2,149,626 |
| Public Works Administration | 230,382 | 0 | 104,110 | 104,036 | 0 | 438,528 |
| Street Maintenance | 1,145,155 | 0 | 0 | 0 | 0 | 1,145,155 |
| Utility Maintenance | 126,234 | 0 | 1,381,662 | 963,498 | 0 | 2,471,394 |
| Park Maintenance | 1,188,681 | 0 | 0 | 0 | 230,000 | 1,418,681 |
| Trees & Landscape Mnt | 622,930 | 0 | 0 | 0 | 410,250 | 1,033,180 |
| Fleet Maintenance | 0 | 0 | 0 | 0 | 1,429,889 | 1,429,889 |
| Facilities Maintenance | 2,030,423 | 0 | 0 | 0 | 50,000 | 2,080,423 |
| Engineering Administration | 8,977 | 0 | 0 | 0 | 0 | 8,977 |
| Design & Construction | 140,427 | 0 | 0 | 0 | 0 | 140,427 |
| Land Development | 590,827 | 0 | 8,000 | 0 | 70,260 | 669,087 |
| Traffic Engineering | 36,286 | 0 | 0 | 0 | 0 | 36,286 |
| Utility Engineering | 136,500 | 0 | 768,055 | 460,693 | 583,030 | 1,948,278 |
| Planning | 936,766 | 3,500 | 0 | 0 | 0 | 940,266 |
| Neighborhood Services | 791,892 | 85,118 | 0 | 0 | 356,280 | 1,233,290 |
| Police Administration | 563,363 | 0 | 0 | 0 | 0 | 563,363 |
| Records | 1,130,134 | 0 | 0 | 0 | 0 | 1,130,134 |
| Personnel & Training | 326,461 | 0 | 0 | 0 | 0 | 326,461 |
| Communications | 2,459,036 | 0 | 0 | 0 | 0 | 2,459,036 |

Financial Information Expenditures by Function by Fund

| Function | General Fund | Housing Authority | Water Fund | Sewer Fund | Other Funds | Total |
|------------------------------|---------------------|--------------------------|-------------------|-------------------|--------------------|--------------------|
| Community Relations | 865,308 | 0 | 0 | 0 | 0 | 865,308 |
| Patrol Services | 11,339,682 | 0 | 0 | 0 | 0 | 11,339,682 |
| Traffic | 3,081,072 | 0 | 0 | 0 | 0 | 3,081,072 |
| Crossing Guards | 292,147 | 0 | 0 | 0 | 0 | 292,147 |
| Investigations | 1,884,722 | 0 | 0 | 0 | 60,000 | 1,944,722 |
| Fire Administration | 472,547 | 0 | 0 | 0 | 0 | 472,547 |
| A/B/C Battalions Operations | 12,292,954 | 0 | 0 | 0 | 0 | 12,292,954 |
| Prevention Div Admin | 268,725 | 0 | 0 | 0 | 0 | 268,725 |
| Fire Insp, Plan Check & Invg | 742,318 | 0 | 0 | 0 | 0 | 742,318 |
| Disaster Prep & Public Ed | 190,861 | 0 | 0 | 0 | 0 | 190,861 |
| Non-Departmental | 5,570,100 | 365,338 | 12,731,700 | 8,842,200 | 155,700 | 27,665,038 |
| Debt Service | 0 | 0 | 0 | 688,000 | 0 | 688,000 |
| Equipment to be dprciated | 0 | 0 | 0 | 0 | 32,012 | 32,012 |
| Capital Improvement Project | 0 | 0 | 2,775,000 | 6,550,000 | 3,160,000 | 12,485,000 |
| TOTAL | 61,612,265 | 516,000 | 18,373,380 | 17,880,148 | 6,761,057 | 105,142,850 |

Financial Information Internal Cost Allocation by Fund Schedule

| Function | FY12/13 | Admin & O/H Cost | Reallocation | Program | 100/105/140/150 | 102 |
|---------------------------------|--------------------|---------------------|-------------------|--------------------|-------------------|---------------|
| | Budget | To be Allocated | Admin & O/H Cost | Cost | General | Mesur I TOT |
| 100 City Council | 275,038 | (132,643) | 46,885 | 189,280 | 156,461 | 0 |
| 111 City Manager | 464,224 | (147,311) | 60,560 | 377,473 | 339,732 | 0 |
| 114 City Clerk | 535,600 | (378,361) | 23,442 | 180,681 | 174,584 | 0 |
| 120 City Attorney | 689,582 | (359,276) | 52,746 | 383,052 | 334,850 | 0 |
| 530 Building Inspection | 1,893,372 | 0 | 775,557 | 2,668,929 | 2,654,497 | 0 |
| 112 Information Services | 2,278,600 | (1,603,176) | 199,261 | 874,685 | 401,168 | 0 |
| 115 Human Resources | 916,785 | (815,109) | 21,489 | 123,165 | 67,701 | 0 |
| 450 Recreation Services | 3,344,522 | (434,787) | 1,201,428 | 4,111,163 | 4,111,163 | 0 |
| 300 Finance Admin | 762,260 | (312,243) | 132,841 | 582,858 | 465,312 | 0 |
| 310 Finance Operations | 2,149,626 | (518,812) | 580,202 | 2,211,016 | 701,383 | 0 |
| 420 Public Works | 10,017,250 | (3,493,204) | 2,398,948 | 8,922,994 | 4,624,526 | 50,000 |
| 410 Engineering | 2,803,055 | (53,411) | 1,105,706 | 3,855,350 | 1,181,613 | 0 |
| 510 Planning & Neigh Presv | 2,173,556 | 0 | 697,414 | 2,870,970 | 2,371,193 | 0 |
| 700 Police Admin | 563,363 | (113,743) | 185,586 | 635,206 | 627,774 | 0 |
| 710 Technical Services | 3,915,631 | (2,426,070) | 615,365 | 2,104,926 | 2,080,297 | 0 |
| 720 Field Services | 14,712,901 | (2,965,992) | 4,840,876 | 16,587,785 | 16,393,971 | 0 |
| 730 Special Operations | 2,810,030 | (555,231) | 906,443 | 3,161,242 | 3,064,958 | 0 |
| 800 Fire Admin | 472,547 | (6,285) | 193,401 | 659,663 | 659,465 | 0 |
| 810 Emerg Resp & Prep Division | 12,483,815 | (166,033) | 5,085,069 | 17,402,851 | 17,397,631 | 0 |
| 820 Prevention Division | 1,011,043 | (13,447) | 412,197 | 1,409,793 | 1,409,370 | 0 |
| 910 Non-Departmental | 27,665,038 | (5,040,282) | 0 | 22,624,756 | 515,472 | 40,000 |
| 930 Equipment to be Depreciated | 32,012 | 0 | 0 | 32,012 | 0 | 0 |
| TOTAL OP BUDGET | 91,969,850 | (19,535,416) | 19,535,416 | 91,969,850 | 59,733,121 | 90,000 |
| 920 Debt Service | 688,000 | 0 | 0 | 688,000 | 0 | 0 |
| 950 C I P Projects | 12,485,000 | 0 | 0 | 12,485,000 | 0 | 0 |
| Total | 105,142,850 | (19,535,416) | 19,535,416 | 105,142,850 | 59,733,121 | 90,000 |
| Op Cost Reimb | | | | | 3,309,033 | 0 |
| Total By Fund | | | | | 63,042,154 | 90,000 |

Financial Information Internal Cost Allocation by Fund Schedule

Program Costs Allocated to Operating Funds

| 211 HH Lease | 280 Slid Wst | 295 Housing Auty | 400/401 Water | 450/451 Sewer | Other Funds | TOTAL |
|-----------------|-----------------|---------------------|-------------------|-------------------|------------------|--------------------|
| 0 | 0 | 0 | 17,711 | 15,108 | 0 | 189,280 |
| 0 | 0 | 0 | 20,944 | 16,797 | 0 | 377,473 |
| 0 | 0 | 0 | 2,862 | 3,235 | 0 | 180,681 |
| 0 | 0 | 0 | 22,494 | 25,708 | 0 | 383,052 |
| 0 | 0 | 0 | 0 | 796 | 13,636 | 2,668,929 |
| 0 | 0 | 0 | 124,346 | 153,971 | 195,200 | 874,685 |
| 0 | 0 | 0 | 33,673 | 21,791 | 0 | 123,165 |
| 0 | 0 | 0 | 0 | 0 | 0 | 4,111,163 |
| 724 | 0 | 0 | 36,314 | 80,508 | 0 | 582,858 |
| 1,201 | 0 | 62,044 | 915,090 | 516,498 | 14,800 | 2,211,016 |
| 0 | 0 | 0 | 2,099,184 | 1,509,034 | 640,250 | 8,922,994 |
| 0 | 825,502 | 0 | 1,108,101 | 669,874 | 70,260 | 3,855,350 |
| 0 | 0 | 88,618 | 48,914 | 5,965 | 356,280 | 2,870,970 |
| 0 | 0 | 0 | 3,748 | 3,684 | 0 | 635,206 |
| 0 | 0 | 0 | 12,419 | 12,210 | 0 | 2,104,926 |
| 0 | 0 | 0 | 97,735 | 96,079 | 0 | 16,587,785 |
| 0 | 0 | 0 | 18,297 | 17,987 | 60,000 | 3,161,242 |
| 0 | 0 | 0 | 66 | 132 | 0 | 659,663 |
| 0 | 0 | 0 | 1,741 | 3,479 | 0 | 17,402,851 |
| 0 | 0 | 0 | 141 | 282 | 0 | 1,409,793 |
| 29,000 | 27,300 | 365,338 | 12,740,677 | 8,847,569 | 59,400 | 22,624,756 |
| 0 | 0 | 0 | 0 | 0 | 32,012 | 32,012 |
| 30,925 | 852,802 | 516,000 | 17,304,457 | 12,000,707 | 1,441,838 | 91,969,850 |
| 0 | 0 | 0 | 0 | 688,000 | 0 | 688,000 |
| 0 | 0 | 0 | 2,775,000 | 6,550,000 | 3,160,000 | 12,485,000 |
| 30,925 | 852,802 | 516,000 | 20,079,457 | 19,238,707 | 4,601,838 | 105,142,850 |
| (1,925) | (242,472) | 0 | (1,706,077) | (1,358,559) | 0 | 0 |
| 29,000 | 610,330 | 516,000 | 18,373,380 | 17,880,148 | 4,601,838 | 105,142,850 |

Financial Information Operating Transfers Statement

| <u>Origin and Purpose of Transfer</u> | | <u>Transfer Distribution</u> |
|---------------------------------------|--|---|
| From the Measure I TOT | To the General Fund for: Decreasing of Library Hours | 427,900 |
| | sub-total | 427,900 |
| From the H-Hetch Ground Lease | To the General Fund for: Operating Cost Reimbursement | 1,925 |
| | sub-total | 1,925 |
| From the Gas Tax Fund | To the Street Improvement Fund for: Street Light Improvements (4266) Street Resurfacing Project 2013 (4268) | 400,000 1,053,000 |
| | sub-total | 1,453,000 |
| From the Solid Waste Services | To the General Fund for: Operating Cost Reimbursement | 242,472 |
| | sub-total | 242,472 |
| * From the Street Fund | To the Street CIP Fund for: Traffic Management Enhancements 2013 (4269) | 60,000 |
| | sub-total | 60,000 |
| * From the Park Improvement Fund | To the Park CIP Fund for: Park Renovation Project 2013 (5095) Pinewood Park Picnic Renovation (5096) | 400,000 350,000 |
| | sub-total | 750,000 |
| * From the Storm Drain Development | To the Storm Drain CIP Fund for: Storm Drain System Deficiency Program (3700) | 400,000 |
| | sub-total | 400,000 |
| From the Transit Area Impact Fee Fund | To the Sewer Fund for: TASP Sewer Line Replacement (6117) | 2,500,000 |
| | sub-total | 2,500,000 |
| From the Water M & O Fund | To the General Fund for: Operating Cost Reimbursement | 1,706,077 |
| | sub-total | 1,706,077 |
| * From the Water M & O Fund | To the Water CIP Fund for: Water System Seismic Improvements (7100) Ayer Reservoir & Pump Station (7102) Reservoir Cleaning (7112) Cathodic Protection Improvements (7115) Minor Water Projects 2013 (7116) | 2,000,000 150,000 100,000 375,000 150,000 |
| | sub-total | 2,775,000 |
| From the Sewer M & O Fund | To the General Fund for: Operating Cost Reimbursement | 1,358,559 |
| | sub-total | 1,358,559 |
| * From the Sewer M & O Fund | To the Sewer CIP Fund for: Sewer System Hydraulic Modeling (6110) Sewer System Replacement 12-13 (6116) TASP Sewer Line Replacement (6117) | 50,000 1,500,000 2,500,000 |
| | sub-total | 4,050,000 |

Financial Information Operating Transfers Statement

| <u>Origin and Purpose of Transfer</u> | <u>Transfer Distribution</u> |
|---|----------------------------------|
| From the Equipment Mgmt Fund | |
| To the General Fund for: | |
| Equipment that are no longer necessary due to outsourcing of Public Works Maintenance Services | 1,306,332 |
| sub-total | <u>1,306,332</u> |
| TOTAL TRANSFERS: | <u><u>17,031,265</u></u> |

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

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FUNCTION:

City Council

CITY MANAGER: Thomas Williams

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 |
|---|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 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 2011-12. | 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 | |
| 2012-2013 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 2012-13. | 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 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|---|-----------------------|-----------------------|--------------------------|--------------------------|
| City Council Meetings | 25 | 25 | 26 | 23 |
| Commission Meetings | 128 | 131 | 128 | 133 |
| Subcommittee Meetings | 47 | 45 | 49 | 73 |
| County/Regional Agency/Association Meetings | 260 | 260 | 260 | 260 |

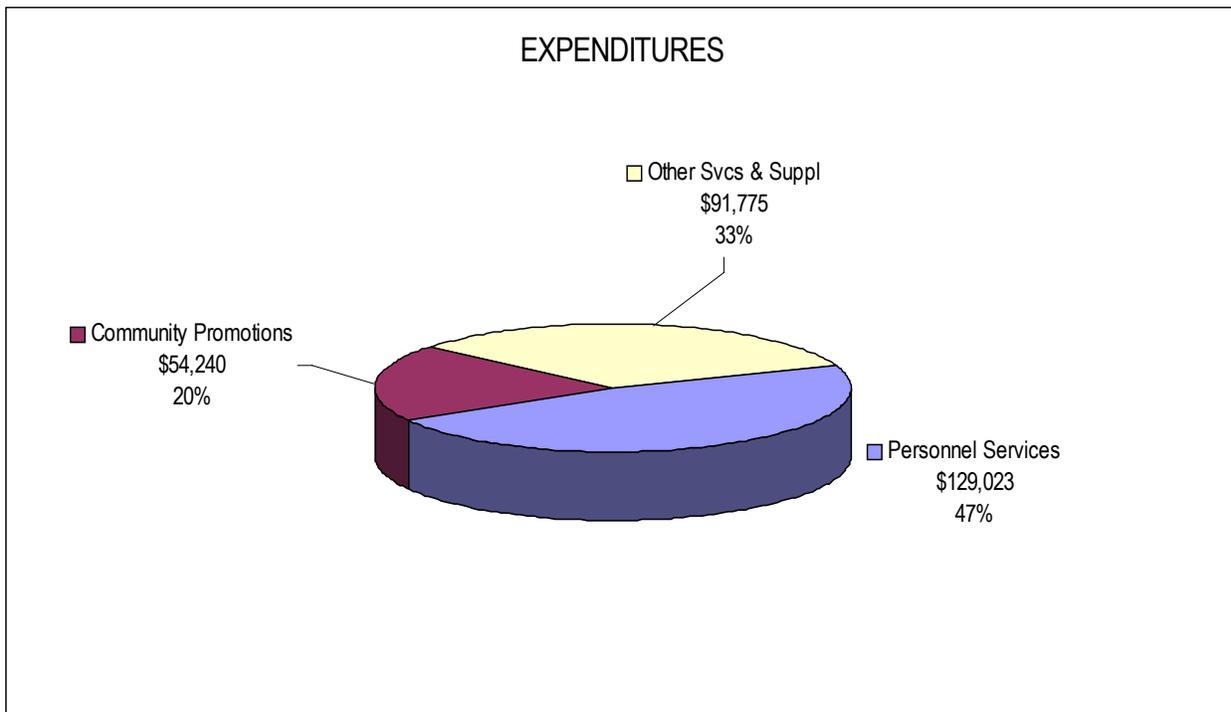
Personnel Allotment of 5 FTE

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

Staff Change(s): None

Expenditure Analysis

| | |
|--|---|
| Personnel Services | Decrease attributed to a Council decision on 3/8/2012 to decrease Council members' salary and car allowances by 3% in addition to previous year's 7% cut and to forgo Council member's medical benefits effective 1/1/2013. |
| Services and Supplies / Community Promotions | No Change |
| Capital Outlay | None |



Budgets Narrative and Summary City Council

| | <u>Actual 2009-10</u> | <u>Actual 2010-11</u> | <u>Budget 2011-12</u> | <u>Approved 2012-13</u> |
|---|---------------------------|---------------------------|---------------------------|-----------------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 57,265 | 51,760 | 59,676 | 54,274 |
| 4112 Temporary Salaries | 3,625 | 3,125 | 4,400 | 4,400 |
| 4121 Allowances | 40,355 | 38,589 | 38,700 | 38,700 |
| 4131 PERS | 4,733 | 4,816 | 16,018 | 15,190 |
| 4132 Group Insurance | 35,890 | 41,325 | 90,720 | 23,040 |
| 4133 Medicare | 1,511 | 1,442 | 1,484 | 1,358 |
| 4135 Worker's Compensation | 136 | 183 | 304 | 272 |
| 4139 PARS | 669 | 616 | 66 | 0 |
| 4151 Compensation Reduction | 0 | (564) | (6,487) | (8,727) |
| 4161 Retiree Medical Reserve | 2,964 | 2,964 | 2,964 | 516 |
| sub-total | <u>147,148</u> | <u>144,256</u> | <u>207,845</u> | <u>129,023</u> |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4200 Community Promotions, Grants & Loans | 42,707 | 50,445 | 54,240 | 54,240 |
| 4220 Supplies | 2,954 | 6,296 | 3,200 | 3,200 |
| 4230 Services | 10,500 | 10,500 | 10,500 | 10,500 |
| 4501 Memberships and Dues | 51,599 | 51,234 | 53,579 | 53,579 |
| 4503 Training | 5,012 | 8,995 | 10,400 | 10,400 |
| 4520 Commissions and Boards | 8,239 | 6,624 | 14,096 | 14,096 |
| sub-total | <u>121,011</u> | <u>134,093</u> | <u>146,015</u> | <u>146,015</u> |
| TOTAL | <u><u>268,159</u></u> | <u><u>278,349</u></u> | <u><u>353,860</u></u> | <u><u>275,038</u></u> |

| | | |
|------------------|---------------------|--------------------------------------|
| FUNCTION: | City Manager | CITY MANAGER: Thomas Williams |
|------------------|---------------------|--------------------------------------|

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

Services

- Administers the operations of City government and the Successor Agency resulting from the dissolution of 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 |
|---|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 Accomplishments | | | | | |
| 1. Implemented City Council priorities for fiscal year 2011-12. | 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 | |
| 2012-2013 Goals | | | | | |
| 1. Implement City Council priorities for fiscal year 2012-13. | 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 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|--|----------------|----------------|-------------------|-------------------|
| City Council Meetings | 24 | 25 | 26 | 23 |
| Capital Improvement Program Projects Completed | 12 | 12 | 15 | 10 |

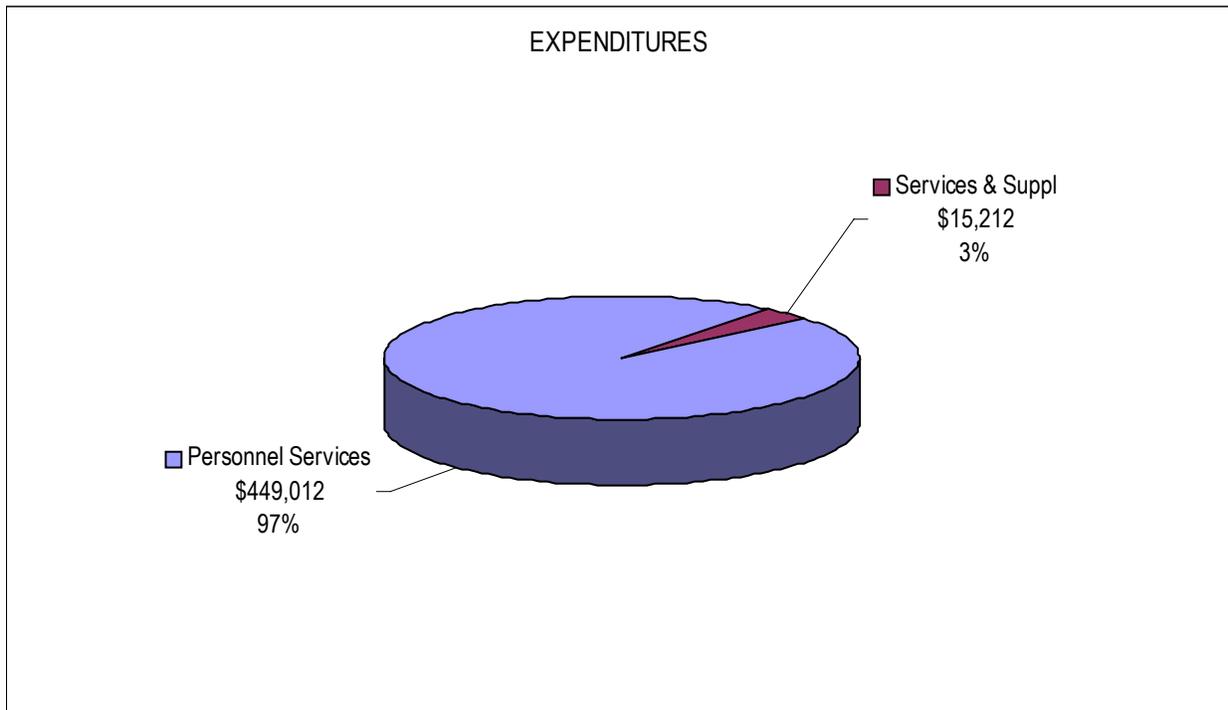
Personnel Allotment of 5 FTE

| Position | Auth FTE | Funded | Unfunded | Position | Auth FTE | Funded | Unfunded |
|------------------------|----------|--------|----------|-----------------------|----------|----------|----------|
| City Manager | 1 | 1 | | Executive Secretary | 2 | 1 | 1 |
| Assistant City Manager | 1 | | 1 | Economic Devp Manager | 1 | 0 | 1 |
| | | | | TOTAL | 5 | 2 | 3 |

Staff Change(s): Unfund Economic Development Manager position.

Expenditure Analysis

| | |
|-----------------------|--|
| Personnel Services | Decrease attributed to defunding of Economic Development Manager position. |
| Services and Supplies | Decrease attributed to removing subsidy to the Santa Clara County Library Joint Power Authority. Milpitas Library hours is reduced by 12 hours per week. |
| Capital Outlay | None |



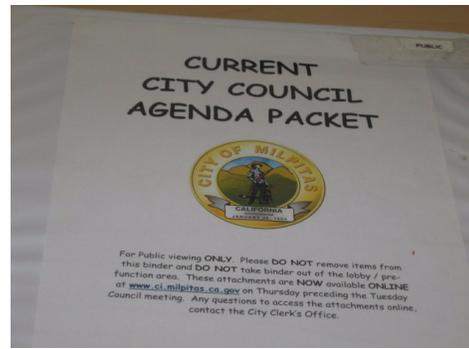
| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---|-------------------------|-------------------------|-------------------------|-----------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 451,882 | 409,132 | 446,470 | 320,332 |
| 4113 Overtime | 3,591 | (1,724) | 0 | 0 |
| 4124 Leave Cashout | 8,234 | 0 | 0 | 0 |
| 4131 PERS | 85,509 | 77,321 | 75,562 | 67,704 |
| 4132 Group Insurance | 32,298 | 40,193 | 54,432 | 36,984 |
| 4133 Medicare | 6,677 | 5,957 | 6,514 | 4,670 |
| 4135 Worker's Compensation | 1,046 | 1,338 | 2,222 | 1,586 |
| 4138 Deferred Comp-Employer | 2,717 | 2,710 | 2,700 | 1,800 |
| 4161 Retiree Medical Reserve | 21,696 | 22,350 | 22,248 | 15,936 |
| sub-total | <u>613,650</u> | <u>557,277</u> | <u>610,148</u> | <u>449,012</u> |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4200 Community Promotions, Grants & Loans | 11,505 | 341 | 16,000 | 0 |
| 4211 Equip Replacement Amortization | 2,444 | 2,236 | 2,639 | 2,632 |
| 4220 Supplies | 5,427 | 6,131 | 4,900 | 4,400 |
| 4230 Services | 866,097 | 753,758 | 477,201 | 0 |
| 4501 Memberships and Dues | 20,980 | 2,200 | 22,180 | 4,180 |
| 4503 Training | 1,836 | 2,219 | 8,468 | 4,000 |
| 4520 Commissions and Boards | 396 | 0 | 600 | 0 |
| sub-total | <u>908,684</u> | <u>766,885</u> | <u>531,988</u> | <u>15,212</u> |
| TOTAL | <u><u>1,522,334</u></u> | <u><u>1,324,162</u></u> | <u><u>1,142,136</u></u> | <u><u>464,224</u></u> |

| | | |
|------------------|-------------------|---------------------------------|
| FUNCTION: | City Clerk | CITY CLERK: Mary Lavelle |
|------------------|-------------------|---------------------------------|

Description: The City Clerk serves as the legislative administrator, elections official, and records manager for the City. Serves as Secretary to the Economic Development Corporation, 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 other entity 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 candidate and campaign finance document 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.



| | Customer Service | Enhanced Quality of life | Invest in Employees | Fiscally Responsible | Public health and safety |
|--|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 Accomplishments | | | | | |
| 1. Prepared all City Council meeting agendas and minutes for 21 regular meetings and one budget session | x | | x | | |
| 2. Received and managed process for 2 Ballot Measure Petitions from voters: one initiative and one referendum | 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. Sought and received Council adoption of new Records Retention Schedule for all city department records (update from 1995) | x | x | x | x | |
| 5. Hosted meeting of Northern Calif. City Clerks Assoc. on January 20, 2012 | x | | x | | |
| 6. Hosted Annual Meeting with Commission staff liaisons on January 26, 2012 | x | | x | | |
| 7. Staffed City Council Rules Subcommittee - twice each month | x | | | | |
| 8. Supervised transition from former to new vendor (Corodata) for off site Records Storage | | | | x | |
| 2012-2013 Goals | | | | | |
| 1. Prepare all City Council meeting agendas and minutes | x | | | | |
| 2. Administer Municipal Election on November 6, 2012 | x | x | x | x | |
| 3. Continue Passport Acceptance Agency program | x | x | x | x | |
| 4. Ensure additional public access to documents online | x | x | | | |
| 5. Staff City Council Rules Subcommittee | x | | x | | |
| 6. Provide Notary Public Service | x | | x | | |
| 7. Continue responding to increasing Public Records Act requests | x | | | | |

*FPPC: Fair Political Practices Commission

| Performance Measures | Actual 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|--|-------------------|-------------------|--------------------|-------------------|
| City Council agenda items | 415 | 395 | 400 | 400 |
| Passport applications accepted | 2,872 | 2,083 | 2,500 | 2,500 |
| Documents processed (transcribed Police reports) | 3,544 | 2,966 | 3,500 | N/A |
| % turnaround time achieved in DPC* (90% of all reports completed in stated time) | 20% (96 hours) | 50% (96 hours) | 90% (in 6 days) | N/A |
| # of Candidates assisted in Municipal Election | N/A | 12 | N/A | 10 |
| # of Administrative Hearings conducted for Parking Violation Citation appeals | 9 | 4 | 6 | 8 |

*DPC: Document Processing Center

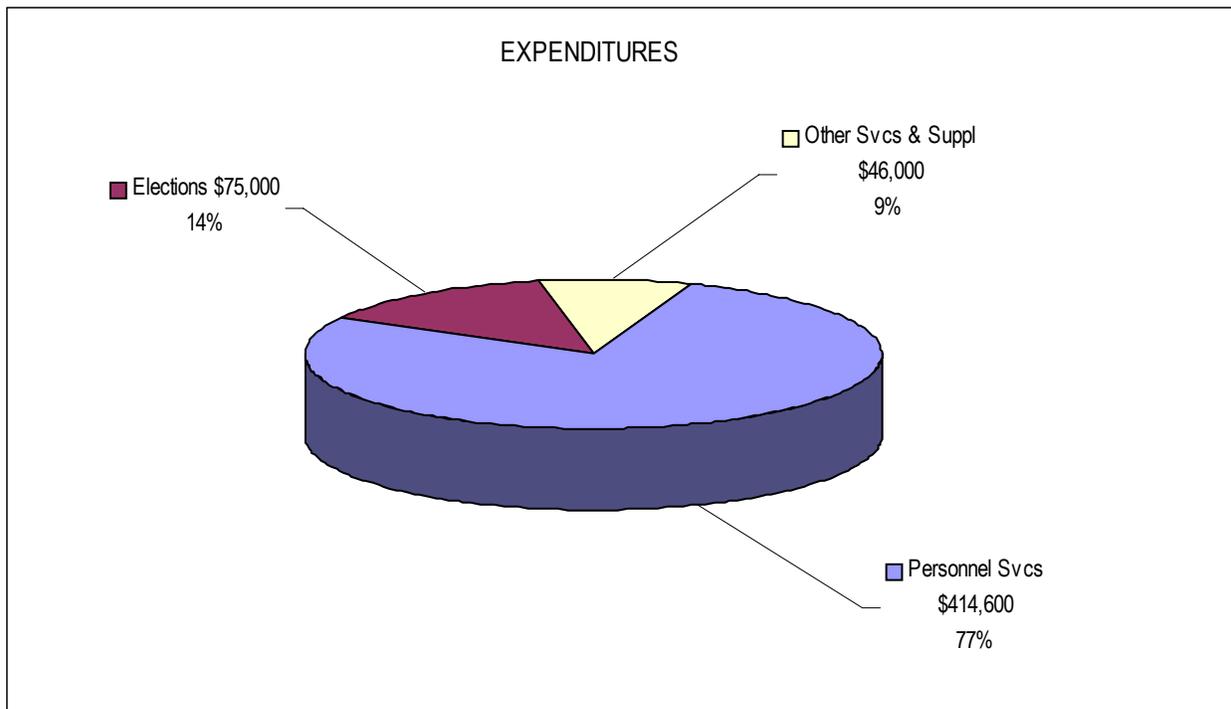
Personnel Allotment of 6 FTE

| Position | Auth FTE | Funded | Unfunded | Position | Auth FTE | Funded | Unfunded |
|--------------------------|----------|--------|----------|--------------------------------|----------|----------|----------|
| City Clerk | 1 | 1 | | Document Proc Tech II | 2 | | 2 |
| Deputy City Clerk | 1 | 1 | | Confidential Office Specialist | 1 | 1 | |
| Lead Doc Processing Tech | 1 | | 1 | | | | |
| | | | | | | | |
| TOTAL | | | | | 6 | 3 | 3 |

Staff Change(s): Delete two Office Assistant positions, one Document Processing Technician & one Printing Services Technician from the authorized positions. Two positions have been unfunded for several years. Unfund two Document Processing Technician positions due to staff reduction.

Expenditure Analysis

| | |
|-----------------------|---|
| Personnel Services | Print Shop, Information Desk and police interview transcribing services will not be provided. |
| Services and Supplies | Increase due to Municipal Election scheduled November 6, 2012. |
| Capital Outlay | None |



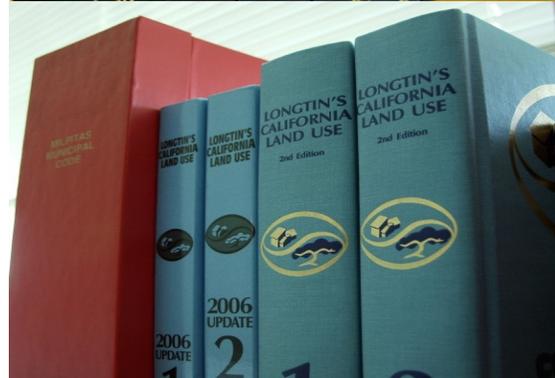
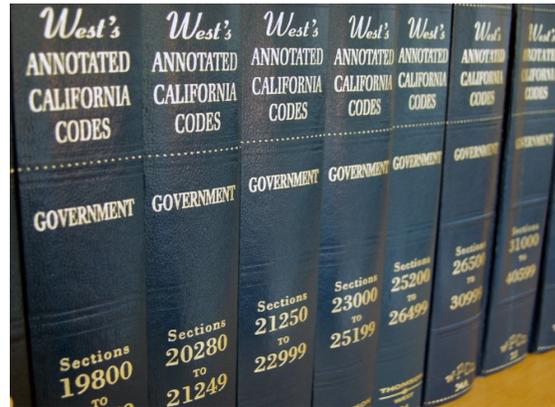
| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 515,437 | 491,598 | 504,628 | 304,934 |
| 4113 Overtime | 6,916 | 5,642 | 5,000 | 5,000 |
| 4124 Leave Cashout | 4,660 | 12,941 | 0 | 0 |
| 4131 PERS | 75,181 | 73,812 | 52,360 | 25,460 |
| 4132 Group Insurance | 90,005 | 96,685 | 108,864 | 55,476 |
| 4133 Medicare | 6,369 | 6,160 | 6,176 | 4,452 |
| 4135 Worker's Compensation | 1,201 | 1,498 | 2,442 | 1,496 |
| 4138 Deferred Comp-Employer | 2,710 | 2,710 | 2,700 | 2,700 |
| 4161 Retiree Medical Reserve | 24,792 | 25,085 | 24,552 | 15,082 |
| sub-total | <u>727,272</u> | <u>716,132</u> | <u>706,722</u> | <u>414,600</u> |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4220 Supplies | 1,945 | 1,517 | 3,000 | 3,000 |
| 4230 Services | 36,215 | 39,189 | 40,000 | 40,000 |
| 4280 Elections | 651 | 62,158 | 0 | 75,000 |
| 4501 Memberships and Dues | 656 | 546 | 1,000 | 1,000 |
| 4503 Training | 1,681 | 989 | 2,000 | 2,000 |
| sub-total | <u>41,148</u> | <u>104,397</u> | <u>46,000</u> | <u>121,000</u> |
| TOTAL | <u><u>768,420</u></u> | <u><u>820,529</u></u> | <u><u>752,722</u></u> | <u><u>535,600</u></u> |

| | |
|--|---------------------------------------|
| DEPARTMENT: Office of the City Attorney | CITY ATTORNEY: Michael J. Ogaz |
|--|---------------------------------------|

Description: This department provides general legal advice and services to the City Council, Housing Authority, City Commissions, City Manager, City departments and other entities as approved by City Council. 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
- Housing Authority and RDA successor agency 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 |
|--|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 Accomplishments | | | | | |
| 1. Provided superior, affordable, timely legal advice and service | x | x | x | x | x |
| 2. Provided training on Brown Act, open government, ethics, etc. | x | | x | x | |
| 3. Completed second in series of annual Municipal Code updates | x | | | x | x |
| 4. Represented City in numerous administrative/court cases | x | | | x | |
| 5. Provided Proposition 218 water/sewer increase advice | x | | | x | x |
| 6. Defeated Appellate/Supreme Court appeals in Luna/MEA action | x | | | x | |
| 7. Provided hands-on legal guidance through RDA wind down | x | | | x | |
| 8. Drafted all ordinances/resolutions to activate the Housing Authority | x | x | | x | |
| 9. Advised on Campaign Finance Ordinance and referendum | x | | | | |
| 10. Updated Flag Ordinance | x | x | | | |
| 11. Drafted land use entitlements/environmental clearance for large scale developments | x | x | | x | |
| 12. Negotiated Power Purchase Agreements for solar power on City property | x | x | | x | x |
| 2012-2013 Goals | | | | | |
| 1. Provide legal guidance through RDA wind down | x | | | x | |
| 2. Oppose pending Appeals in two court cases | x | | | x | |
| 3. Provide periodic legal training to staff | x | | x | x | x |
| 4. Provide legal advice toward accomplishing balanced budget | x | x | | x | |
| 5. Provide cost-effective litigation services | x | | | x | |
| 6. Advise management through continuing labor negotiations | x | | x | | |
| 7. Streamline and update Conditional Use Permit process | x | x | | x | x |

| Performance Measures | Actual 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|--|----------------|----------------|-------------------|-------------------|
| Agenda contracts drafted/reviewed/edited | 111 | 118 | 98 | 110 |
| Ordinances/resolutions drafted/reviewed/edited | 159 | 105 | 120 | 120 |
| Court /administrative proceeding appearances | 14 | 23 | 36 | 36 |
| Contract complaints/agenda contracts | 1/140 | 0/118 | 0/98 | 0/110 |
| % of documents timely produced for agenda | 100 | 100 | 100 | 100 |

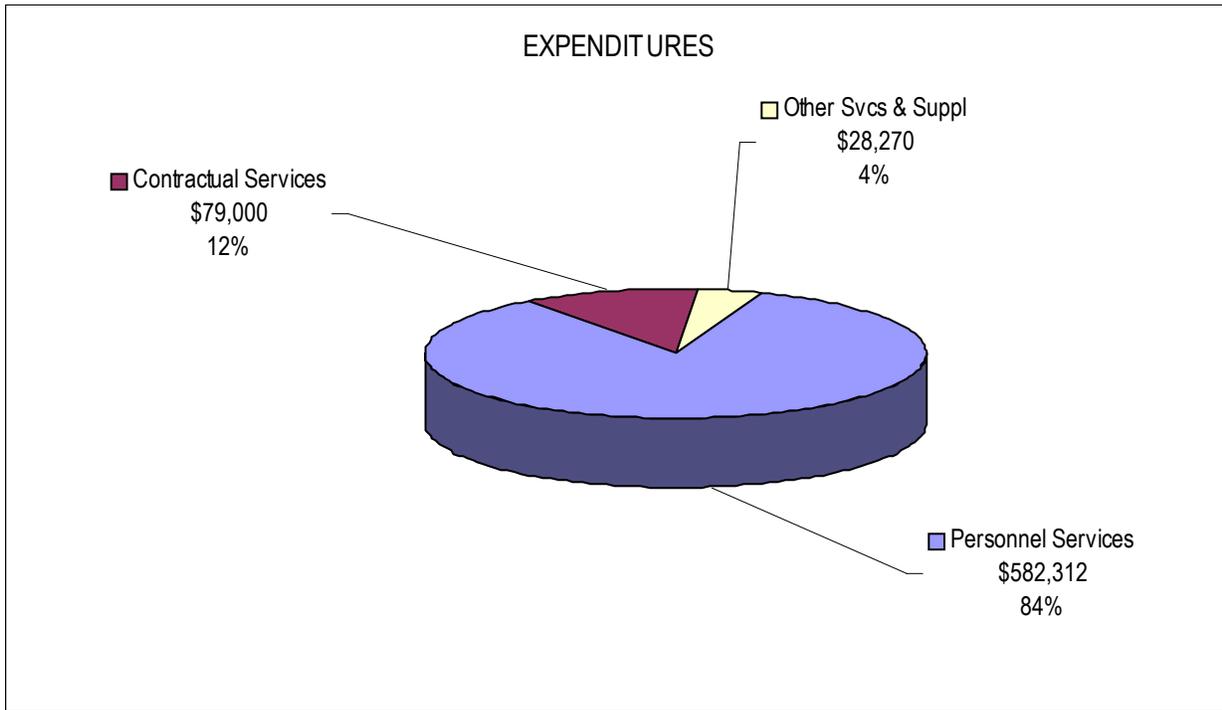
Personnel Allotment of 4 FTE

| Position | Auth FTE | Funded | Unfunded | Position | Auth FTE | Funded | Unfunded |
|-------------------------|----------|--------|----------|----------------------|----------|----------|----------|
| City Attorney | 1 | 1 | | Deputy City Attorney | 1 | | 1 |
| Assistant City Attorney | 1 | 1 | | Executive Secretary | 1 | 1 | |
| | | | | TOTAL | 4 | 3 | 1 |

Staff Change(s): Reclass Legal Assistant position to Executive Secretary position. Unfund Deputy City Attorney position.

Expenditure Analysis

| | |
|-----------------------|---|
| Personnel Services | Decrease attributed to loss of Deputy City Attorney position. |
| Services and Supplies | Increase due to expanded contractual services. |
| Capital Outlay | None |



| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 522,069 | 498,145 | 536,222 | 431,258 |
| 4113 Overtime | 0 | 16 | 0 | 0 |
| 4121 Allowances | 0 | 1,156 | 0 | 0 |
| 4131 PERS | 90,114 | 88,134 | 82,646 | 62,952 |
| 4132 Group Insurance | 51,435 | 55,936 | 72,576 | 55,476 |
| 4133 Medicare | 7,537 | 7,260 | 7,836 | 6,304 |
| 4135 Worker's Compensation | 1,242 | 1,625 | 2,676 | 2,154 |
| 4138 Deferred Comp-Employer | 3,614 | 1,904 | 3,600 | 2,700 |
| 4161 Retiree Medical Reserve | 25,656 | 26,987 | 26,736 | 21,468 |
| sub-total | <u>701,667</u> | <u>681,163</u> | <u>732,292</u> | <u>582,312</u> |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4220 Supplies | 14,958 | 18,564 | 16,000 | 21,100 |
| 4230 Services | 95,978 | 42,030 | 36,000 | 79,000 |
| 4501 Memberships and Dues | 2,262 | 914 | 2,080 | 820 |
| 4503 Training | 4,802 | 2,598 | 8,000 | 6,350 |
| sub-total | <u>118,000</u> | <u>64,106</u> | <u>62,080</u> | <u>107,270</u> |
| TOTAL | <u><u>819,667</u></u> | <u><u>745,269</u></u> | <u><u>794,372</u></u> | <u><u>689,582</u></u> |

| | |
|--|--|
| DEPARTMENT: Building and Safety | CHIEF BUILDING OFFICIAL: Keyvan Irannejad |
|--|--|

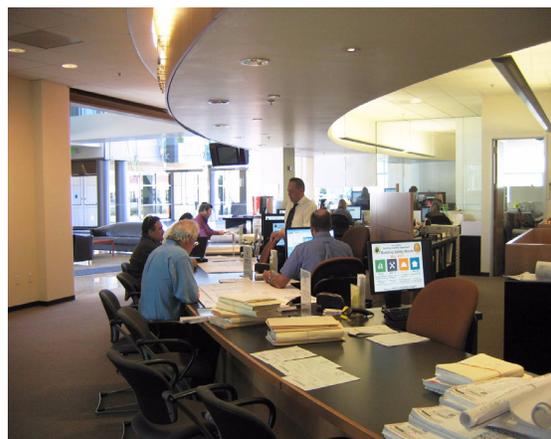
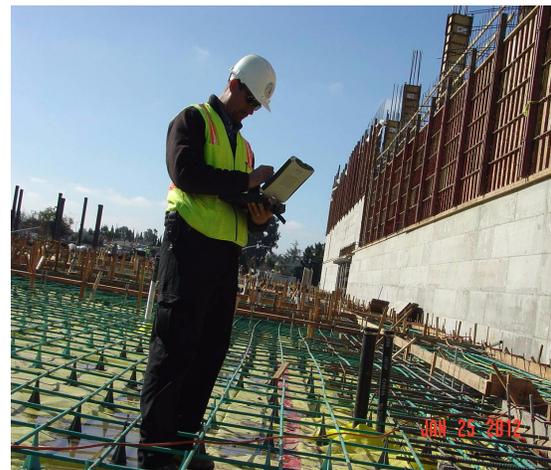
Description: This Department is responsible for implementation of life safety and quality standards in private and public construction achieved by enforcing California Building Codes, State and Federal regulations, and City standards that pertain to physical development of the City. The Department’s 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, including occupancy inspections, to ensure safety of occupants and that buildings, streets, public utilities, parks and community projects are constructed in accordance with approved plans and applicable State and local regulations.
- Schedules inspections, provides access to inspection results and 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 codes-related questions in person, by telephone, e-mails and through web site.
- Provides general information related to City services and operations. Directs customers to proper City staff members, departments and outside agencies.
- 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, and ask questions and other related information.
- Provides after business hours and weekend inspections. Meets with design professionals, homeowners and contractors to assist them in the timely issuance of permits and completion

of projects, including after business hours. Provides same day plan check services.

- 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 Code Enforcement to correct Health and Safety Code violations.



Building and Safety

| | Customer Service | Enhanced Quality of life | Invest in Employees | Fiscally Responsible | Public health and safety |
|---|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 Accomplishments | | | | | |
| 1. Introduced on-line "Business Resource Center" to provide step-by-step guidelines for new and existing business owners to establish their business. | x | x | | x | |
| 2. Added electrical vehicle and solar on-line permits. | x | x | x | x | x |
| 3. Computerized Public Works daily inspection reporting, Storm Water Pollution Prevention Procedures (SWPPP) and Time Tracking systems. | x | | x | x | |
| 4. Continued web site enhancement to create an efficient public access tool by updating plan check and inspection checklists, submittal requirements and introducing construction guidelines. | x | x | | x | |
| 5. Participated in Building Safety Month to promote building safety awareness in community, published newsletter and introduced customer satisfaction survey. | x | x | | | x |
| 6. Continued cross-training of staff to improve consistency and efficiency. | x | | x | x | x |
| 7. 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 |
| 2012-2013 Goals | | | | | |
| 1. Enhance permitting process by accepting on-line plan submittals. | x | x | | x | |
| 2. Continue cross-training of staff to improve consistency and efficiency. | x | | x | x | x |
| 3. Streamline and automate occupancy certification process. | x | x | x | x | x |
| 4. Improve, enhance and automate Code Enforcement procedures. | x | x | x | x | x |
| 5. Continue to assist Fire and Police Department, respond to emergency incidents. | x | | | | x |
| 6. Continue to improve our image to the public through community outreach, education, meetings with industry and to streamline permitting process. | x | x | x | x | x |

| Performance Measures | Actual 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|--|----------------|----------------|-------------------|-------------------|
| New Construction Valuation (Millions) | \$85 | \$109 | \$125 | \$150 |
| Total Building Permits Issued/Avg. Permits Issued per day | 2,717/11 | 2,665/11 | 2,800/11 | 3,100/12 |
| Total Plan Checks / % Express Plan Checks * | 712/59 | 741/63 | 800/60 | 900/65 |
| Number of Customers Served/Avg. Waiting Time to assist customers (minutes) | 5,802/1.5 | 5,949/1.5 | 6,000/1.5 | 6,100/1.5 |
| Daily Inspections per Inspector/Avg. Min. ** | 8/45 | 5/45 | 8/45 | 8/45 |
| Customer Survey overall rating Excellent / Good | 100% | 100% | 100% | 99% |
| Plan Checks completed on schedule | 97% | 100% | 98% | 98% |
| Inspections completed on requested time | 99% | 99% | 100% | 99% |
| Accuracy of building plan check | 100% | 100% | 99% | 99% |
| Respond to after-hour 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.

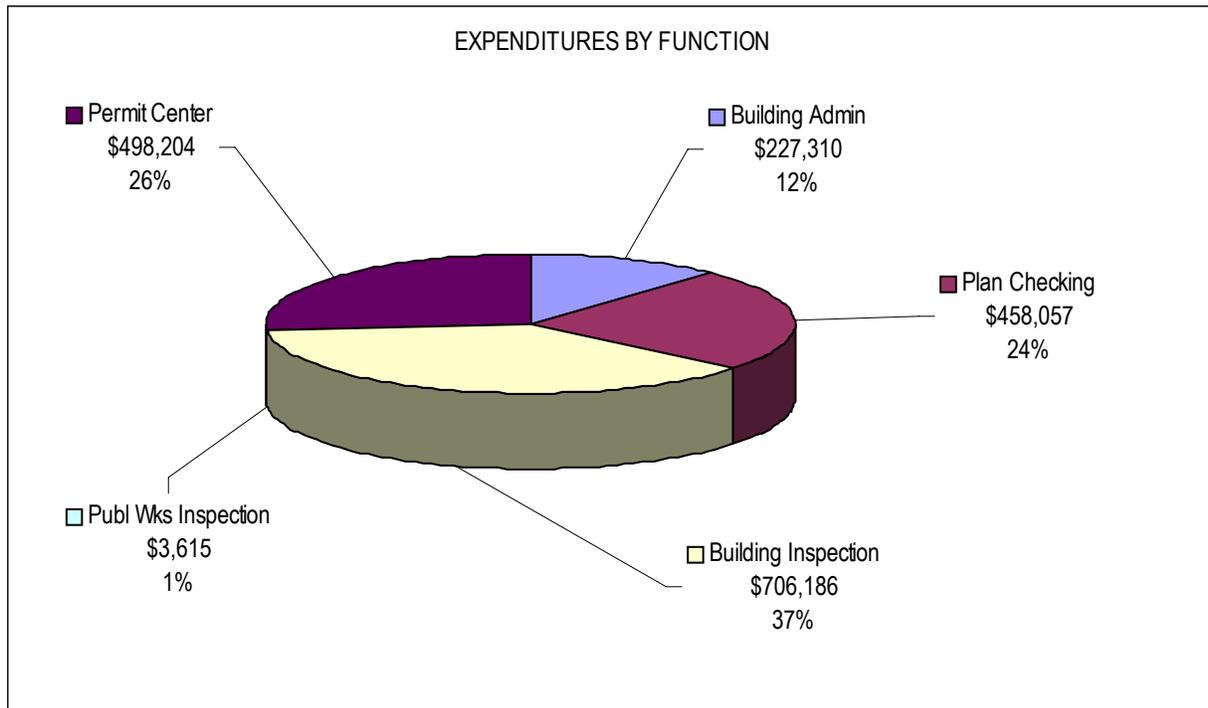
Personnel Allotment of 28 FTE

| Position | Auth FTE | Funded | Unfunded | Position | Auth FTE | Funded | Unfunded |
|-------------------------|----------|--------|----------|----------------------------|-----------|-----------|-----------|
| Chief Building Official | 1 | 1 | | Public Works Inspector | 4 | | 4 |
| Building/NP Inspector | 7 | 4 | 3 | Sr Public Works Inspector | 1 | | 1 |
| Electrical Inspector | 2 | 1 | 1 | 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 | 14 | 14 |

Staff Change (s): Unfund one Electrical Building Inspector, one Public Works Inspector and one Senior Public Works Inspector.

Expenditure Analysis

| | |
|-----------------------|--|
| Personnel Services | Decrease attributed to unfunding of three positions. |
| Services and Supplies | Decrease attributed to less allocations of equipment replacement amortization. |
| Capital Outlay | None |



| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 1,383,547 | 1,362,772 | 1,802,126 | 1,482,630 |
| 4112 Temporary Salaries | (683) | 0 | 0 | 0 |
| 4113 Overtime | 16,217 | (956) | 18,000 | 18,000 |
| 4124 Leave Cashout | 90,257 | 33,529 | 0 | 0 |
| 4131 PERS | 202,026 | 204,632 | 91,456 | 79,762 |
| 4132 Group Insurance | 207,434 | 234,727 | 308,448 | 258,888 |
| 4133 Medicare | 19,781 | 18,453 | 24,458 | 19,820 |
| 4135 Worker's Compensation | 20,241 | 24,363 | 42,790 | 29,686 |
| 4138 Deferred Comp-Employer | 1,800 | 1,807 | 1,800 | 1,800 |
| 4143 Charged to CIPs | 0 | 0 | (179,322) | (179,322) |
| 4161 Retiree Medical Reserve | 88,046 | 87,284 | 89,940 | 73,956 |
| sub-total | <u>2,028,666</u> | <u>1,966,611</u> | <u>2,199,696</u> | <u>1,785,220</u> |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4211 Equip Replacement Amortization | 30,830 | 29,507 | 25,182 | 22,197 |
| 4220 Supplies | 7,597 | 12,380 | 23,975 | 23,975 |
| 4230 Services | 14,629 | 53,940 | 44,550 | 44,550 |
| 4501 Memberships and Dues | 1,095 | 1,317 | 1,530 | 1,530 |
| 4503 Training | 4,334 | 4,218 | 15,900 | 15,900 |
| sub-total | <u>58,485</u> | <u>101,363</u> | <u>111,137</u> | <u>108,152</u> |
| TOTAL | <u><u>2,087,151</u></u> | <u><u>2,067,974</u></u> | <u><u>2,310,833</u></u> | <u><u>1,893,372</u></u> |

| | | |
|--------------------|-----------------------------|--------------------------------------|
| DEPARTMENT: | Information Services | ACTING IS DIRECTOR: Alan Rich |
|--------------------|-----------------------------|--------------------------------------|

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

Services

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



| | Customer Service | Enhanced Quality of life | Invest in Employees | Fiscally Responsible | Public health and safety |
|--|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 Accomplishments | | | | | |
| 1. 911 Dispatch System Hardware Upgrade | | X | | X | X |
| 2. Telecommunications Master Plan Update | X | | | X | X |
| 3. City Fiber Optical Network Upgrade | X | X | | X | X |
| 4. Implemented EComm Regional Public Safety Telecommunications Network | X | X | | X | X |
| 2012-2013 Goals | | | | | |
| 1. Council Chamber A/V upgrade | X | X | | X | |
| 2. Fire Mobile Computer upgrade | X | X | | X | X |
| 3. Phone System upgrade | X | X | | X | |

| Performance Measures | Actual 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|--|----------------|----------------|-------------------|-------------------|
| Network Availability * | 99.95% | 99.95% | 99.99% | 99.9% |
| Percent of service requests completed within 1 hour ** | NA | 60.00% | 60.00% | 60.00% |
| Server Availability * | 99.50% | 99.97% | 99.97% | 99.50% |
| Website Availability * | 99.50% | 100% | 100% | 99.50% |

NOTE: * Scheduled down time for maintenance is excluded.

** FY2010-11 is the first year we used this measurement. This will be used as a baseline for future years.

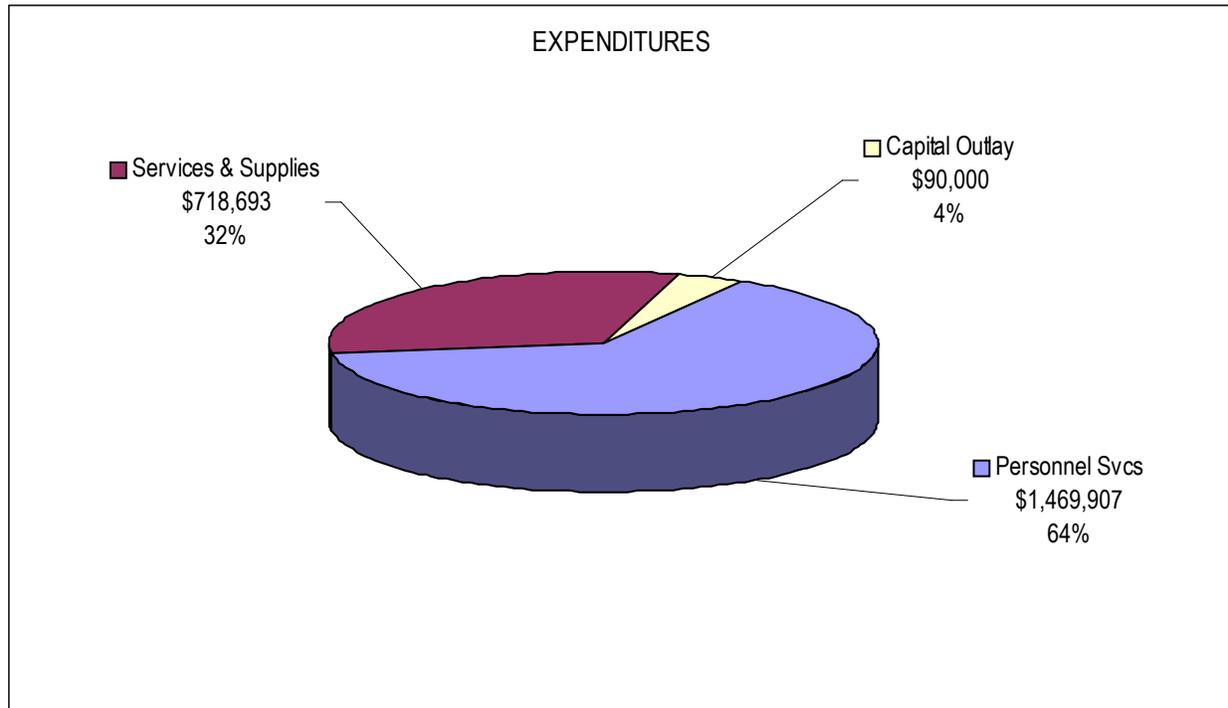
Personnel Allotment of 15 FTE

| Position | Auth FTE | Funded | Unfunded | Position | Auth FTE | Funded | Unfunded |
|-------------------------------|----------|--------|----------|-----------------------|-----------|--------------|-------------|
| Information Services Director | 1 | 0.25 | 0.75 | Systems Administrator | 4 | 3 | 1 |
| Video Media Specialist | 1 | 1 | | G I S Manager | 1 | 1 | |
| Telecom Manager | 1 | 1 | | Desktop Technician | 4 | 2 | 2 |
| Network Manager | 1 | | 1 | Office Specialist | 1 | 1 | |
| Operations Manager | 1 | 1 | | | | | |
| TOTAL | | | | | 15 | 10.25 | 4.75 |

Staff Change(s): Delete one Assistant Information Services Director, one Desktop Technician, one Customer Service Manager, one Systems Administrator and one Office Assistant from authorized positions. These positions have been unfilled for many years. Unfund one Network Manager and two Desktop Technician positions due to staff reduction.

Expenditure Analysis

| | |
|-----------------------|--|
| Personnel Services | Includes defunding of three positions and 9 months' vacancy factor for the Information Services Director position. |
| Services and Supplies | Decrease due to transfer funding of radio maintenance contract to the Police Department. |
| Capital Outlay | No change. |



| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 1,517,291 | 1,381,908 | 1,491,678 | 1,260,174 |
| 4112 Temporary Salaries | 0 | 6,652 | 0 | 0 |
| 4113 Overtime | 5,971 | 38 | 0 | 0 |
| 4124 Leave Cashout | 40,604 | 7,029 | 0 | 0 |
| 4131 PERS | 221,342 | 206,649 | 203,590 | 74,342 |
| 4132 Group Insurance | 209,758 | 219,191 | 254,016 | 203,412 |
| 4133 Medicare | 22,639 | 20,099 | 21,748 | 18,390 |
| 4135 Worker's Compensation | 3,930 | 4,642 | 7,420 | 6,284 |
| 4138 Deferred Comp-Employer | 8,124 | 8,131 | 8,100 | 7,200 |
| 4139 PARS | 0 | 96 | 0 | 0 |
| 4142 Vacancy Factor | 0 | 0 | 0 | (162,735) |
| 4161 Retiree Medical Reserve | 76,446 | 77,460 | 74,412 | 62,840 |
| sub-total | <u>2,106,106</u> | <u>1,931,896</u> | <u>2,060,964</u> | <u>1,469,907</u> |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4211 Equip Replacement Amortization | 5,379 | 7,683 | 7,067 | 7,048 |
| 4220 Supplies | 12,562 | 27,771 | 10,000 | 10,000 |
| 4230 Services | 371,027 | 496,739 | 564,274 | 557,645 |
| 4410 Communications | 185,942 | 184,806 | 154,000 | 144,000 |
| 4501 Memberships and Dues | 0 | 150 | 0 | 0 |
| 4503 Training | 3,578 | 4,969 | 0 | 0 |
| sub-total | <u>578,488</u> | <u>722,118</u> | <u>735,341</u> | <u>718,693</u> |
| CAPITAL OUTLAY | | | | |
| 4920 Machinery Tools & Equipment | 95,695 | 123,342 | 90,000 | 90,000 |
| sub-total | <u>95,695</u> | <u>123,342</u> | <u>90,000</u> | <u>90,000</u> |
| TOTAL | <u><u>2,780,290</u></u> | <u><u>2,777,356</u></u> | <u><u>2,886,305</u></u> | <u><u>2,278,600</u></u> |

| | | |
|--------------------|------------------------|-----------------------------------|
| DEPARTMENT: | Human Resources | HR DIRECTOR: Carmen Valdez |
|--------------------|------------------------|-----------------------------------|

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

Services

- Recruitment - The Human Resources (HR) Department is committed to finding top-quality candidates in a timely manner. The department takes an aggressive approach in identifying and recruiting the most qualified candidates for all positions.
- Benefit Administration - The HR Department provides benefit administration services to approximately 350 active employees with an excellent benefit package that includes medical coverage through CalPERS. Additional benefits include Dental, Vision, Life Insurance, Long Term Disability, Short Term Disability, Deferred Compensation and the Employee Assistance Program (EAP).
- Workers' Compensation - The City is self-insured for workers' compensation contracted through a Third Party Administrator, York. Staff works closely with York to ensure that all injured employees are receiving the proper care for their work-related injuries.
- Labor Relations - The HR Department negotiates on behalf of the City and oversees six separate bargaining units by administering, implementing and interpreting labor contracts and assisting in the resolution of grievances.
- Employee Relations and Customer Service - The HR Department treats all employees and residents with dignity and respect. One of the department's goals is to maintain productive and positive employer-employee relationships while ensuring the highest level of service to those we serve.
- Training - The HR Department coordinates all state mandated trainings, such as: employee safety, benefits, Department of Transportation, and ergonomics trainings.



| | Customer Service | Enhanced Quality of life | Invest in Employees | Fiscally Responsible | Public health and safety |
|--|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 Accomplishments | | | | | |
| 1. Assisted in Cayenta System Upgrade. | x | | x | x | |
| 2. Assisted with CalPERS System upgrade. | x | | x | x | |
| 3. Enhanced 457 Deferred Compensation Plan to include a loan feature | x | x | x | | |
| 4. Amended CalPERS contract to include 2% at 60 formula including 3-year final compensation. | x | | x | x | |
| 5. Amended CalPERS contract to include 3% at 55 formula | x | | x | x | |
| 2012-2013 Goals | | | | | |
| 1. Develop and finalize discipline manual for 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 | x |
| 3. Prepare for Healthcare Reform Mandates effective in 2014 | x | 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 | x |
| 6. Implement PAR Evaluation Form to effectively evaluate employee performance | x | x | x | | x |

| Performance Measures | Actual 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|--|----------------|----------------|-------------------|-------------------|
| Percentage of workplace issues resolved without escalating to formal grievance*. | N/A | 100 | 75 | 75 |
| Percentage of Personnel Action Forms processed accurately. | 98 | 99 | 100 | 100 |
| Percentage of employees returned to modified or full duty within 90 days after a Workers Compensation injury*. | N/A | 35 | 30 | 50 |
| Percentage of benefit and address changes processed accurately within 10 days of receipt*. | N/A | 98 | 100 | 100 |
| Percentage of Customer Surveys rating Very Satisfied/ Satisfied. | N/A | 32/31 | 29/28 | 40/40 |

* New performance measures effective FY2010-11

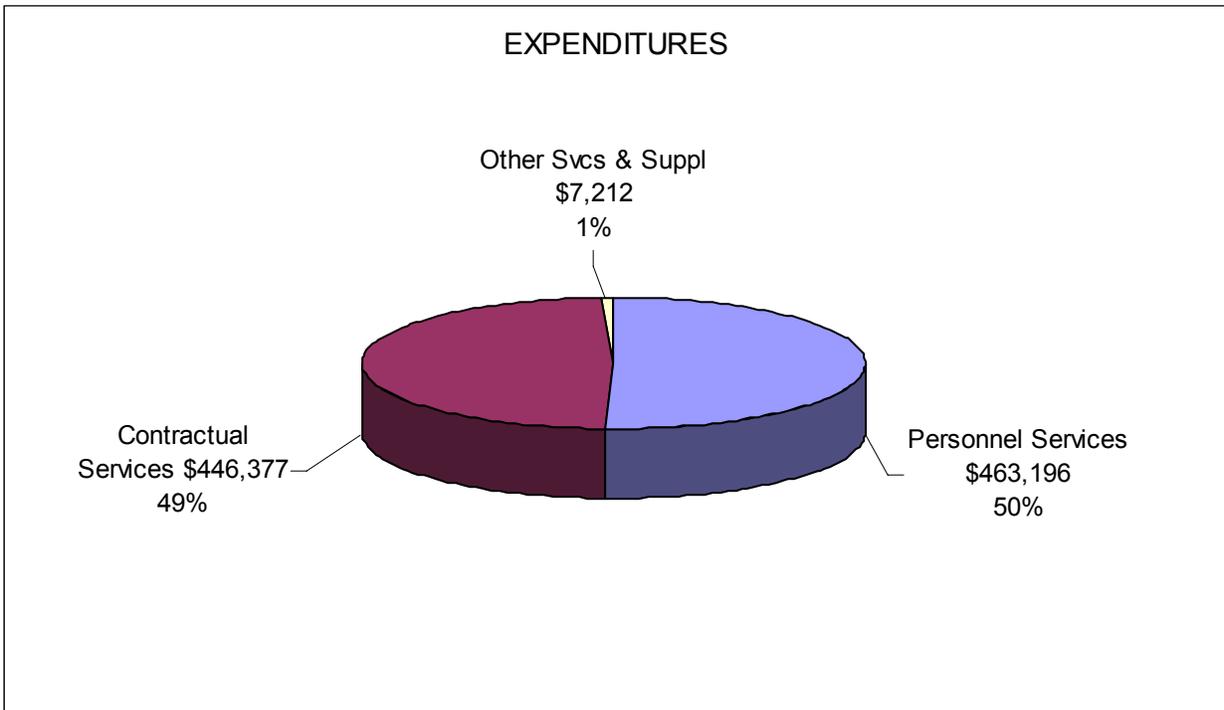
Personnel Allotment of 6.5 FTE

| 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 | | 2 | Temporary Positions (FTE) | 0.5 | 0.5 | |
| TOTAL | | | | | 6.5 | 3.5 | 3 |

Staff Change(s): None

Expenditure Analysis

| | |
|-----------------------|---|
| Personnel Services | Decrease attributed to changes in employee Memorandum Of Understanding. |
| Services and Supplies | No Change |
| Capital Outlay | None |



| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 330,384 | 307,022 | 323,126 | 335,030 |
| 4112 Temporary Salaries | 120 | 7,384 | 15,600 | 15,600 |
| 4113 Overtime | 2,055 | 0 | 1,000 | 1,000 |
| 4124 Leave Cashout | 27,640 | 70 | 0 | 0 |
| 4131 PERS | 48,143 | 46,051 | 48,724 | 29,606 |
| 4132 Group Insurance | 40,192 | 46,433 | 54,432 | 55,476 |
| 4133 Medicare | 5,206 | 4,588 | 4,948 | 5,118 |
| 4135 Worker's Compensation | 800 | 1,045 | 1,688 | 1,752 |
| 4138 Deferred Comp-Employer | 2,750 | 2,710 | 2,700 | 2,700 |
| 4139 PARS | 6 | 106 | 234 | 234 |
| 4161 Retiree Medical Reserve | 16,500 | 16,592 | 16,104 | 16,680 |
| sub-total | <u>473,795</u> | <u>432,001</u> | <u>468,556</u> | <u>463,196</u> |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4200 Community Promotions, Grants & Loans | 4,077 | 3,085 | 0 | 0 |
| 4220 Supplies | 2,314 | 2,384 | 1,000 | 1,000 |
| 4230 Services | 371,550 | 342,649 | 446,377 | 446,377 |
| 4410 Communications | 0 | 32 | 0 | 0 |
| 4501 Memberships and Dues | 680 | 895 | 2,212 | 2,212 |
| 4503 Training | 3,207 | 4,183 | 4,000 | 4,000 |
| sub-total | <u>381,828</u> | <u>353,227</u> | <u>453,589</u> | <u>453,589</u> |
| TOTAL | <u><u>855,624</u></u> | <u><u>785,227</u></u> | <u><u>922,145</u></u> | <u><u>916,785</u></u> |

| | | |
|------------------|----------------------------|-----------------------------------|
| DIVISION: | Recreation Services | HR DIRECTOR: Carmen Valdez |
|------------------|----------------------------|-----------------------------------|

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

Services

- Oversees indoor/outdoor facility rentals, Recreation Assistance program, coordinates 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 and emphasizes learning through active play and socialization. Recreation also offers a preschool age enrichment program offered through Elan Espirit. 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, 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.
- Offers 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.



Recreation

| | Customer Service | Enhanced Quality of life | Invest in Employees | Fiscally Responsible | Public health and safety |
|---|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 Accomplishments | | | | | |
| 1. Senior Center Case Manager served over 1,680 needy senior clients with social services including housing, medicare, medical, social security, disability and supplemental security income assistance during the fiscal year. | x | x | | | |
| 2. Increased fee and projected revenue for the After the Bell Program by 16% (daily fee from \$6/day to \$7/day; \$274,356 to \$324,953) and maintained full capacity at all four school sites. | x | x | | x | |
| 3. Successfully offered quality aquatic program serving 3,335 at the Milpitas Sports Center during the 2011 summer season. | x | x | | | |
| 4. Held several successful fundraisers to help offset the costs of Rainbow Theatre (\$8,000) and Milpitas Tidal Waves (\$2,260) | | | | x | |
| 5. Received an Award of Excellence from C.P.R.S. for Community Partnerships for the new special event, "Howl at the Moon". | | x | | | |
| 2012-2013 Goals | | | | | |
| 1. Senior Center Case Manager to serve 1,750 needy senior clients with social services. | x | x | | | |
| 2. Recruit Corporate Sponsors to support the Senior Center Nutrition Program to increase the number of meals served and reduce waiting lists for daily lunch program. | | x | | x | |
| 3. Partner with Milpitas High School Clubs to offer events/activities to help increase the Teen Center daily attendance and recruit new members. | x | x | | | |
| 4. Increase fitness class daily average by 9% (125 to 135 participants). | | x | | x | |
| 5. Increase weekend rentals by 10% at Senior Center Auditorium. | | | | x | |

| Performance Measures | Actual 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|--|----------------|----------------|-------------------|-------------------|
| Senior Center Members | 1,650 | 1,874 | 1,400 | 1,600 |
| Sports Center Membership Yearly Attendance | 69,795 | 76,335 | 77,000 | 78,000 |
| After the Bell Participants Served Yearly | 220 | 255 | 270 | 270 |

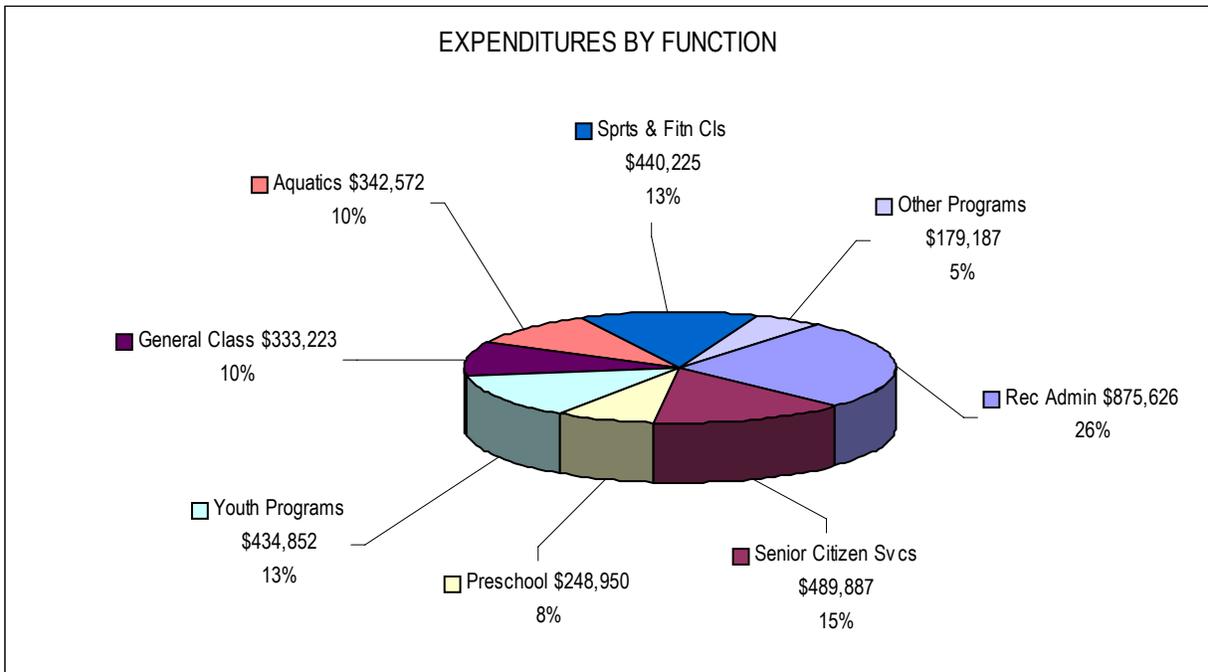
Personnel Allotment of 56 FTE

| Position | Auth FTE | Funded | Unfunded | Position | Auth FTE | Funded | Unfunded |
|--------------------------|----------|--------|----------|------------------------------|-----------|--------------|--------------|
| Parks and Rec Director | 1 | | 1 | Recreation Services Asst I | 0.75 | 0.75 | |
| Recreation Services Supv | 3 | 2 | 1 | Recreation Services Asst II | 1.75 | | 1.75 |
| Recreation Services Mgr | 1 | | 1 | Recreation Services Asst III | 0.75 | | 0.75 |
| Program Coordinator | 6 | 5 | 1 | Recreation Services Asst IV | 4.25 | 2 | 2.25 |
| Office Assistant II | 2 | 1 | 1 | Temporary Positions (FTE) | 30.5 | 30.5 | |
| Public Services Asst II | 5 | 3 | 2 | | | | |
| | | | | | | | |
| | | | | | | | |
| TOTAL | | | | | 56 | 44.25 | 11.75 |

Staff Change(s): Delete one Recreation Service Supervisor, one Program Coordinator, one Public Services Supervisor from authorized positions. Unfund 2.5 Recreation Services Assistant positions, and one Public Services Assistant due to staff reduction.

Expenditure Analysis

| | |
|-----------------------|---|
| Personnel Services | Decrease attributed to reorganization of recreation programs. |
| Services and Supplies | Including preschool contract. |
| Capital Outlay | None. |



| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---|---------------------------|---------------------------|---------------------------|-----------------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 1,379,656 | 1,286,272 | 1,358,412 | 1,020,927 |
| 4112 Temporary Salaries | 1,041,064 | 832,474 | 916,346 | 813,199 |
| 4113 Overtime | 7,685 | 6,331 | 7,000 | 7,000 |
| 4124 Leave Cashout | 28,837 | 11,413 | 0 | 0 |
| 4131 PERS | 229,259 | 206,597 | 103,402 | 62,771 |
| 4132 Group Insurance | 262,575 | 288,412 | 331,128 | 254,268 |
| 4133 Medicare | 34,445 | 29,666 | 32,006 | 25,072 |
| 4135 Worker's Compensation | 11,039 | 12,484 | 19,343 | 15,657 |
| 4138 Deferred Comp-Employer | 2,699 | 2,710 | 2,700 | 1,800 |
| 4139 PARS | 13,055 | 11,158 | 12,299 | 10,378 |
| 4161 Retiree Medical Reserve | 69,186 | 68,932 | 67,867 | 50,988 |
| sub-total | 3,079,501 | 2,756,451 | 2,850,503 | 2,262,060 |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4200 Community Promotions, Grants & Loans | 31,876 | 18,755 | 18,100 | 10,265 |
| 4211 Equip Replacement Amortization | 36,751 | 32,754 | 29,716 | 26,605 |
| 4220 Supplies | 125,460 | 132,921 | 167,575 | 135,037 |
| 4230 Services | 566,879 | 713,530 | 697,711 | 901,640 |
| 4501 Memberships and Dues | 1,182 | 905 | 2,205 | 1,765 |
| 4503 Training | 1,672 | 800 | 5,550 | 5,550 |
| 4600 Ins, Settlements & Contgcy | 1,215 | 1,105 | 1,400 | 1,600 |
| sub-total | 765,035 | 900,771 | 922,257 | 1,082,462 |
| TOTAL | 3,844,536 | 3,657,222 | 3,772,760 | 3,344,522 |

| | | |
|--------------------|----------------|--------------------------------------|
| DEPARTMENT: | Finance | FINANCE DIRECTOR: Emma Karlen |
|--------------------|----------------|--------------------------------------|

Description: This department provides management of the City’s financial operations in accordance with established fiscal policies. The department is organized in two divisions, Administration and Operations; 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 |
|---|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 Accomplishments | | | | | |
| 1. Resolved tort claims within 180 days from the date of claim. | x | | | x | x |
| 2. Received awards for “Distinguished Budget Presentation”, “Excellence in Financial Reporting” and “Procurement”. | | | | x | |
| 3. Assumed the financial functions of Successor Agency due to RDA dissolution. | | | | x | |
| 4. Updated CAL-Card manual to reflect 2011 IRS rules. | x | | | x | |
| 5. Bid frequently used commodities and services to create annualized contracts | x | | | 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 | |
| 9. Implemented the new and improved My CALPERS Reporting System. | x | | | x | |
| 2012-2013 Goals | | | | | |
| 1. Resolve tort claims within 180 days from the date of claim. | x | | | x | x |
| 2. Receive awards for “Distinguished Budget Presentation” and “Excellence in Financial Reporting”. | | | | x | |
| 3. Update CAL-Card manual to reflect 2012 IRS rules and provide refresher training to ensure appropriate usage. | x | | | x | |
| 4. Provide City-wide purchasing and contracts training to departments. | x | | | x | |
| 5. Evaluate vendors for utility bill printing and on-line payments and bill review. | x | x | | x | |
| 6. Develop an updated Cost Allocation Plan. | | | | x | |
| 7. Process invoices for payment within 5 working days from approval date. | x | | | x | |
| 8. Provide accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget. | x | | | x | |
| 9. Provide 99.9% accuracy on initial meter reads. | x | | | x | |

| Performance Measures | Actual 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|---|----------------|----------------|-------------------|-------------------|
| Consecutive years in receiving awards for: | | | | |
| Distinguished Budget Presentation | 10 | 11 | 12 | 13 |
| Excellence in Financial Reporting | 17 | 18 | 19 | 20 |
| Excellence in Procurement | 4 | 5 | 6 | N/A |
| Percent of tort claims resolved within 180 days | 95% | 95% | 96% | 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) | 9 | 9 | 9 | 10 |
| Percent of accurate meter reads | 99.9% | 99.9% | 99.9% | 99.9% |

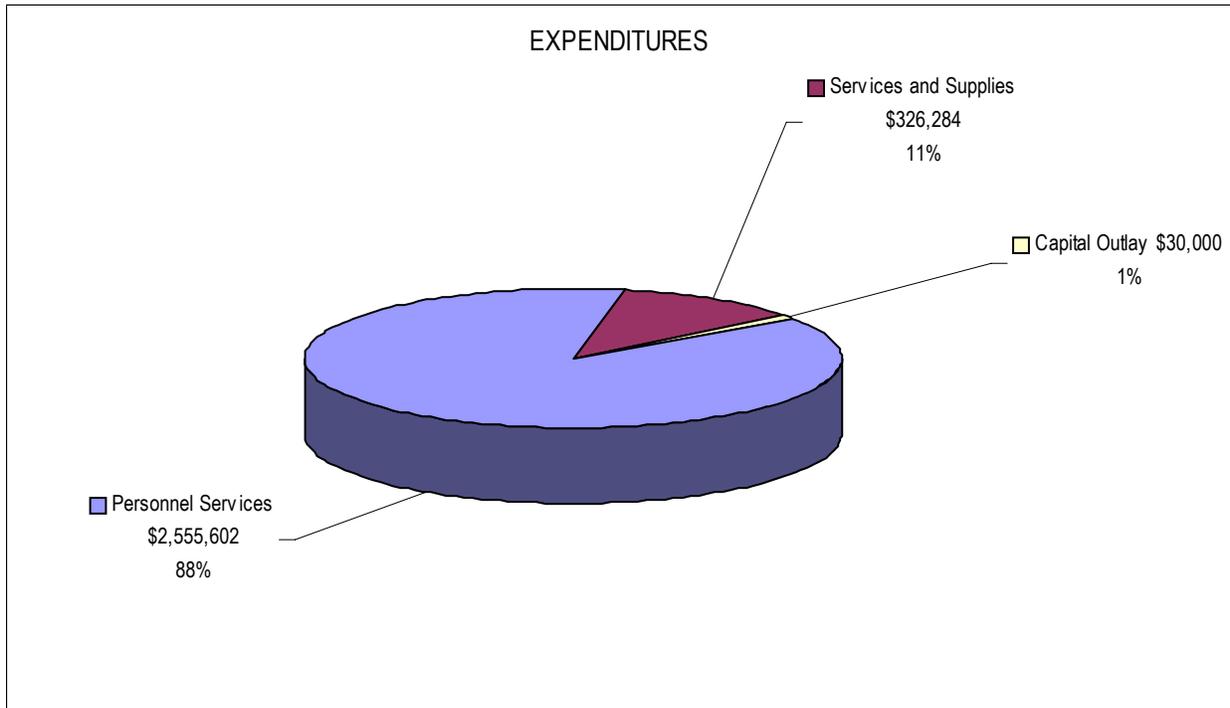
Personnel Allotment of 28.5 FTE

| 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 | 10 | 8 | 2 |
| Finance Manager | 1 | 1 | | Senior Fiscal Assistant | 1 | 1 | |
| Budget Manager | 1 | 1 | | Office Specialist | 1 | | 1 |
| Accountant | 3 | 3 | | Confidential Fiscal Asst II | 1 | 1 | |
| Admin Analyst I/II | 1 | | 1 | Water Meter Reader II | 2.5 | 2.5 | |
| Buyer | 1 | | 1 | Temporary Positions (FTE) | 1 | 1 | |
| Senior Accountant | 2 | 1 | 1 | | | | |
| TOTAL | | | | | 28.5 | 22.5 | 6 |

Staff Change(s): Delete one Assistant Finance Director, one Administrative Analyst, two Fiscal Assistant positions, one Fiscal Services Manager, and one Maintenance Worker II from authorized positions. Unfund one Buyer, one Office Specialist and one Fiscal Assistant due to staff reduction. Reclass Accounting Services Manager to Finance Manager due to reorganization of the department.

Expenditure Analysis

| | |
|-----------------------|---|
| Personnel Services | Decrease attributed to staff reduction. |
| Services and Supplies | Increase attributed to additional funding needed for utility bill's credit card processing fee. |
| Capital Outlay | No change |



| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 2,055,681 | 1,936,113 | 2,123,533 | 1,877,126 |
| 4112 Temporary Salaries | 32,596 | 40,257 | 16,000 | 24,000 |
| 4113 Overtime | 8,080 | 2,199 | 23,500 | 23,500 |
| 4121 Allowances | 1,491 | 903 | 0 | 0 |
| 4124 Leave Cashout | 46,090 | 37,234 | 0 | 0 |
| 4125 Accrued Leave | 5,008 | 5,889 | 0 | 0 |
| 4131 PERS | 300,958 | 291,975 | 209,601 | 123,176 |
| 4132 Group Insurance | 336,108 | 354,151 | 462,672 | 397,572 |
| 4133 Medicare | 30,820 | 29,094 | 31,124 | 27,646 |
| 4135 Worker's Compensation | 9,157 | 11,446 | 17,386 | 14,146 |
| 4138 Deferred Comp-Employer | 5,476 | 5,421 | 6,300 | 5,400 |
| 4139 PARS | 441 | 481 | 240 | 360 |
| 4143 Charged to CIPs | 0 | 0 | (63,000) | (30,000) |
| 4161 Retiree Medical Reserve | 107,094 | 108,858 | 105,024 | 92,676 |
| sub-total | <u>2,938,999</u> | <u>2,824,023</u> | <u>2,932,380</u> | <u>2,555,602</u> |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4211 Equip Replacement Amortization | 15,904 | 14,907 | 14,042 | 9,347 |
| 4220 Supplies | 78,879 | 55,388 | 112,425 | 108,125 |
| 4230 Services | 215,270 | 250,857 | 167,503 | 199,522 |
| 4501 Memberships and Dues | 1,974 | 1,704 | 1,990 | 1,790 |
| 4503 Training | 7,878 | 3,661 | 7,800 | 7,500 |
| sub-total | <u>319,905</u> | <u>326,517</u> | <u>303,760</u> | <u>326,284</u> |
| CAPITAL OUTLAY | | | | |
| 4920 Machinery Tools & Equipment | 2,073 | 0 | 0 | 0 |
| 4930 Hydrants & Meters | 0 | 31,249 | 30,000 | 30,000 |
| sub-total | <u>2,073</u> | <u>31,249</u> | <u>30,000</u> | <u>30,000</u> |
| TOTAL | <u><u>3,260,976</u></u> | <u><u>3,181,789</u></u> | <u><u>3,266,140</u></u> | <u><u>2,911,886</u></u> |

| | | |
|--------------------|---------------------|--|
| DEPARTMENT: | Public Works | ACTING PUBLIC WORKS DIRECTOR: Kathleen Phalen |
|--------------------|---------------------|--|

Description: This department provides operations and maintenance of City utility infrastructure, public streets, City & public safety, vehicles, City buildings and parks. The department's seven functions include: Public Works Administration, Street Maintenance, Utility Operations and Maintenance, Trees and Landscaping, Fleet Maintenance, Parks Maintenance and Facilities Maintenance.

Services

- Provides management, direction and coordination for operation and maintenance of City infrastructure and equipment.
- Provides routine and emergency operation, maintenance, and repair of utilities (water, sewer, and storm systems). Provides high level of maintenance to ensure public health and safety by providing uninterrupted water, sewer service for residents and storm facility operations ID.
- Respond to over 3,500 customer service requests annually. Investigates high priority customer service requests within 30 minutes of receipt.
- 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 and striping, paved roadways in accordance with the Clean and Safe Street Program and State Code requirements.
- Provides weed control and litter pick-up on public street 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 of the city's landscaped medians and trails.
- Maintains and repairs 628 city-owned vehicles and equipment including Police vehicles, Fire engine 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.
- Provides Park maintenance including playgrounds, picnic areas, athletic fields, pathways, landscaping, park restrooms, safety inspections of playground equipment, park trees, lagoons and parking lots.

| | Customer Service | Enhanced Quality of life | Invest in Employees | Fiscally Responsible | Public health and safety |
|---|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 Accomplishments | | | | | |
| 1. Investigated 3,500 customer service requests and provided immediate response for urgent/safety related service requests. | x | x | | x | x |
| 2. Responded immediately to all roadway and park hazards, graffiti abatement, park and emergency utility service requests. | x | x | | x | x |
| 3. Cleaned 2,000 storm catch basins and maintained 13 storm pump stations. | x | x | | x | x |
| 4. Completed State mandated water distribution operator training for Utilities staff and appropriate standby personnel. | | x | x | | x |
| 5. Provided cross-training and safety training to staff to improve efficiency and reduce injuries. | x | x | x | x | x |
| 2012-2013 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. | x | x | | x | x |
| 3. Respond to after hours emergency utility and roadway and park 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 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|---|----------------|----------------|-------------------|-------------------|
| Customer service requests processed | 3,091 | 3,000 | 3,350 | 3,350 |
| City street and sidewalk miles maintained | 139 | 139 | 139 | 139 |
| Number of set-ups for classes & meetings | 3,188 | 2,900 | 2,900 | 2,900 |
| City building square footage maintained | 350,000 | 376,500 | 376,500 | 376,500 |
| Traffic signals/street lights maintained | 71/4,476 | 72/4,496 | 72/4,496 | 72/4,496 |
| Street signs maintained | 8,000 | 8,534 | 8,534 | 8,534 |
| Clean sewer lines & water line repairs | 568,308 | 500,000 | 500,000 | 500,000 |
| Year end street tree inventory/annual cost per tree | 12,380/\$34 | 12,480/\$33 | 12,480/\$33 | 12,480/\$33 |
| Street landscaped acres/sites maintained | 124/68 | 125/70 | 125/70 | 125/70 |
| Completed Fleet section repair orders/per employee | 2,000/500 | 2,010/670 | 2,010/670 | 2,010/670 |
| Average vehicle downtime (hours) | 3.25 | 3 | 3 | 3 |
| Maintain City parks | 32 | 32 | 32 | 32 |

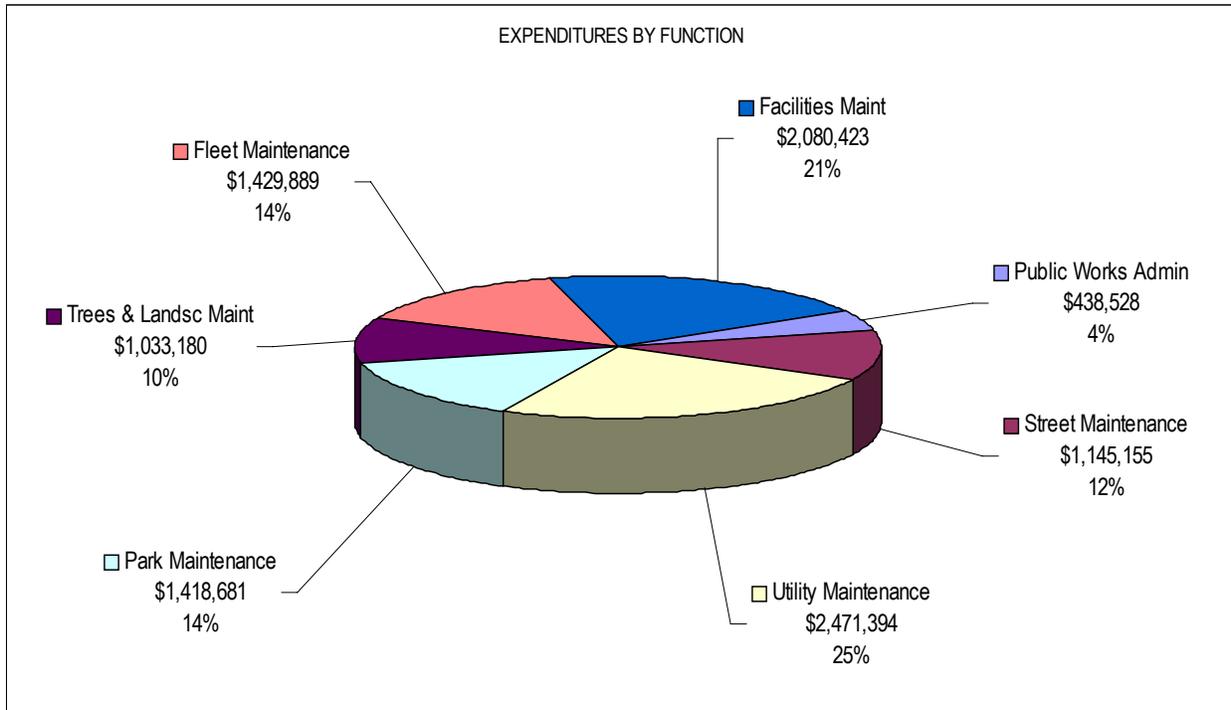
Personnel Allotment of 92 FTE

| Position | Auth FTE | Funded | Unfunded | Position | Auth FTE | Funded | Unfunded |
|----------------------------|----------|--------|----------|----------------------------|-----------|-----------|-----------|
| Public Works Director | 1 | 1 | | Asst Water System Operator | 1 | 1 | |
| Office Assistant II | 1 | 1 | | Maintenance Custodian II | 5 | 5 | |
| Office Specialist | 1 | 1 | | Maintenance Custodian III | 1 | 1 | |
| Equipment Maint Worker II | 2 | 1 | 1 | Maint Custodian I-40 Hr | 1 | | 1 |
| Equipment Maint Worker III | 5 | 5 | | Maint Custodian II-40 Hr | 1 | 1 | |
| Senior Maint Supervisor | 4 | | 4 | Maintenance Worker I-37.5 | 1 | | 1 |
| Fleet Maint Supervisor | 1 | | 1 | Maintenance Worker II-37.5 | 37 | 10 | 27 |
| Fleet Maint Worker II | 3 | 3 | | Maintenance Worker III | 17 | 6 | 11 |
| Fleet Maint Worker III | 2 | 2 | | Maintenance Supervisor | 2 | | 2 |
| Water System Operator | 1 | 1 | | Temporary Positions (FTE) | 5 | 5 | |
| TOTAL | | | | | 92 | 44 | 48 |

Staff Change(s): Transfer Park Maintenance function from the Park and Recreation Department. Delete one Associate Civil Engineer, one Community Services Project Manager, one Office Specialist, one secretary, two Maintenance Worker III positions, one Maintenance Worker II, one Maintenance Worker I and one Fleet Maintenance Assistant from authorized positions. These positions have not been funded for several years. Defund 35 FTEs due to outsourcing Street Maintenance, Park Maintenance and Trees & Landscape Maintenance functions.

Expenditure Analysis

| | |
|-----------------------|---|
| Personnel Services | Decrease attributed to outsourcing of Street Maintenance, Park Maintenance and Trees & Landscape Maintenance. |
| Services and Supplies | Increase attributed to outsourcing contracts. |
| Capital Outlay | Ford F550 Heavy Duty Utility Truck |



| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 5,718,364 | 5,191,169 | 4,915,872 | 2,663,239 |
| 4112 Temporary Salaries | 90,945 | 107,576 | 149,010 | 148,830 |
| 4113 Overtime | 142,071 | 117,245 | 145,000 | 98,440 |
| 4121 Allowances | 79,418 | 83,178 | 106,904 | 76,863 |
| 4124 Leave Cashout | 187,070 | 159,101 | 0 | 0 |
| 4125 Accrued Leave | 5,993 | 11,966 | 0 | 0 |
| 4131 PERS | 840,806 | 787,444 | 921,063 | 506,777 |
| 4132 Group Insurance | 1,213,175 | 1,252,647 | 1,342,656 | 721,188 |
| 4133 Medicare | 81,640 | 76,903 | 69,347 | 39,293 |
| 4135 Worker's Compensation | 106,570 | 128,360 | 183,787 | 95,619 |
| 4138 Deferred Comp-Employer | 4,980 | 3,867 | 900 | 900 |
| 4139 PARS | 1,201 | 1,240 | 2,012 | 2,231 |
| 4141 Adjustments-Payroll | 635 | 627 | 0 | 0 |
| 4143 Charged to CIPs | 0 | 0 | (22,000) | 0 |
| 4161 Retiree Medical Reserve | 286,992 | 277,668 | 233,858 | 125,898 |
| sub-total | <u>8,759,860</u> | <u>8,198,992</u> | <u>8,048,409</u> | <u>4,479,278</u> |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4211 Equip Replacement Amortization | 805,439 | 730,864 | 716,521 | 395,862 |
| 4220 Supplies | 1,267,862 | 1,326,080 | 1,560,499 | 1,284,699 |
| 4230 Services | 1,185,330 | 1,196,092 | 1,126,495 | 3,564,233 |
| 4410 Communications | 1,701 | 1,798 | 1,250 | 1,250 |
| 4420 Utilities | 54,861 | 51,778 | 80,700 | 80,700 |
| 4501 Memberships and Dues | 4,119 | 4,712 | 6,090 | 4,590 |
| 4503 Training | 9,610 | 10,416 | 31,985 | 29,785 |
| sub-total | <u>3,328,922</u> | <u>3,321,740</u> | <u>3,523,540</u> | <u>5,361,119</u> |
| CAPITAL OUTLAY | | | | |
| 4850 Vehicles | 0 | 60,438 | 17,341 | 66,853 |
| 4870 Machinery & Equipment | 0 | 15,360 | 0 | 0 |
| 4920 Machinery Tools & Equipment | 985 | 880 | 0 | 0 |
| 4930 Hydrants & Meters | 65,264 | 13,146 | 110,000 | 110,000 |
| sub-total | <u>66,249</u> | <u>89,824</u> | <u>127,341</u> | <u>176,853</u> |
| TOTAL | <u><u>12,155,031</u></u> | <u><u>11,610,556</u></u> | <u><u>11,699,290</u></u> | <u><u>10,017,250</u></u> |

| | | |
|------------------|--------------------|--|
| DIVISION: | Engineering | ACTING PUBLIC WORKS DIRECTOR: Kathleen Phalen |
|------------------|--------------------|--|

Description: This division provides professional engineering services for 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 manages the municipal utility services provided to the community including water, recycled water, sewer, storm water quality protection, flood control, garbage, and recycling. The division functions are Design & Construction, Land Development, Traffic and Utilities.

Services

- The City Engineer, directs and coordinates the work of the division, including allocation of resources, assignments, and staff development, to ensure City infrastructure is designed and constructed in accordance with City codes, state and federal laws, and industry standards to protect public health and safety.
- Civil engineering services by professionals licensed to practice civil engineering in the State of California. These engineers prepare, oversee, review and approve design plans for the public and private construction of public infrastructure and also review and approve subdivision maps.
- Traffic engineering services consist of technical review and evaluation of traffic system design construction and operations to ensure safe and efficient operations of the City street system. Traffic engineering services also include review of private development projects.
- Planning and management of the Capital Improvement Program, including design and construction and project management of the City's street, water, sewer, storm drain, parks and community projects.
- Engineering coordination with regional programs such flood control, water supply, urban runoff, sewer treatment, and transportation and recycling programs.
- Review of subdivision maps and developer public improvement plans for conformance with the City's General Plan and zoning ordinance to ensure the City's vision for orderly growth and improvement is attained. Issue encroachment permits for work in public right-of-way.
- Management of the City's water and sewer utilities and solid waste operation and maintenance in a manner that ensures delivery of good quality and adequate supply of these essential municipal commodities at a fair and equitable price. Regulatory compliance with state and federal public health and environmental laws for monitoring, correcting and reporting as required.
- Maintenance of utility base maps for water, sewer, recycled water, and storm drain facilities and City drawings, deeds, maps, assessment district diagrams and aerial photographs.



| | Customer Service | Enhanced Quality of life | Invest in Employees | Fiscally Responsible | Public health and safety |
|--|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 Accomplishments | | | | | |
| 1. Designed the Alviso Adobe Park and site improvement phase | x | x | | x | x |
| 2. Replaced 72 aging traffic signal controllers and completed signal retiming | x | x | | x | x |
| 3. Participated in the VTA/BART project design and construction team | | x | | x | x |
| 4. Supported City's adoption of plastic bag and polystyrene controls | x | x | | x | x |
| 5. Constructed Milpitas Blvd seismic backbone waterline, Street Resurfacing and Sewer Projects | x | x | | x | x |
| 6. Completed various City Building Improvements | x | x | | x | x |
| 7. Coordinated major flood control improvements with SCVWD | x | x | | x | x |
| 8. Designed Wrigley Ford Creek Maintenance Project | x | x | | x | x |
| 2012-2013 Goals | | | | | |
| 1. Complete construction of Wrigley Ford Creek Maintenance Project | x | x | | x | x |
| 2. Complete construction of the Alviso Adobe Park | x | x | | x | x |
| 3. Participate in the VTA/BART project design and construction team | x | x | | x | x |
| 4. Coordinate with TPAC agencies and SCVWD to develop a regional recycled water extension strategy and master plan | x | x | | x | x |
| 5. Coordinate with San Jose on Water Pollution Control Plant rehabilitation | | x | | x | x |
| 6. Continue with the Water Seismic Program | x | x | | x | x |
| 7. Develop and implement a professional training plan for staff | | | x | | |
| 8. Design & Construction replacement of aging infrastructure | x | x | | x | x |

| Performance Measures | Actual 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|---|----------------|----------------|-------------------|-------------------|
| Contracts Awarded/Value | 18/\$8.4M | 14/\$12M | 13/\$8M | 10/\$5M |
| Meet all water quality standards for potable water distribution | 100% | 100% | 100% | 100% |
| Achieve solid waste diversion rate goal of at least: 50% | 70% | 70% | 65% | 65% |
| Review first submittals of private development plans within 20 working days | 95% | 98% | 95% | 98% |
| Development projects reviewed | 118 | 225 | 200 | 600 |
| Respond to public counter inquiries | 200 | 225 | 150 | 400 |
| Engineering and traffic surveys | 20 | 29 | 28 | 20 |
| Grant applications submitted | 8 | 9 | 10 | 20 |
| Projects completed (initial acceptances) | 13 | 12 | 15 | 10 |

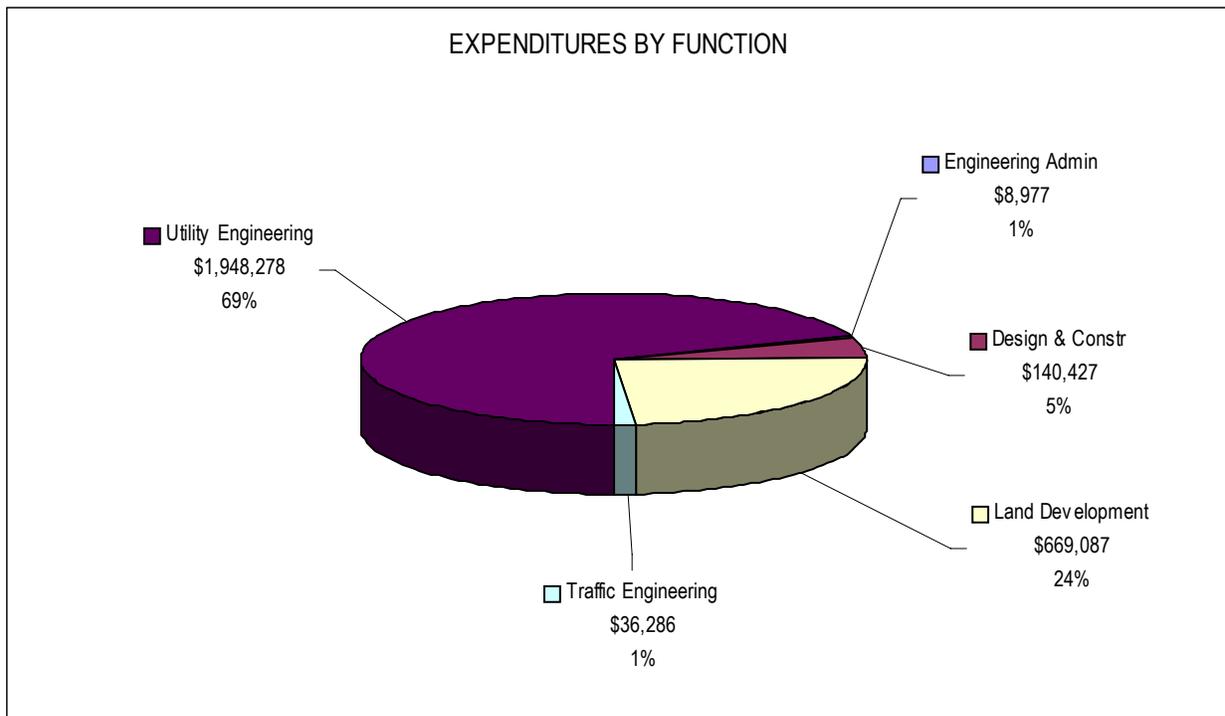
Personnel Allotment of 28.5 FTE

| Position | Auth FTE | Funded | Unfunded | Position | Auth FTE | Funded | Unfunded |
|-------------------------------|----------|--------|----------|---------------------------|-------------|-------------|----------|
| City Engineer | 1 | | 1 | C A D Technician | 1 | | 1 |
| Assistant City Engineer | 1 | 1 | | CIP Manager | 1 | 1 | |
| Administrative Analyst I/II | 2 | 2 | | Engineering Aide | 2 | 2 | |
| Public Information Specialist | 1 | 1 | | Office Specialist | 1 | | 1 |
| Assistant Civil Engineer | 8 | 5 | 3 | Secretary | 1 | 1 | |
| Associate Civil Engineer | 6 | 4 | 2 | Temporary Positions (FTE) | 0.5 | 0.5 | |
| Principal Civil Engineer | 2 | 1 | 1 | | | | |
| Traffic Engineer | 1 | 1 | | | | | |
| | | | | TOTAL | 28.5 | 19.5 | 9 |

Staff Change(s): Delete one Office Assistant, one Office Specialist, one Principal Civil Engineer, three Engineer Aid positions, two Assistant Civil Engineer positions, one Associate Civil Engineer, one Engineer Permit Technician and two Principal Transportation Planner positions from authorized positions. These positions have been unfunded for several years. Defund three Assistant Civil Engineer positions, one CAD Technician, and one Office Specialist due to staff reduction.

Expenditure Analysis

| | |
|-----------------------|---|
| Personnel Services | Decrease attributed to staff reduction. |
| Services and Supplies | Increase attributed to one-time service to digitize old microfiche plans to portable document format (PDF). |
| Capital Outlay | None |



| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 1,697,829 | 1,644,305 | 2,598,884 | 2,105,317 |
| 4112 Temporary Salaries | 4,534 | 17,894 | 9,600 | 9,600 |
| 4113 Overtime | 10,654 | (2,443) | 21,900 | 21,900 |
| 4121 Allowances | 4,104 | 4,627 | 0 | 0 |
| 4124 Leave Cashout | 91,197 | 23,894 | 0 | 0 |
| 4125 Accrued Leave | 8,366 | 24,396 | 0 | 0 |
| 4131 PERS | 249,434 | 247,149 | 198,338 | 120,593 |
| 4132 Group Insurance | 264,105 | 279,542 | 453,600 | 351,348 |
| 4133 Medicare | 23,913 | 22,362 | 35,381 | 29,264 |
| 4135 Worker's Compensation | 6,883 | 7,945 | 13,058 | 10,598 |
| 4138 Deferred Comp-Employer | 3,257 | 2,735 | 7,200 | 7,200 |
| 4139 PARS | 70 | 294 | 144 | 144 |
| 4143 Charged to CIPs | 0 | 0 | (949,640) | (1,045,832) |
| 4161 Retiree Medical Reserve | 135,566 | 131,208 | 129,694 | 105,133 |
| sub-total | <u>2,499,912</u> | <u>2,403,907</u> | <u>2,518,159</u> | <u>1,715,265</u> |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4200 Community Promotions, Grants & Loans | 121,770 | 121,044 | 152,100 | 152,100 |
| 4211 Equip Replacement Amortization | 30,509 | 20,486 | 16,476 | 14,815 |
| 4220 Supplies | 9,838 | 7,808 | 16,070 | 16,070 |
| 4230 Services | 881,607 | 686,119 | 808,950 | 868,150 |
| 4501 Memberships and Dues | 9,120 | 10,993 | 17,700 | 17,705 |
| 4503 Training | 6,361 | 4,169 | 18,950 | 18,950 |
| sub-total | <u>1,059,206</u> | <u>850,620</u> | <u>1,030,246</u> | <u>1,087,790</u> |
| TOTAL | <u><u>3,559,117</u></u> | <u><u>3,254,527</u></u> | <u><u>3,548,405</u></u> | <u><u>2,803,055</u></u> |

| | | |
|--------------------|------------------------------|---|
| DEPARTMENT: | Planning & N Svcs | ACTING PLAN & NEIGH SVCS DIR: Felix Reliford |
|--------------------|------------------------------|---|

Description: This department reviews land and 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 staff support to successor agency, Economic Development Corporation and Housing Authority, 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 and regional planning, environmental, transportation issues and maintains city information on demographics 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 housing authority.
- Provides staff support to the Planning Commission, Community Advisory Commission, Transportation & Land Use Subcommittee, Bicycle Pedestrian Advisory Commission, Library Advisory Commission, Economic Development Commission and Economic Development Subcommittee.



| | Customer Service | Enhanced Quality of life | Invest in Employees | Fiscally Responsible | Public health and safety |
|--|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 Accomplishments | | | | | |
| 1. Standardized planning inspections through different stages of construction. | | x | | | x |
| 2. Completed the staff cross training program with the Building and Engineering Departments. | x | | x | | |
| 3. Implemented the Housing Element Goals & Policies within the timeframe stated in the 5-Year Implementation Plan. | | x | | | |
| 4. Surveyed customers to evaluate performance of planning services | x | | | | |
| 2012-2013 Goals | | | | | |
| 1. Complete citywide Climate Action Plan. | | x | | | x |
| 2. Complete a standardized Neighborhood Services Procedure Manual to ensure consistency in service delivery. | x | | x | | x |
| 3. Make recommendation to Planning Commission and City Council on General Plan update. | | x | | x | |
| 4. Update Planning website to produce effective dissemination of information. | x | | | x | |
| 5. Assist in McCarthy Ranch Marketplace renovation. | | x | | x | |

| Performance Measures | Actual 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|---|----------------|----------------|-------------------|-------------------|
| % of Use Permit applications processed within 3 months of being deemed complete | 85% | 87% | 87% | 87% |
| % of Minor Site Development applications processed within 2 months | 95% | 98% | 97% | 97% |
| Planning Division customer contacts | 3,344 | 3,112 | 3,500 | 3,500 |
| % of rehabilitation loan recipients rating our service as at least "satisfactory" | 90% | 90% | 93% | 95% |
| Customer service requests/violations abated | 1,037 | 758 | 725 | 700 |
| # of cases in compliance within 30 days of receipt | 688 | 500 | 400 | 375 |
| Days to abate graffiti on private property | 24 | 23 | 20 | 19 |
| Abandoned vehicles abated on private property | 267 | 117 | 132 | 132 |

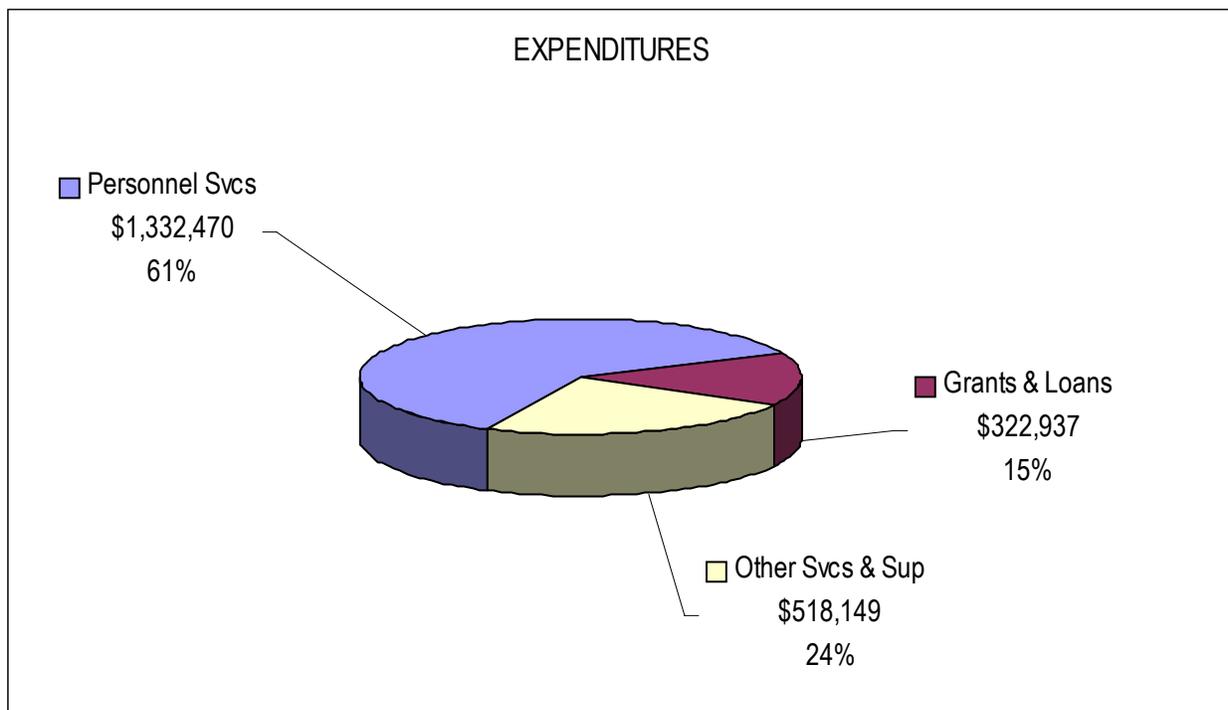
Personnel Allotment of 16.5 FTE

| Position | Auth FTE | Funded | Unfunded | Position | Auth FTE | Funded | Unfunded |
|---------------------------|----------|--------|----------|-----------------------------|-------------|-----------|------------|
| Planning & Neigh Svcs Dir | 1 | 1 | | Asst Transportation Planner | 1 | | 1 |
| Assistant Planner | 2.5 | 2 | 0.5 | Principal Planner | 1 | 1 | |
| Associate Planner | 2 | | 2 | Housing/Neigh Pres Spec | 3 | 2 | 1 |
| Planning Manager | 1 | | 1 | Senior Housing Specialist | 1 | 1 | |
| Senior Planner | 1 | 1 | | Office Specialist | 3 | 2 | 1 |
| | | | | TOTAL | 16.5 | 10 | 6.5 |

Staff Change(s): Delete one Administrative Analyst and 0.5 Recreation Services Assistant from authorized positions. These positions have been unfunded for several years. Defund one Assistant Transportation Planner due to staff reduction.

Expenditure Analysis

| | |
|-----------------------|---|
| Personnel Services | Decrease attribute to staff reduction. |
| Services and Supplies | Decrease attributed to less funding allocated by the Community Development Block Grant program. |
| Capital Outlay | None |



| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 1,013,424 | 1,068,932 | 1,072,414 | 1,014,538 |
| 4113 Overtime | 630 | (3,179) | 0 | 0 |
| 4121 Allowances | 2,710 | 2,710 | 0 | 0 |
| 4124 Leave Cashout | 13,667 | 7,418 | 0 | 0 |
| 4131 PERS | 147,076 | 159,261 | 84,746 | 59,984 |
| 4132 Group Insurance | 156,029 | 189,590 | 199,584 | 184,920 |
| 4133 Medicare | 13,780 | 14,424 | 15,609 | 14,772 |
| 4135 Worker's Compensation | 2,623 | 3,613 | 5,326 | 5,048 |
| 4138 Deferred Comp-Employer | (7) | 0 | 2,700 | 2,700 |
| 4161 Retiree Medical Reserve | 52,703 | 58,836 | 53,406 | 50,508 |
| sub-total | <u>1,402,634</u> | <u>1,501,605</u> | <u>1,433,785</u> | <u>1,332,470</u> |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4200 Community Promotions, Grants & Loans | 356,276 | 334,129 | 541,150 | 322,937 |
| 4211 Equip Replacement Amortization | 7,234 | 6,415 | 5,900 | 4,649 |
| 4220 Supplies | 15,108 | 9,089 | 11,300 | 11,300 |
| 4230 Services | 400,572 | 414,710 | 385,000 | 497,000 |
| 4501 Memberships and Dues | 188 | 872 | 0 | 0 |
| 4503 Training | 681 | 629 | 5,200 | 5,200 |
| sub-total | <u>780,058</u> | <u>765,843</u> | <u>948,550</u> | <u>841,086</u> |
| TOTAL | <u><u>2,182,692</u></u> | <u><u>2,267,448</u></u> | <u><u>2,382,335</u></u> | <u><u>2,173,556</u></u> |

| | | |
|--------------------|---------------|--|
| DEPARTMENT: | Police | ACTING POLICE CHIEF: Steve Pangelinan |
|--------------------|---------------|--|

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.
- 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. A School Resource Officer serves 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.



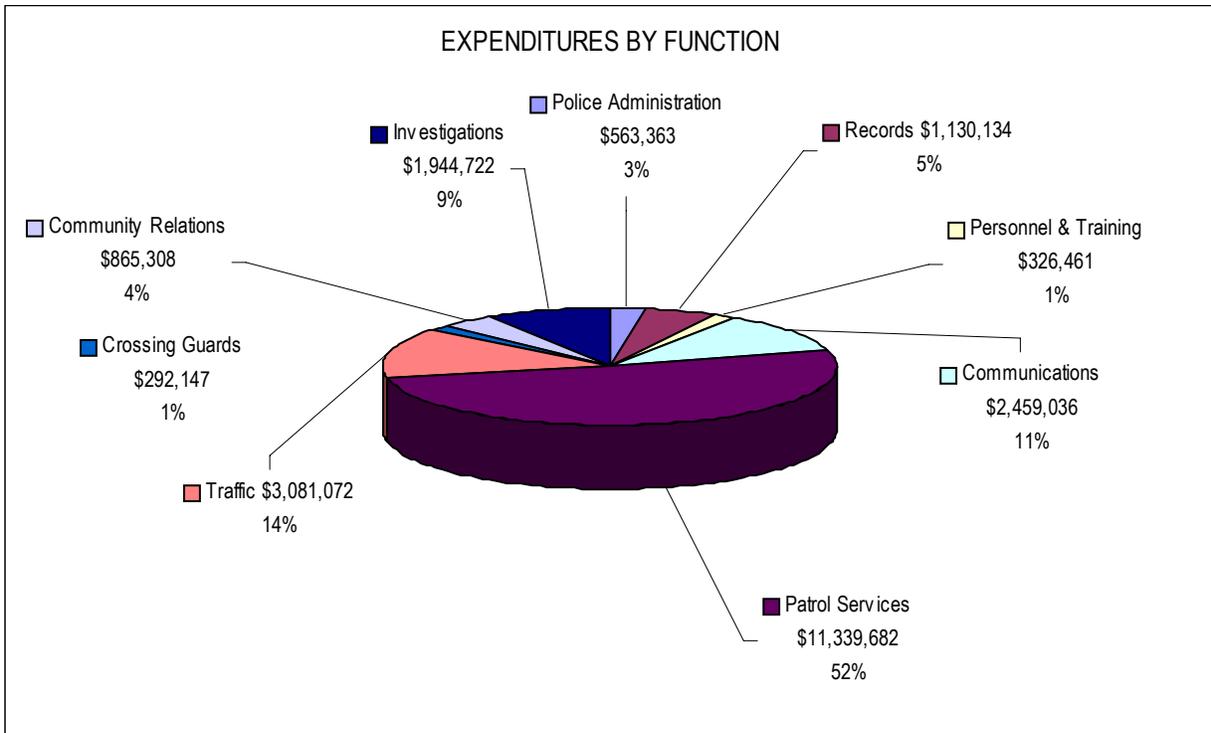
| | Customer Service | Enhanced Quality of life | Invest in Employees | Fiscally Responsible | Public health and safety |
|--|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 Accomplishments | | | | | |
| 1. Reduced the average emergency response time to 2:42, and 11-year low. | x | x | | | x |
| 2. Reduced crime rate by 8.26% in 2011, to a 42-year low. | x | x | | | x |
| 3. Completed a Peace Officer and Standards Training management study of the Police Department's evidence and property functions and processes | | | | x | |
| 4. Implemented grant-funded web-based crime mapping service designed for public access. | x | x | | x | x |
| 5. Completed a state-funded upgrade of the 9-1-1 equipment within the Communications Center. | x | | x | x | x |
| 6. Completed a grant-funded "Every 15 Minutes" drunk-driving prevention program for high school students. | x | x | | x | x |
| 7. Implemented a Peer-Support program to support staff experiencing work-related and personal stress. | | x | x | | x |
| 2012-2013 Goals | | | | | |
| 1. Ensure average response times to emergency calls remain at 3:00 or under | x | | | | x |
| 2. Ensure 100% registration by known sex offenders. | | x | | | x |
| 3. At no cost to the City, implement a Direct Referral Program to provide community services to juveniles who commit minor offenses, so that they are diverted from the juvenile justice system. | x | x | | x | |
| 4. Reduce residential burglaries by at least 10% | | x | | | x |

| Performance Measures | Actual 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|---|----------------|----------------|-------------------|-------------------|
| Avg. response time to emergency calls (minutes) | 2:47 | 2:43 | 2:42 | 2:44 |
| 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% | 92% | 92% | 92% |
| Number of anti-terrorist Patrol checks | 3,558 | 1,769 | 1,693 | 1,600 |
| Number of accidents involving school children at intersections staffed by Crossing Guards | 0 | 0 | 0 | 0 |
| Parent Drug Awareness presentations | 12 | 9 | 9 | 9 |
| Character Counts Presentations: schools/students (DARE from 2009 to June 2011) | 12/793 | 11/843 | 12/770 | 11/774 |
| Community presentations | 268 | 232 | 235 | 225 |
| Number of vehicle citations issued | 11,891 | 7,537 | 6,901 | 7,100 |
| Number of arrests reported to FBI (all crimes) | 3,231 | 2,334 | 2,097 | 2,200 |

| Personnel Allotment of 135.5 FTE | | | | | | | |
|----------------------------------|----------|--------|----------|---------------------------|--------------|------------|-------------|
| Position | Auth FTE | Funded | Unfunded | Position | Auth FTE | Funded | Unfunded |
| Police Chief | 1 | 1 | | Secretary | 1 | | 1 |
| Police Commander | 3 | 3 | | Police Assistant | 1 | | 1 |
| Police Lieutenant | 4 | 4 | | Police Clerk II | 6 | 5 | 1 |
| Patrol Officer | 5 | 3 | 2 | Police Clerk Supervisor | 2 | 1 | 1 |
| Police Officer | 67 | 59 | 8 | Police Property Clerk | 1.5 | 1 | 0.5 |
| Police Sergeant | 13 | 13 | | Communications Dispatcher | 12 | 10 | 2 |
| Office Assistant II | 1 | 1 | | Communications Supervisor | 4 | 3 | 1 |
| | | | | Temporary Positions (FTE) | 14 | 14 | |
| TOTAL | | | | | 135.5 | 118 | 17.5 |

Staff Change(s): Delete two Police Captain positions from authorized positions. Unfund one Secretary, 2 Police Officer positions, 1 Police Clerk Supervisor, 1 Communications Dispatcher, and 1 Patrol Officer due to attrition.

| Expenditure Analysis | |
|-----------------------|---|
| Personnel Services | Decrease attributed to staff reduction. |
| Services and Supplies | Increase attributed to assuming funding of radio maintenance contract from Information Services Department. |
| Capital Outlay | Decrease attributed to less safety equipment needed. |



| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 13,391,978 | 12,693,872 | 14,250,492 | 13,623,856 |
| 4112 Temporary Salaries | 275,482 | 263,080 | 310,426 | 312,807 |
| 4113 Overtime | 691,611 | 722,009 | 703,283 | 592,283 |
| 4121 Allowances | 145,361 | 136,498 | 140,496 | 134,868 |
| 4124 Leave Cashout | 731,623 | 752,716 | 0 | 0 |
| 4131 PERS | 2,812,841 | 2,908,179 | 3,917,086 | 3,855,747 |
| 4132 Group Insurance | 1,613,179 | 1,729,205 | 1,985,448 | 1,916,580 |
| 4133 Medicare | 182,032 | 174,031 | 193,345 | 188,649 |
| 4135 Worker's Compensation | 268,976 | 346,373 | 575,377 | 555,651 |
| 4138 Deferred Comp-Employer | 4,299 | 4,517 | 4,500 | 3,600 |
| 4139 PARS | 3,850 | 3,512 | 4,395 | 4,431 |
| 4151 Compensation Reduction | 0 | 0 | (1,245,900) | (1,245,900) |
| 4161 Retiree Medical Reserve | 597,761 | 618,906 | 617,303 | 587,437 |
| sub-total | <u>20,718,995</u> | <u>20,352,898</u> | <u>21,456,251</u> | <u>20,530,009</u> |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4200 Community Promotions, Grants & Loans | 3,000 | 0 | 500 | 500 |
| 4211 Equip Replacement Amortization | 486,560 | 434,453 | 426,874 | 405,090 |
| 4220 Supplies | 130,074 | 157,575 | 143,521 | 143,521 |
| 4230 Services | 565,616 | 607,743 | 687,472 | 778,147 |
| 4410 Communications | 20,086 | 17,446 | 24,820 | 24,820 |
| 4501 Memberships and Dues | 3,195 | 3,070 | 3,339 | 3,339 |
| 4503 Training | 35,502 | 65,856 | 56,499 | 56,499 |
| sub-total | <u>1,244,034</u> | <u>1,286,142</u> | <u>1,343,025</u> | <u>1,411,916</u> |
| CAPITAL OUTLAY | | | | |
| 4850 Vehicles | 0 | 20,051 | 0 | 0 |
| 4870 Machinery & Equipment | 80,112 | 64,201 | 0 | 0 |
| 4920 Machinery Tools & Equipment | 107,825 | 42,778 | 84,712 | 60,000 |
| sub-total | <u>187,937</u> | <u>127,030</u> | <u>84,712</u> | <u>60,000</u> |
| TOTAL | <u><u>22,150,965</u></u> | <u><u>21,766,070</u></u> | <u><u>22,883,988</u></u> | <u><u>22,001,925</u></u> |

| | | |
|--------------------|-------------|-------------------------------------|
| DEPARTMENT: | Fire | FIRE CHIEF: Brian Sturdivant |
|--------------------|-------------|-------------------------------------|

Description: This department provides all-hazard full response, preparedness, and prevention services. The response and preparedness division handles emergency incidents, safety, training and para-medicine compliance. The Fire Prevention division handles fire plans and permits, hazardous materials regulation, inspections and investigations. The Office of Emergency Services handles disaster preparedness planning, response, mitigation and recovery initiatives.

Services

- **Administration:** Manages and directs command, administrative, operational, planning, and logistical aspects of the department.
- **Emergency Response:** Responds to and manages emergency incidents involving fires, medical and traumatic injuries, vehicle accidents, rescues, hazardous-materials releases and other risks affecting the health and welfare of those in the community. Personnel staff five apparatus at four fire stations strategically located for quick response throughout the City.
- **Safety, Training, & Para-medicine Compliance:** Provides safety programs to reduce the firefighter injury rate and risks. Operates drill grounds and training curricula to ensure readiness for all-risk response. Oversees compliance with paramedic and emergency medical technician licenses and certifications, state and local reporting and quality assurance requirements, and cooperative contracts with the ambulance service provider.
- **Disaster Preparedness:** Ensures citywide disaster readiness by performing Emergency Operations Center training and maintenance, Strategic Actions For Emergencies (SAFE) training, care-and-shelter cache maintenance, amateur radio operator support, and large-scale disaster planning in accordance with state, regional, and federal guidelines. Provides prevention-education for schools, businesses, citizen groups and community events in Milpitas. Also ensure 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 |
|--|------------------|--------------------------|---------------------|----------------------|--------------------------|
| 2011-2012 Accomplishments | | | | | |
| 1. Responded to 4075 emergency incidents with an average response time of 4.32 minutes. | x | x | | | x |
| 2. Certified 229 S.A.F.E.** Team members. | x | x | | | x |
| 3. Conducted 850 plan reviews, issued 900 approvals/permits and performed 1,200 inspections. * | x | | | x | x |
| 4. Presented prevention information at over 120 events. | x | x | | x | x |
| 2012-2013 Goals | | | | | |
| 1. Develop and maintain fractile response time of 5 minutes or less 90% of the time. | x | x | | | x |
| 2. Reduce firefighter injuries and support with the MFD Safety, Health and Wellness Program. | x | x | 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 | x |
| 5. Respond to 100% of prevention education requests. | x | x | | x | x |

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

| Performance Measures | Actual 2009-10 | Actual 2010-11 | Projected 2011-12 | Estimated 2012-13 |
|--|----------------|----------------|-------------------|-------------------|
| Calls for service & average response times (minutes) | 4,400/4.2 | 4,400/4.3 | 4,075/4.32 | 4,100/4.3 |
| Number of trained Disaster Service Workers in the City (new category for 2011) | 3.2/10 | 3.4/10 | 545 | 500 |
| Number of platoon training hours & personnel certified to serve at higher rank | 250/20 | 250/23 | 288/23 | 275/23 |
| Number of plan reviews/inspections | 1,047/4,400 | 900/4,000 | 850/1,2000 | 860/1,100 |
| Plan reviews/inspections meeting target turn-around times (90%) | 96% | 97% | 98% | 98% |
| Prevention information events | 90 | 80 | 120 | 100 |
| Property loss due to fire * | N/A | N/A | \$1,000,000 | \$1,000,000 |
| Property saved in response to a fire * | N/A | N/A | \$500,000 | \$500,000 |
| Fire-caused injuries/deaths * | N/A | N/A | 0 | 0 |
| Work-related injuries * | N/A | N/A | 5 | 5 |
| Structure fire flame spread * | N/A | N/A | 80% | 80% |
| Fire unit reliability * | N/A | N/A | 80% | 80% |
| Volunteer hours * | N/A | N/A | 500 | 500 |

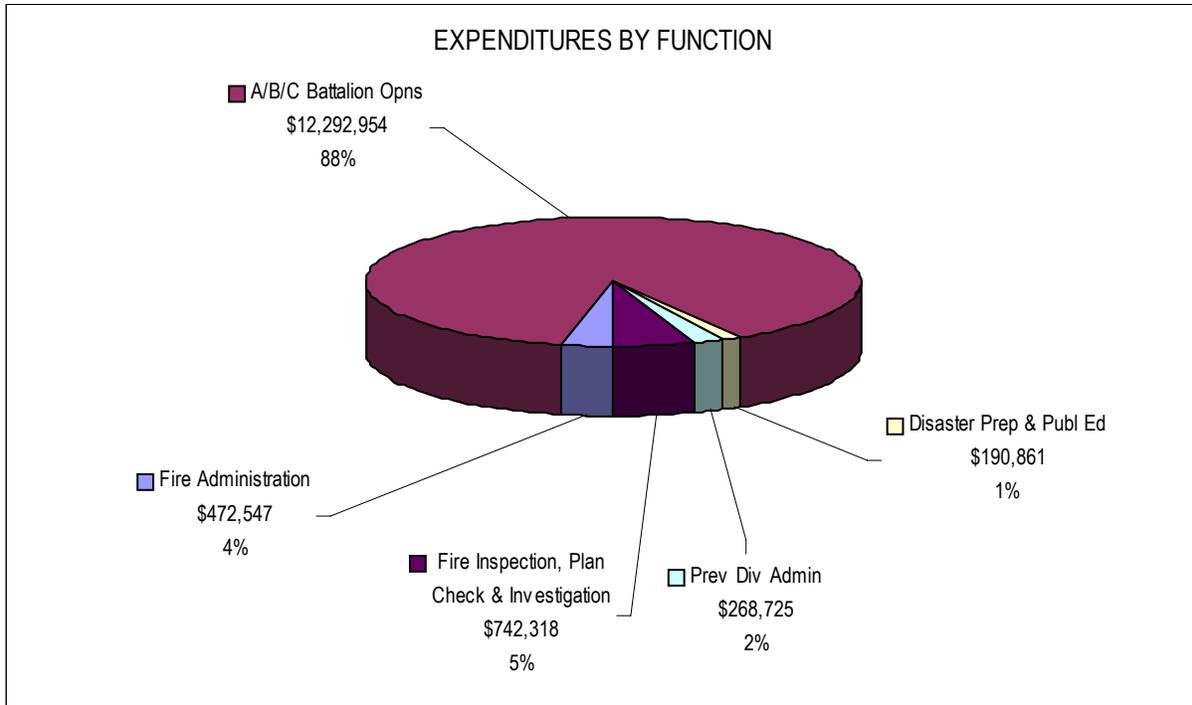
* New performance measures effective FY 11-12

| Personnel Allotment of 80.5 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 | 8 | 7 |
| Fire Marshal | 1 | 1 | | Firefighter | 12 | 12 | |
| Assistant Fire Marshal | 1 | | 1 | Firefighter/Paramedic | 12 | 12 | |
| Emerg Svcs Coordinator | 1 | 1 | | Fire Engineer/Paramedic | 6 | 6 | |
| Fire Battalion Chief | 4 | 4 | | Office Assistant II | 1 | | 1 |
| Fire Captain | 16 | 15 | 1 | Office Specialist | 1 | | 1 |
| Fire Prevention Inspector | 2 | 1 | 1 | Secretary | 1 | 1 | |
| Hazardous Materials Inspector | 3 | 1 | 2 | Temporary Position (FTE) | 0.5 | 0.5 | |
| TOTAL | | | | | 80.5 | 64.5 | 16 |

Staff Change(s): One Office Assistant and One Office Specialist were unfunded due to attrition.

Expenditure Analysis

| | |
|-----------------------|--|
| Personnel Services | Decrease attributed to staff reduction. |
| Services and Supplies | Decrease attributed to extension of vehicle amortization for fire engine replacements. |
| Capital Outlay | None |



| | Actual 2009-10 | Actual 2010-11 | Budget 2011-12 | Approved 2012-13 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| PERSONNEL SERVICES | | | | |
| 4111 Permanent Salaries | 7,653,965 | 7,599,092 | 8,544,614 | 8,380,877 |
| 4112 Temporary Salaries | 112,520 | 0 | 0 | 24,040 |
| 4113 Overtime | 1,037,122 | 1,534,293 | 700,000 | 464,100 |
| 4121 Allowances | 57,892 | 55,774 | 61,752 | 61,752 |
| 4124 Leave Cashout | 317,382 | 580,186 | 0 | 0 |
| 4131 PERS | 1,693,208 | 1,860,762 | 1,898,583 | 1,908,777 |
| 4132 Group Insurance | 939,840 | 1,000,254 | 1,149,144 | 1,135,128 |
| 4133 Medicare | 110,935 | 120,870 | 108,633 | 111,715 |
| 4135 Worker's Compensation | 179,282 | 228,047 | 375,726 | 373,646 |
| 4138 Deferred Comp-Employer | 37,340 | 37,149 | 40,200 | 41,161 |
| 4161 Retiree Medical Reserve | 387,953 | 391,793 | 390,411 | 382,940 |
| sub-total | <u>12,527,439</u> | <u>13,408,223</u> | <u>13,269,063</u> | <u>12,884,136</u> |
| SUPPLIES AND CONTRACTUAL SERVICES | | | | |
| 4200 Community Promotions, Grants & Loans | 0 | 1,493 | 0 | 0 |
| 4211 Equip Replacement Amortization | 1,035,701 | 946,075 | 874,403 | 605,307 |
| 4220 Supplies | 293,515 | 290,204 | 180,310 | 173,980 |
| 4230 Services | 354,755 | 258,049 | 192,750 | 228,180 |
| 4410 Communications | 2,269 | 1,666 | 1,600 | 1,600 |
| 4501 Memberships and Dues | 3,140 | 2,952 | 11,775 | 8,994 |
| 4503 Training | 32,422 | 85,309 | 65,738 | 65,208 |
| sub-total | <u>1,721,803</u> | <u>1,585,748</u> | <u>1,326,576</u> | <u>1,083,269</u> |
| CAPITAL OUTLAY | | | | |
| 4870 Machinery & Equipment | 14,640 | 38,815 | 0 | 0 |
| 4920 Machinery Tools & Equipment | 0 | 446 | 0 | 0 |
| sub-total | <u>14,640</u> | <u>39,261</u> | <u>0</u> | <u>0</u> |
| TOTAL | <u><u>14,263,881</u></u> | <u><u>15,033,232</u></u> | <u><u>14,595,639</u></u> | <u><u>13,967,405</u></u> |

| |
|--|
| DEPARTMENT: Non-Departmental |
|--|

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

Expenditure Analysis

Personnel Services: \$2,990,700 will fund vacation and leave cashouts, MOU contractual obligations, retiree medical benefits and unemployment benefits. Administration costs for the City's Public Agency Retirement System (PARS) program are included in this function.

Services and Supplies: \$8,272,000 is for Treatment Plant fees; \$2,770,000 is for gas, electric and water utilities; and \$11,865,000 is for water purchases. A total of \$45,000 is reflected in this function for citywide tuition reimbursement, computer training and personnel training. The City's insurance premium with ABAG is projected to be \$500,000 for the 2012-13 fiscal year.

Debt Service: \$688,000 is scheduled to pay the principal and interest due on the 2006 Certificates of Participation for the sewer system.

Equipment Replacement: \$32,012 is for equipment replacement from monies that are available in the Equipment and Information Technology Replacement Funds.

| | 100 General Fund | 102 Measure I TOT | 211/237 H-H Lease CFD | 250 HCD Fund |
|--|------------------------|-------------------------|-----------------------------|--------------------|
| PERSONNEL SERVICES | | | | |
| 4124 Leave Cashout | 570,000 | 0 | 0 | 0 |
| 4132 Group Insurance | 0 | 0 | 0 | 0 |
| 4136 Unemployment | 103,200 | 0 | 0 | 0 |
| 4137 MOU Contractual Agreements | 570,800 | 0 | 0 | 0 |
| 4139 PARS | 6,200 | 0 | 0 | 0 |
| 4161 Retiree Medical Reserve | 1,393,600 | 0 | 0 | 0 |
| sub-total | <u>2,643,800</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| SUPPLIES & CONTRACTUAL SERVICES | | | | |
| 4209 Miscellaneous Loans | 0 | 0 | 0 | 0 |
| 4237 Contractual Services | 39,800 | 0 | 7,000 | 0 |
| 4239 Audit Fees | 63,000 | 0 | 0 | 6,000 |
| 4241 Repair & Maintenance | 0 | 0 | 0 | 0 |
| 4242 Rents & Leases | 0 | 0 | 29,000 | 0 |
| 4253 ABAG Attorney's Fees | 22,000 | 0 | 0 | 0 |
| 4254 ABAG Settlements | 50,000 | 0 | 0 | 0 |
| 4421 Utilities-Gas | 230,000 | 0 | 0 | 0 |
| 4422 Utilities-Electric | 1,196,000 | 30,000 | 0 | 0 |
| 4423 Utilities-Water | 569,600 | 10,000 | 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 | 13,000 | 0 | 0 | 0 |
| 4509 Tuition Reimbursement | 25,900 | 0 | 0 | 0 |
| 4600 Insurance & Settlements | 353,000 | 0 | 0 | 0 |
| 4610 Uncollectible Accounts | 22,000 | 0 | 0 | 0 |
| 4640 Contingent Reserve | 342,000 | 0 | 0 | 0 |
| sub-total | <u>2,926,300</u> | <u>40,000</u> | <u>36,000</u> | <u>6,000</u> |
| DEBT SERVICE | | | | |
| 4701 Retirement of Principal | 0 | 0 | 0 | 0 |
| 4711 Interest Expense | 0 | 0 | 0 | 0 |
| sub-total | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| CAPITAL OUTLAY | | | | |
| 4850 Vehicles | 0 | 0 | 0 | 0 |
| sub-total | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL | <u>5,570,100</u> | <u>40,000</u> | <u>36,000</u> | <u>6,000</u> |

Non-Departmental

| 280 Solid Waste Fund | 295 Housing Authority | 310 Street Fund | 400 Water Fund | 450 Sewer Fund | 500 Equipment Replacement | Approved 2012-13 |
|----------------------------|-----------------------------|-----------------------|----------------------|----------------------|---------------------------------|---------------------|
| 0 | 0 | 0 | 18,000 | 12,000 | 0 | 600,000 |
| 0 | 0 | 0 | 1,900 | 1,300 | 0 | 3,200 |
| 0 | 0 | 0 | 9,600 | 7,200 | 0 | 120,000 |
| 0 | 0 | 0 | 53,000 | 35,700 | 0 | 659,500 |
| 0 | 0 | 0 | 900 | 900 | 0 | 8,000 |
| 0 | 0 | 0 | 129,600 | 76,800 | 0 | 1,600,000 |
| 0 | 0 | 0 | 213,000 | 133,900 | 0 | 2,990,700 |
| 0 | 49,838 | 0 | 0 | 0 | 0 | 49,838 |
| 0 | 308,500 | 400 | 4,400 | 9,400 | 0 | 369,500 |
| 0 | 2,000 | 8,000 | 10,000 | 10,000 | 0 | 99,000 |
| 0 | 5,000 | 0 | 0 | 0 | 0 | 5,000 |
| 0 | 0 | 0 | 0 | 0 | 0 | 29,000 |
| 0 | 0 | 0 | 8,000 | 30,000 | 0 | 60,000 |
| 0 | 0 | 0 | 20,000 | 70,000 | 0 | 140,000 |
| 2,500 | 0 | 0 | 10,000 | 7,500 | 0 | 250,000 |
| 18,400 | 0 | 0 | 460,000 | 165,600 | 0 | 1,870,000 |
| 6,400 | 0 | 0 | 57,600 | 6,400 | 0 | 650,000 |
| 0 | 0 | 0 | 9,000,000 | 0 | 0 | 9,000,000 |
| 0 | 0 | 0 | 2,453,000 | 0 | 0 | 2,453,000 |
| 0 | 0 | 0 | 412,000 | 0 | 0 | 412,000 |
| 0 | 0 | 0 | 0 | 3,600,000 | 0 | 3,600,000 |
| 0 | 0 | 0 | 0 | 4,672,000 | 0 | 4,672,000 |
| 0 | 0 | 0 | 1,000 | 1,000 | 0 | 15,000 |
| 0 | 0 | 0 | 2,700 | 1,400 | 0 | 30,000 |
| 0 | 0 | 0 | 27,000 | 82,000 | 38,000 | 500,000 |
| 0 | 0 | 0 | 53,000 | 53,000 | 0 | 128,000 |
| 0 | 0 | 0 | 0 | 0 | 0 | 342,000 |
| 27,300 | 365,338 | 8,400 | 12,518,700 | 8,708,300 | 38,000 | 24,674,338 |
| 0 | 0 | 0 | 0 | 395,000 | 0 | 395,000 |
| 0 | 0 | 0 | 0 | 293,000 | 0 | 293,000 |
| 0 | 0 | 0 | 0 | 688,000 | 0 | 688,000 |
| 0 | 0 | 0 | 0 | 0 | 32,012 | 32,012 |
| 0 | 0 | 0 | 0 | 0 | 32,012 | 32,012 |
| <u>27,300</u> | <u>365,338</u> | <u>8,400</u> | <u>12,731,700</u> | <u>9,530,200</u> | <u>70,012</u> | <u>28,385,050</u> |

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City of Milpitas
2012-17 CAPITAL IMPROVEMENT PROGRAM
GRAND SUMMARY

| Project Expenses | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Total |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Community Improvement | 0 | 2,825,000 | 500,000 | 125,000 | 1,000,000 | 4,450,000 |
| Park Improvement | 750,000 | 2,250,000 | 4,600,000 | 3,400,000 | 7,400,000 | 18,400,000 |
| Streets | 1,860,000 | 3,134,000 | 2,384,000 | 2,000,000 | 2,200,000 | 11,578,000 |
| Water | 2,775,000 | 3,775,000 | 9,305,000 | 7,695,000 | 4,000,000 | 27,550,000 |
| Sewer Improvement | 6,550,000 | 1,000,000 | 1,100,000 | 1,250,000 | 2,600,000 | 12,500,000 |
| Storm Drain Improvement | 550,000 | 600,000 | 2,900,000 | 1,750,000 | 3,180,000 | 8,980,000 |
| Total | 12,485,000 | 13,584,000 | 20,789,000 | 16,220,000 | 20,380,000 | 83,458,000 |

| Finance Sources | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Total |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Gas Tax Fund | 1,453,000 | 1,256,800 | 1,116,800 | 1,000,000 | 1,150,000 | 5,976,600 |
| Developer Contributions | 150,000 | 0 | 0 | 0 | 0 | 150,000 |
| General Fund | 0 | 0 | 0 | 0 | 220,000 | 220,000 |
| Grants/Reimbursement/Developer Fee | 0 | 227,200 | 117,200 | 0 | 0 | 344,400 |
| Park Fund | 750,000 | 1,950,000 | 3,400,000 | 0 | 400,000 | 6,500,000 |
| Sewer Fund | 4,050,000 | 0 | 100,000 | 250,000 | 100,000 | 4,500,000 |
| Sewer Infrastructure Fund | 0 | 1,000,000 | 1,000,000 | 1,000,000 | 2,500,000 | 5,500,000 |
| Street Fund | 60,000 | 0 | 0 | 0 | 50,000 | 110,000 |
| Water Fund | 2,775,000 | 1,550,000 | 1,105,000 | 1,625,000 | 1,500,000 | 8,555,000 |
| Water Line Extension Fund | 0 | 1,225,000 | 1,000,000 | 1,070,000 | 0 | 3,295,000 |
| Storm Drain Fund | 400,000 | 600,000 | 0 | 250,000 | 100,000 | 1,350,000 |
| Equipment Replacement Fund | 0 | 125,000 | 0 | 125,000 | 0 | 250,000 |
| Unidentified Funding | 0 | 3,300,000 | 5,300,000 | 6,900,000 | 12,360,000 | 27,860,000 |
| Traffic Impact Fees | 0 | 350,000 | 150,000 | 0 | 0 | 500,000 |
| TASP Impact Fees | 2,500,000 | 1,000,000 | 6,500,000 | 3,000,000 | 1,000,000 | 14,000,000 |
| Transient Occupancy Tax (TOT) | 0 | 600,000 | 600,000 | 600,000 | 600,000 | 2,400,000 |
| Vehicle Licensing Fee | 347,000 | 400,000 | 400,000 | 400,000 | 400,000 | 1,947,000 |
| Total | 12,485,000 | 13,584,000 | 20,789,000 | 16,220,000 | 20,380,000 | 83,458,000 |

PARK IMPROVEMENT PROJECTS

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

Project Number-Name

Description

5095-Park Renovation Project 2013

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.

5096-Pinewood Park Picnic Renovation

Provides for the design and construction of renovation improvements for various elements at Pinewood Park. Improvements will include large picnic area and perimeter landscaping, ADA compliance assessment and improvements, drainage, lighting, walkways, irrigation, and related improvements.

PARK IMPROVEMENT PROJECTS

| <u>NUMBER</u> | <u>PROJECT TITLE</u> | <u>APPROVED</u> |
|-----------------------------|-----------------------------------|-------------------|
| 321-5095 | * Park Renovation Project 2013 | \$ 400,000 |
| 321-5096 | * Pinewood Park Picnic Renovation | <u>350,000</u> |
| | TOTAL COST | <u>\$ 750,000</u> |
| | | |
| AVAILABLE FINANCING SOURCE: | | |
| | | |
| | Park Fund | \$ <u>750,000</u> |
| | | |
| | TOTAL AVAILABLE | <u>\$ 750,000</u> |

NOTE: Asterisk (*) indicates new projects.

STREET IMPROVEMENT PROJECTS

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

Project Number-Name

Description

4266-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.

4268-Street Resurfacing Project 2013

Provides for a variety of pavement resurfacing treatments, from slurry seal to major rehabilitation and reconstruction. Streets are selected for improvements based on the City's Pavement Management System.

4269-Traffic Management Enhancement 2013

Provides for the upgrade and deployment of traffic management equipment used to monitor and control the City's roadway network. Typical improvements include the deployment of traffic signal control equipment and upgrades to the traffic operations center's video monitoring equipment.

STREET IMPROVEMENT PROJECTS

| <u>NUMBER</u> | <u>PROJECT TITLE</u> | <u>APPROVED</u> |
|---------------|--|---------------------|
| 311-4266 | Street Light Improvements | \$ 400,000 |
| 311-4268 | Street Resurfacing Project 2013 | 1,400,000 |
| 311-4269 | * Traffic Management Enhancements 2013 | <u>60,000</u> |
| | TOTAL COST | <u>\$ 1,860,000</u> |

AVAILABLE FINANCING SOURCE

| | |
|-----------------------|---------------------|
| Street Fund | \$ 60,000 |
| Gas Tax Fund | 1,453,000 |
| Vehicle Licensing Fee | <u>347,000</u> |
| TOTAL AVAILABLE | <u>\$ 1,860,000</u> |

NOTE: Asterisk (*) indicates new projects.

WATER IMPROVEMENT PROJECTS

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

Project Number-Name

Description

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.

7102-Ayer Reservoir & Pump Station Improvements

Provides for several improvements to the Ayer Reservoir and Pump Station located behind the Milpitas Sports Center. The overflow structure has settled needs to be replumbed to the sanitary sewer system. Scope also includes replacement or upgrades to the electric pumps, control systems, and various seismic upgrades.

7112-Reservoir Cleaning

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

7115-Cathodic Protection Improvements

This project provides an evaluation study and installation of corrosion monitoring station and recommendations for retrofit or anode replacement. The project will also provide for upgrades of deficiencies defined in the evaluation study.

7116-Minor Water Projects 2013

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

WATER IMPROVEMENT PROJECTS

| <u>NUMBER</u> | <u>PROJECT TITLE</u> | <u>APPROVED</u> |
|---------------|--|---------------------|
| 401-7100 | Water System Seismic Improvements | \$ 2,000,000 |
| 401-7102 | Ayer Reservoir & Pump Station Improvements | 150,000 |
| 401-7112 | Reservoir Cleaning | 100,000 |
| 401-7115 * | Cathodic Protection Improvements | 375,000 |
| 401-7116 * | Minor Water Projects 201 | 150,000 |
| | TOTAL COST | <u>\$ 2,775,000</u> |

AVAILABLE FINANCING SOURCE:

| | |
|-----------------|---------------------|
| Water Fund | \$ <u>2,775,000</u> |
| TOTAL AVAILABLE | <u>\$ 2,775,000</u> |

NOTE: Asterisk (*) indicates new projects.

SEWER IMPROVEMENT PROJECTS

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

Project Number-Name

Description

6110-Sewer System Hydraulic Modeling

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

6116-Sewer System Replacement 2013

Provides for the replacement of the highest priority facilities, including upgrades to the Sewer Pump Stations, and seismic retrofit work. The replacement prioritization is based on several factors including age, type of pipe material, soil conditions and physical evaluation based on video camera observations.

6117-TASP Sewer Line Replacement

This project constructs sewer pipeline upgrade projects 11A through 11D as described in the 2009 Sewer Master Plan. 11A through 11D covers the Transit Area Specific Plan area of South Main, Great Mall Parkway and Montague Expressway. Construction of these sewer pipeline upgrades provide sufficient capacity for planned development.

SEWER IMPROVEMENT PROJECTS

| <u>NUMBER</u> | <u>PROJECT TITLE</u> | <u>APPROVED</u> |
|---------------|---------------------------------|----------------------------|
| 451-6110 | Sewer System Hydraulic Modeling | \$ 50,000 |
| 451-6116 * | Sewer System Replacement 2013 | 1,500,000 |
| 451-6117 * | TASP Sewer Line Replacement | <u>5,000,000</u> |
| | TOTAL COST | \$ <u><u>6,550,000</u></u> |

AVAILABLE FINANCING SOURCE:

| | |
|------------------------------|----------------------------|
| Sewer Fund | \$ 4,050,000 |
| Transit Area Impact Fee Fund | \$ <u>2,500,000</u> |
| TOTAL AVAILABLE | \$ <u><u>6,550,000</u></u> |

NOTE: Asterisk (*) indicates new projects.

STORM DRAIN IMPROVEMENT PROJECTS

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

Project Number-Name

Description

3700-Storm Drain System Deficiency Program

This project involves the design and construction of storm drain pipeline at various locations, primarily due to insufficient capacity and aging infrastructure. In some locations, the existing storm drain pipe will be removed and replaced with larger pipe. In other locations, a second parallel pipe will be installed depending conditions of the existing pipe and space constraints with other utilities. Work scope also includes pump station rehabilitation work to electrical and mechanical systems.

3708-Transit Area Storm Drainage Plan

This project includes preparation of a Master Grading and storm Drainage Plan for the Transit Area. A Master Grading and Storm Drainage Plan is required by the Transit Area EIR prior to the development in this drainage basin.

STORM DRAIN IMPROVEMENT PROJECTS

| <u>NUMBER</u> | <u>PROJECT TITLE</u> | <u>APPROVED</u> |
|---------------|---------------------------------------|-------------------|
| 341-3700 | Storm Drain System Deficiency Program | \$ 400,000 |
| 341-3708 * | Transit Area Storm Drainage Plan | <u>150,000</u> |
| | TOTAL COST | <u>\$ 550,000</u> |

AVAILABLE FINANCING SOURCE:

| | |
|------------------------|-------------------|
| Developer Contribution | \$ 150,000 |
| Storm Drain Fund | <u>400,000</u> |
| TOTAL AVAILABLE | <u>\$ 550,000</u> |

NOTE: Asterisk (*) indicates new projects.

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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, 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 the City 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 adopts an annual Operating Budget and Financial Plan on or before June 30th each year. The City follows 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.
- A final budget document which summarizes the adopted budget is formally enacted, within 90 days, by resolution of the City Council.
- 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.

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 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 12-13 Budget. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 12-13 can be found on pages 98-99 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 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. This fund is inactive as of 1/31/2012 due to Assembly Bill 1X26.
- **Housing Authority Fund** - was established to allow the City to aggressively plan and address aging of the Milpitas housing stock, limited amount of land, high costs of housing, continuous overcrowding and potential increase in unsanitary conditions. The establishment of a Housing Authority allows the City to improve the quality of life and standard of living for a substantial number of its residents.

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. This fund is inactive as of 1/31/2012 due to Assembly Bill 1X26.
- **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.
- **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 two 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 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 Finance Department 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 Finance Department 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 | 312 | Traffic Impact Fees |
| 100 | General | 320 | Park Improvement |
| 102 | Measure I TOT | 321 | Park Improvement CIP |
| 104 | Cable Rebate | 322 | Midtown Park Fee |
| 105 | Abandoned Vehicle Abatement | 330 | General Government |
| 120 | Browning Ferris Holding | 331 | General Government CIP |
| 130 | Private Job Developer Deposits | 340 | Storm Drain Development |
| 140 | Housing Activities | 341 | Storm Drain CIP |
| 150 | Redevelopment Activities | 350 | Transit Area Impact Fee |
| 160 | 1432-1446 S.Main Street Properties | 351 | Transit Area CIP |
| | | 390 | Redevelopment Project |
| | | 391 | Redevelopment CIP |
| 200 | Special Revenue Funds | 392 | 1997 RDA Tax Allocation Bonds CIP |
| 211 | Hetchy-Hetchy Ground Lease | 395 | 2003 RDA Tax Allocation Bonds CIP |
| 212 | Public Art-Restricted | | |
| 213 | Public Art-Nonrestricted | | |
| 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 | 450 | Sewer Maintenance and Operation |
| 262 | State Asset Seizure | 451 | Sewer CIP |
| 263 | Federal Asset Seizure | 452 | Treatment Plant Construction |
| 267 | Justice Assistance Grant | 453 | Sewer 2006 COPS |
| 280 | Solid Waste Services | 455 | Sewer Infrastructure Replacement |
| 290 | Housing Reserve | | |
| 295 | Housing Authority | 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 | | |

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

List of Departments/Divisions/Functions

1 City Manager

- 10 City Council
 - 100 City Council
- 11 City Manager
 - 111 City Manager
 - 114 City Clerk

2 City Attorney

- 12 City Attorney
 - 120 City Attorney

11 Information Services

- 14 Information Services
 - 112 Information Services

13 Building and Safety

- 53 Building and Safety
 - 531 Building Inspection Services
 - 532 Plan Checking
 - 533 Building Administration
 - 534 Permit Center
 - 535 Public Work Inspection Services

6 Human Resources and Recreation Services

- 15 Human Resources
 - 115 Human Resources
- 45 Recreation
 - 161 Recreation Administration
 - 162 Senior Citizen Services
 - 163 Preschool
 - 164 Youth Program
 - 166 Teens
 - 167 Special Events
 - 168 Cultural Arts
 - 169 Rainbow Theatre
 - 170 General Classes
 - 171 Aquatics
 - 172 Sports and Fitness Classes
 - 173 Adult Sports
 - 174 Volunteer Services

3 Finance

- 30 Finance Administration
 - 300 Finance Administration
- 31 Finance Operations
 - 310 Finance Operations

4 Public Works

- 42 Public Works
 - 400 Public Works Administration
 - 421 Street Maintenance
 - 423 Utility Maintenance
 - 424 Park Maintenance
 - 425 Trees & Landscape Maintenance
 - 426 Fleet Maintenance
 - 427 Facilities Maintenance
- 41 Engineering
 - 411 Engineering Administration
 - 412 Design and Construction
 - 413 Land Development
 - 415 Traffic Engineering
 - 416 Utility Engineering

5 Planning and Neighborhood Services

- 51 Planning and Neighborhood Services
 - 512 Planning
 - 551 Neighborhood Services

7 Police

- 70 Police Administration
 - 700 Police Administration
- 71 Support Services Bureau/Technical
 - 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
 - 714 Community Relations/Youth
 - 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
- 94 Economic Development Corporation
 - 941 EDC Administration
 - 942 1432-1446 S. Main
- 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
 - 3686 Planning Plan Check Fees
 - 3687 Animal Control Services Fees

370 Miscellaneous Revenue

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

- 3730 Recycling
 - 3730 Recycling
- 3740 Reimbursements
 - 3741 Repayment
 - 3742 Principal
 - 3743 Interest Income
 - 3744 Advance-Principal Repayment
 - 3745 Advance-Interest Earnings
 - 3746 HazMat Incidents
- 3750 Donations
 - 3750 Donations
- 3760 Developer Contribution
 - 3760 Developer Contribution
- 3770 Sale of Property, Plant and Equipment
 - 3770 Sale of Property, Plant & Equipment
 - 3771 Fire Safe Program
 - 3772 Police Abandon Properties
- 3790 Miscellaneous Revenue
 - 3791 Cash Over/(Short)
 - 3792 Clearing, Various
 - 3799 Miscellaneous Other Revenue

List of Expenditures

410 Personnel Services

- 4110 Wages
 - 4111 Permanent
 - 4112 Temporary
 - 4113 Overtime
- 4120 Allowances/Leaves
 - 4121 Allowances
 - 4124 Leave Cashout
 - 4125 Accrued Leave
- 4130 Benefits
 - 4131 PERS
 - 4132 Group Insurance
 - 4133 Medicare
 - 4135 Workers' Compensation
 - 4136 Unemployment
 - 4137 MOU Contractual Agreements
 - 4138 Deferred Compensation
 - 4139 PARS
- 4140 Adjustments-Payroll
 - 4141 Payroll Adjustment
 - 4142 Vacancy Factor
 - 4143 Charged to CIPs
 - 4144 Reduced Funding
 - 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 |
| PAR | Performance Appraisal Report | TOT | Transient Occupancy Tax |
| PC | Planning Commission | UBC | Uniform Building Code |
| PCR | Police Community Relations | UCR | Uniform Crime Reports |
| PERS | Public Employees Retirement System | UFC | Uniform Fire Code |
| PLAN | Pooled Liability Assurance Network | VLF | Vehicle License Fee |
| POST | Peace Officers Standards and Training | VTA | Valley Transportation Authority |
| PPO | Preferred Provider Organization | WMD | Weapons of Mass Destruction |
| PRCRC | Parks, Recreation and Cultural Resour Com | WPCP | Water Pollution Control Plant |
| PRV | Pressure Reducing Valves | YBA | Youth Basketball Association |
| PUC | Public Utility Commission | YSB | Youth Service Bureau |
| RAP | Recreation Assistance Program | YTD | Year to Date |
| R & D | Research and Development | | |
| RDA | Redevelopment Agency | | |
| RFP | Request for Proposal | | |
| RMS | Records Management System | | |
| RWQCB | Regional Water Quality Control Board | | |
| SAFE | Strategic Actions For Emergencies | | |
| SBDC | Small Business Development Center | | |
| SBWRP | South Bay Water Recycling Program | | |

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. A CAFR is compiled by a state, municipal or other governmental accounting staff and audited by an external American Institute of Certified Public Accountants (AICPA) certified accounting firm utilizing Governmental Accounting Standards Board (GASB) requirements. It is composed of three sections: Introductory, Financial and Statistical. It combines the financial information of fund accounting and Enterprise Authorities accounting.

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.

Fiduciary Fund — The term is used when a governmental unit acts in a fiduciary capacity such as a trustee or agent. The government unit is responsible for handling the assets placed under its control.

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.

Generally Accepted Accounting Principles (GAAP) — The standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as **Accounting Standards**. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing, and in the preparation of financial statement.

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 \$0.08375 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.

Unassigned Unrestricted Fund Balance — Available expendable financial resources in a governmental fund that are not the object of tentative management plans.

Working Capital — Working Capital is a financial metric which represents operating liquidity available to a business, organization, or other entity, including governmental entity. Along with fixed assets such as plant and equipment, working capital is considered a part of operating capital.

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

Index

A

| | |
|--|-----|
| Abbreviations and Acronyms | 203 |
| Authorized Positions by Division | 50 |

B

| | |
|--|-----|
| Budget and Budgetary Accounting | 175 |
| Budget Guidelines | 19 |
| Budget Message | 1 |
| Budget Preparation Process and Timeline | 22 |
| Budget Summary | 54 |
| Building and Safety | 119 |
| Building and Safety Summary | 121 |
| Building Permits, Comparison with Other Jurisdictions | 85 |

C

| | |
|---|-----|
| Capital Budget Summary | 163 |
| City Attorney | 115 |
| City Attorney Summary | 117 |
| City Clerk | 111 |
| City Clerk Summary | 113 |
| City Council | 103 |
| City Council Summary | 105 |
| City Council, Board and Commissions | 44 |
| City History | 37 |
| City Manager | 107 |
| City Manager Summary | 109 |
| Computation of Legal Bonded Debt Margin | 49 |

D

| | |
|------------------------------------|----|
| Demographic Profile | 38 |
| Directory of Officials | 47 |
| Distribution of Expenditures | 57 |
| Distribution of Revenues | 57 |

E

| | |
|--|-----|
| Engineering | 143 |
| Engineering Summary | 145 |
| Expenditure Descriptions | 186 |
| Expenditures by Function by Fund | 96 |
| Expenditures by Fund (Detail) | 92 |
| Expenditures by Fund (Summary) | 91 |

F

| | |
|-----------------------|-----|
| Finance | 135 |
| Finance Summary | 137 |
| Fire | 155 |

| | |
|--|-----|
| Fire Summary | 157 |
| Fiscal Policies | 27 |
| Fiscal Year 2013-14 through Fiscal Year 2017-18 | 17 |
| Franchise Fees, Comparison with Other Jurisdictions | 89 |
| Fund Descriptions | 180 |
| Funded Permanent Positions by Department .. | 51 |

G

| | |
|--|-----|
| Gann Limit Analysis | 48 |
| General Fund Revenue Assumptions | 59 |
| Glossary of Terms | 205 |

H

| | |
|---|-----|
| History of "Other" Tax Revenue | 87 |
| History of Building Permit | 81 |
| History of Intergovernmental Revenue | 87 |
| History of Property Tax Revenue | 75 |
| History of Sales Tax Revenue | 81 |
| History of Transient Occupancy Tax Revenue .. | 75 |
| Human Resources | 127 |
| Human Resources Summary | 129 |

I

| | |
|---|-----|
| Information Services | 123 |
| Information Services Summary | 125 |
| Internal Cost Allocation by Fund Schedule | 98 |

J

| | |
|--|----|
| Joint Resolution Adopting the Final Budget | 33 |
|--|----|

L

| | |
|---|-----|
| List of Departments/Divisions/Functions | 195 |
| List of Expenditures | 201 |
| List of Funds | 193 |
| List of Revenues | 197 |

N

| | |
|------------------------|-----|
| Non-Departmental | 159 |
|------------------------|-----|

O

| | |
|-------------------------------------|-----|
| Operating Transfers Statement | 100 |
|-------------------------------------|-----|

P

Park Improvement Projects 164
Planning & Neighborhood Svcs 147
Planning & Neighborhood Svcs Summary ... 149
Police 151
Police Summary 153
Property Tax, Comparison
 with Other Jurisdictions 77
Public Works 139
Public Works Summary 141

R

Recreation 131
Recreation Summary 133
Resolution Adopting the Appropriations Limit .. 31
Resolution Classification Plan Amendment ... 35
Revenue Descriptions 183
Revenues by Fund (Detail) 63
Revenues by Fund (Summary) 61

S

Sales Tax, Comparison with Other Jurisdictions 83
Sewer Improvement Projects 170
Storm Drain Improvement Projects 172
Street Improvement Projects 166

V

Vicinity Map 43

W

Water Improvement Projects 168