



2015-2016 Budget & Financial Plan

FINAL BUDGET

Midtown Development Projects



Centria



Terra Serena Luna



Milpitas Library



North Main Street

City of Milpitas

CALIFORNIA



2015-2016 Final Budget

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City of Milpitas

“Vision, Values and Goals”

- *We promote an enthusiastic partnership with the community, elected officials and city employees to achieve our vision.*
- *We care about those served.*
- *We pursue excellence.*
- *We encourage creativity and innovation.*

Our Values

- *Respect for our Customers*
- *Integrity*
- *Excellence*
- *“Can Do” Attitude*
- *Innovation*
- *Ethical Behavior*
- *Accountability*
- *Open, Honest Communication*
- *Community Trust*
- *Diversity*
- *Teamwork*
- *Fiscal Responsibility*

Our Goals

- *To be committed to quality customer services.*
- *To ensure and enhance the quality of life in our community.*
- *To invest in our employees.*
- *To be fiscally responsible.*

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CITY OF MILPITAS

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July 27, 2015

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 2015-2016. This budget includes the City's operating and capital improvement budget and the City's water and sewer utility operations. The Fiscal Year 2015-16 ("FY 15-16") 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
- Implement 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
- Manage the dissolution of Redevelopment with the least impact possible to City service levels

The FY 15-16 Adopted Budget presents a balanced General Fund budget without the use of any reserves. In developing the FY 15-16 budget, it should be noted that the City's financial condition has improved substantially since the Great Recession that began in 2008. In 2012, the City's budget was further impacted by the dissolution of the Redevelopment Agency that led to the loss of funding for many major infrastructure, economic development and affordable housing projects. In addition, the City lost approximately \$7 million operating cost reimbursements annually allocated from the Milpitas Redevelopment Agency (RDA) to the General Fund.

The City weathered these economic challenges by reducing General Fund operating costs through employee concessions, attritions, layoffs, outsourcing, reorganization and restructuring of non-core programs. These cost cutting measures, albeit painful, have greatly stabilized the General Fund's financial conditions. The economic recovery in this region due to improved labor

markets and property values led to increased General Fund revenues played a significant role in balancing the City's FY 15-16 budget.

The primary focus of the FY 15-16 budget is to improve the City's core services by responsibly restoring staffing level while maximizing overall organizational efficiency and cost savings. Similar to many jurisdictions, the City is still faced with long-term fiscal challenges such as continued escalation of pension costs and medical insurance premium. In addition, as a result of the RDA's dissolution, reliable funding sources are needed for capital improvement projects to upgrade or rehabilitate the City's aging infrastructure.

The City's visions, values, and goals were last updated in 1993. In the last twenty years, much changes have occurred. The City has transformed itself from a suburban city to be a multi-cultured, diverse community with a broad base of businesses which includes high tech companies such as Cisco and KLA-Tencor, retail such as the Great Mall of the Bay Area which is the largest enclosed shopping mall in Northern California, and two major car dealerships, Honda and Toyota. While the City's population has increased significantly in the last two decades, staffing level has reduced in the last few years due to funding constraints. With all the changes that occurred in the last 20 years, the timing is appropriate to review and redefine the City's visions, values and goals. Staff began a strategic planning process in FY 2013-14 to establish Citywide objectives and strategies that will guide the departments' goals and work plans. The City engaged a consultant to assist staff to conduct the Strategic Planning in multiple phases. The four phases consists of (1) Getting started (2) Vision, Mission and Values (3) Strategic goals and objectives and (4) Work Plans, Implementation and Assessment. The community and the employees have been involved in defining City's vision, mission and values and staff is currently proceeding with phase (3) of the strategic planning process. It is expected that the project will be completed in FY 15-16.

In anticipation of the Bay Area Rapid Transit ("BART")'s extension of its transit system from the Warm Springs Station in Fremont, through the Milpitas Station to the Berryessa Station in San Jose, the City adopted a Transit Area Specific Plan ("TASP") in 2008. The Plan presents an opportunity to transform an older industrial area to higher intensity transit-oriented district with housing, office, retail, restaurants, hotels, and parks. The Plan will add more than 6,000 units of high density housing to support the large public investment in transit facilities. Shortly after the adoption of the TASP, the City also established a Transit Area Development Impact Fee and a Community Facilities District in the Transit Area to provide mechanisms to finance the infrastructure needed for development and to mitigate the on-going fiscal impact of high density residential development on public services. Initially, many development projects were on hold due to the economic recession and soft housing market. However, recent economic recovery and an improving housing market led to a heightened interest in housing development in the Transit Area. These development activities will be further discussed in the "Major Development Activities in the City" section.

One of the best business recruitment and retention strategies that the City embarked upon in recent years was to provide expedited building plan check and inspection services. In FY 14-15, the City Council approved re-establishment of the economic development function. In addition to retaining and expanding quality businesses, staff is actively developing regional partnerships to promote the City as an ideal place for investment. During the last year, the City was able to attract two new businesses, Consolidated Electrical Distributors and ePlus Technology, that chose to relocate and expand their corporate offices in Milpitas.

The initial projection for the FY 15-16 General Fund Budget indicated that revenues and other financing sources exceeded expenditures by \$716,000. During the budget process, various departments submitted requests to restore funding for positions that far exceeded the available resources. After much consideration and prioritization, staff recommended to the City council

during the Budget Study Session, funding for several positions that will enhance the City's core services and still fall within the available funding resources of \$716,000. The staffing changes will be discussed in the Budget Highlight section.

BUDGET HIGHLIGHT

The City experienced increases in property tax revenue, Transient Occupancy tax ("TOT") revenue, and plan check and building inspection revenue as the local economy continues its upward trajectory. Projection for property tax revenue is based on assessed value information provided by the County Assessor's office and expected number of housing units that will be added to the property tax roll. Projection for TOT revenue is based on hotel occupancy trends and consumer price index increase. Building permit and inspection revenues are based on the number of applications submitted by developers and anticipated building activities provided by Building staff. Staff projected that the General Fund revenues and other financing sources will increase about \$5.4 million or 7.5%, compared to the FY 14-15 original revenue projection but will be approximately \$2.1 million or 2.9% above the FY 14-15 revised revenue projection. The General Fund budget appropriation for FY 15-16 is \$76.6 million, approximately \$5.4 million higher than the FY 14-15 original budget. The increase is primarily due to increased employer's pension contribution and medical premium costs, restoration of employees' concession, salary enhancements for Public Safety groups, and increased funding for more full time and temporary employees.

In the FY 15-16 Adopted Budget, an additional 5.0 full time equivalent positions (FTEs) are funded (net of 6 funded FTEs and 1 defunded FTE). These additional positions are 1 Police Officer, 1 Fire Hazmat Inspector, 1 Recreation Assistant, 1 Fiscal Assistant, 1 Building Permit Technician and 1 Human Resources Analyst. The defunded FTE is a vacant System Administrator position in the Information Services Department that staff is proposing to re-allocate the position's funding to more urgently needed software and hardware upgrade citywide. All the additional positions are vital and necessary to perform front line or support services as the demand for City's service level increases due to growing population and intensified development and building activities. It should be noted that the Adopted Budget does not reflect all the positions requested by the departments. Due to funding constraints, the additional positions are funded based on priority.

The FY 15-16 Operating and Capital Budgets were prioritized to improve City's 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. Staff believes these priorities reflect the City Council's policy direction. Some significant highlights from the budget are described below:

- Balance the General Fund budget without using any reserves
- Meet the increased demand for public safety and development services by funding one additional Police Officer, one Fire Hazmat Inspector and one building technician
- Improve customer service and service delivery externally and internally by restoring funding for a Human Resources analyst, a Fiscal Services assistant and a Recreation Services Assistant
- 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 funded next year. The Street Resurfacing project will improve the attractiveness of the residential areas in addition to maintaining traffic and conditions of major roadways. Replacement of water pipelines and seismic improvements are needed

as some pipelines have experienced excessive corrosion which is causing frequent line breaks. The FY 15-16 Capital Improvement Program also includes funding for rehabilitation of the San Jose-Santa Clara Regional Wastewater Facility (“Facility”). The City of Milpitas pumps its sewage to the Facility for waste water treatment before it can be discharged into the San Francisco Bay. As a participating member, the City shares the operating and capital improvement costs of the Facility based on its capacity right. Due to the age of the Facility, a rehabilitation project to overhaul the Facility is vital in order to maintain the sewer infrastructure. Other capital improvement projects includes design and construction of sports fields at the Sport Center, rehabilitation of the Sport Center pools, renovation and restoration of the historic Alviso Adobe building and various City’s facilities improvements. The funding for these various projects amount to \$22.4 million next year.

- Research and evaluate water supply augmentation options to ensure that the City can achieve certain level of water source independence during drought and be prepared in the event of an emergency water outage
- Continue to work closely with the VTA to extend the BART system from the Warm Springs Station in Fremont, through the Milpitas station to the Berryessa Station in San Jose while minimizing impact of the works to the community
- Research and evaluate reliable funding resources needed for capital improvement projects to improve and rehabilitate the City’s aging infrastructure

BUDGET OVERVIEW

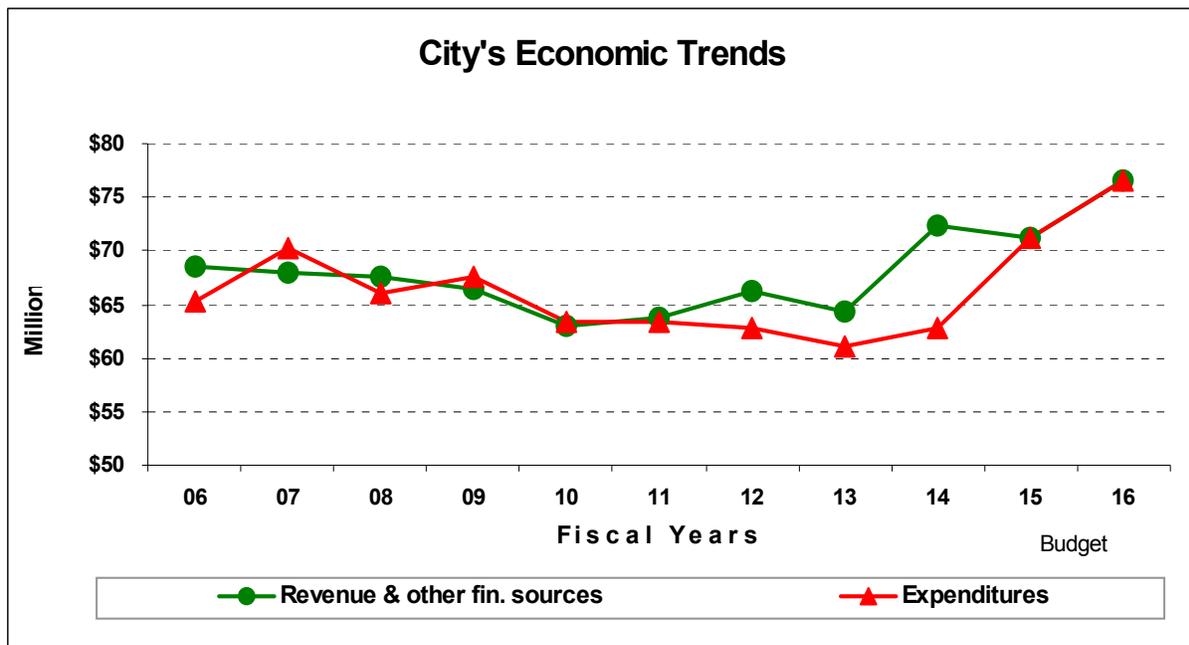
The total Adopted Budget for FY 2015-16 is \$136,928,456. This is a 14.3% increase from the FY 2014-15 Adopted Budget. Excluding the City’s FY 15-16 Capital Improvement Budget, the total operating budget is \$114,506,496, a 9.7% increase from last year. The total annual budget includes the City’s Water and Sewer Utility enterprise budgets of \$24,726,266 and \$16,202,546, respectively. It also includes the Housing Authority’s budget of \$958,093. The total annual budget for capital improvements for FY 15-16 is \$22,421,960. A separate Capital Improvement Program (“CIP”) budget document is produced annually that provides a detailed description of each project. The CIP document includes all projects for the budget year as well as profiling anticipated community needs over the subsequent four years. A summary of each project description and funding requirement for FY 15-16 can be found on pages 193 through 207 of this document.

The General Fund budget is \$76,593,808, an increase of 7.5% compared to FY 2014-15. Salaries and Benefits show an increase of 7.7% or \$4.4 million from last year due to increase in employer pension costs, medical premium costs, restoration of employees’ concessions, salary enhancements for Public Safety groups, and additional funding of FTEs as described in the Budget Highlight section. The anticipated increase of medical insurance premium is 8% in January 2016. The employer’s contribution percentages to the California Public Employee Retirement System (“CalPERS”) pension plans for FY 15-16 are 28.57% and 39.417% of payroll for the Miscellaneous Employees group and Public Safety Employees group respectively. It should be noted that as a result of negotiation and employees’ concession, various employee groups still contribute toward CalPERS for the employer’s portion that ranges from 3% to 7% of payroll. The non personnel budget for the General Fund in FY 15-16 increases 6.7% or \$927,000 compared to the FY 14-15 Adopted Budget. The increase is due to increases in equipment replacement amortization, utility charges for electricity and water, and contractual services related to increased development activities.

The adopted Water utility fund budget is \$24,726,266, an increase of \$4.3 million from last year due to operating and capital improvement project costs increase of \$3.1 million and \$1.2 million respectively. The increase in operating cost is primarily due to increased water purchase costs from outside agencies. The adopted capital improvement costs for water projects is \$4.0 million in FY 15-16.

The adopted Sewer utility fund budget is \$16,202,546, an increase of \$1.7 million from last year mainly due to an increase in capital improvement project costs. The City of Milpitas is a participating member of the San Jose-Santa Clara Regional Wastewater Facility and pays its share of the operating and capital improvement costs to the lead agency, City of San Jose, based on Milpitas' share of the capacity right. The contribution to the Facility for its operating and capital improvement costs constitutes about 66% of the Sewer Fund budget.

The following chart provides the historical trend of the General Fund revenues and expenditures from FY 05-06 through FY 13-14, along with the budget projections for FY 14-15 and FY15-16:



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 was severely impacted due to concentration of the high-tech industry, heavy reliance on exports, decline of home prices, and reduced consumer spending. Milpitas was similarly impacted because of its location and comparable economic mix. Post recession economic recovery in the last few years was moderate at best. However, in the last twelve months, the labor markets have improved such that this region has added more jobs than many other parts of California. Employment is nearing its pre-recession peak in the Silicon Valley. Growth in the South Bay housing market has also been an important contributor to the strength of the local economy. The lack of available homes continue to push home prices upward. Median home prices in certain parts of the Bay Area are hitting an all time high. 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 1,448 acres or 2.6 square miles of land area in the City limits designated for various industrial uses; about 113 acres are vacant and available in parcels ranging in size from 3 acres to 35 acres. Included in this acreage total are nine industrial districts and 438 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, restaurants, electronic equipment, and auto sales. The five largest manufacturing employers are Cisco Systems, Inc., KLA-Tencor Corporation, SanDisk Corporation, Linear Technology, and Flextronics. Several of these top employers including SanDisk Corporation and KLA-Tencor 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 includes construction of Centria West project for 366 condominium dwelling units. Other development newly completed includes 200 apartment units developed by Shea Homes.

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. Currently, there are over 1,500 housing units in the Transit Area that are under various stages of development.

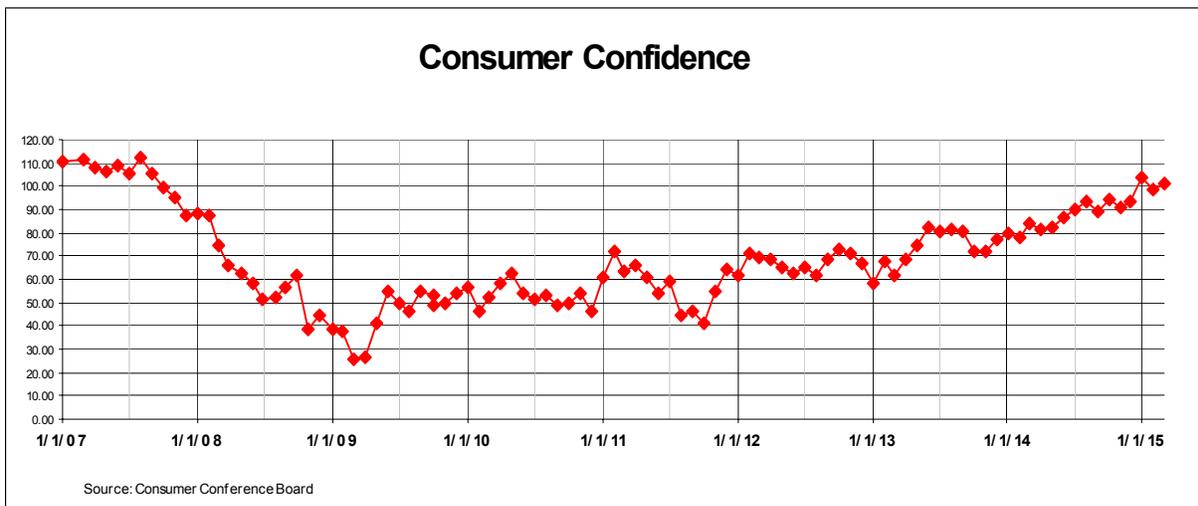
Residential Development – An improving economy and high median home prices led to a heightened interest in residential developments. Outside of the Midtown and Transit Area, there are several residential developments that are either under construction or completed and

occupied. These projects include Murphy Ranch Townhomes (285 townhomes), Robson Homes (83 units) and Orchid by D.R. Horton (80 single family detached units).

Non-residential Development – Major commercial construction includes expansion and tenant improvements at the Great Mall. In addition to adding several name brand outlet stores, the Great Mall also added Uniqlo, a Japanese casual wear retail store as an anchor store. Building permits were also issued to Consolidated Electrical Distributors and ePlus Technology which relocated their corporate offices from neighboring cities. In addition, building permit applications had been submitted by Springhill Suites Hotel and Holiday Inn Hotel for construction of two new hotels located at California Circle, with 124 and 128 hotel rooms respectively.

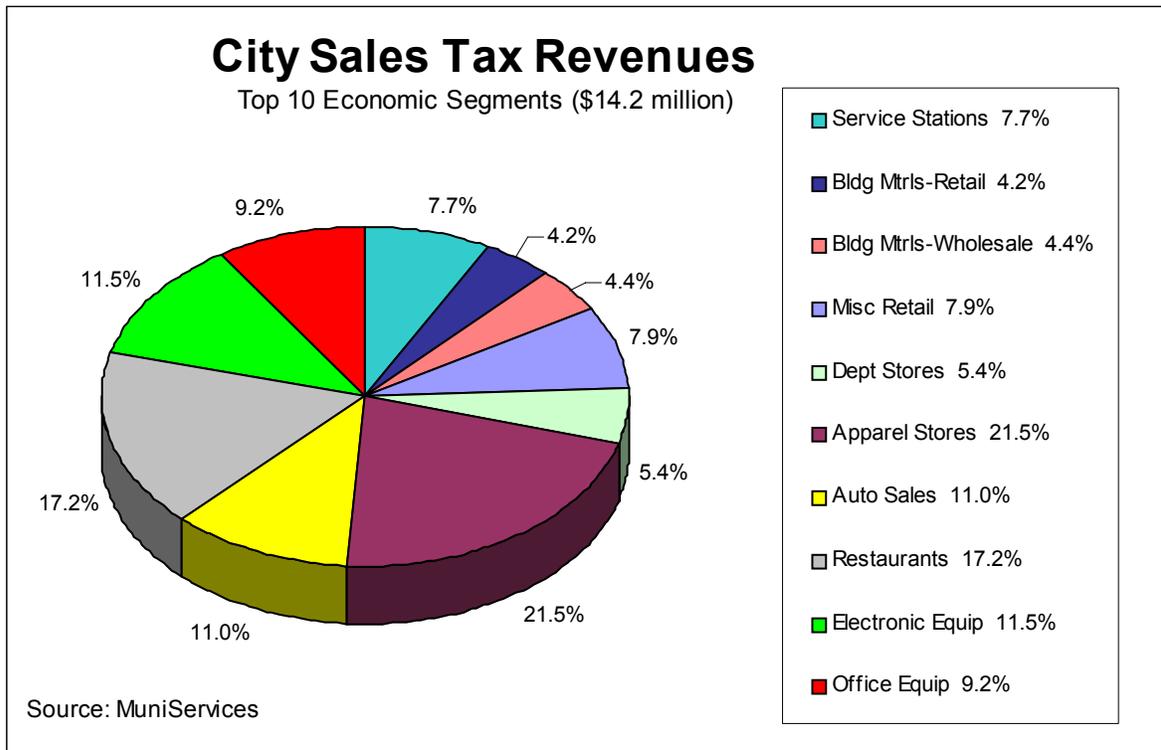
Consumer Confidence Level

The latest consumer confidence survey report showed that the U.S. consumer sentiment is still high, despite a slight decrease in March 2015 to 101.3 from a seven year high reached in January 2015 at 103.80. Consumer confidence is an indicator designed to measure the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. Since consumer spending accounts for about two-thirds of the U.S. Gross Domestic Product, the index is a good indicator that when consumers' confidence is high, consumers would likely make more purchases thus further boosting the economy.



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 \$16.7 million, with the top ten economic segments generated about \$14.2 million. The sales tax revenue generated from economic segments such as apparel stores, auto sales and miscellaneous retail increased over a year ago while department stores segment decreased.



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 14-15 Adopted Budget and the FY 15-16 Adopted Budget.

<u>Fund</u>	<u>Adopted Budget FY 14-15</u>	<u>Adopted Budget FY 15-16</u>	<u>Over (Under) Prior Year</u>
General	\$ 71,227,911	\$ 76,593,808	\$ 5,365,897
Measure I TOT	155,428	166,279	10,851
Housing Authority	990,534	958,093	(32,441)
Special Revenue	4,874,219	5,949,504	1,075,285
Capital Project	7,638,000	12,331,960	4,693,960
Water	20,409,564	24,726,266	4,316,702
Sewer	14,516,559	16,202,546	1,685,987
Total	<u><u>\$119,812,215</u></u>	<u><u>\$136,928,456</u></u>	<u><u>\$17,116,241</u></u>

Revenue Estimates for Fiscal Year 2015-16

Compared to the FY 14-15 budget, FY 15-16 revenue and other financing sources that include the use of fund balances are estimated to increase by \$17.1 million principally due to overall increased general fund revenues, utilities service fees revenues, and increased funding for capital improvement projects.

In FY 15-16, General Fund revenue and other financing sources are projected to be \$76.6 million, approximately \$5.4 million more than last year's budget of \$71.2 million. The assumptions for projection and analysis of the major revenue sources are discussed on page 12.

General Fund Revenue Estimates

Below is a comparison between the FY14-15 adopted budget, FY14-15 revised budget, and FY15-16 adopted budget.

<u>Revenue</u>	(in thousands)				
	<u>Adopted Budget FY 14-15</u>	<u>Revised Budget FY 14-15</u>	<u>Adopted Budget FY 15-16</u>	<u>% change FY15-16 to FY14-15 Adopted Budget</u>	<u>% change FY15-16 to FY14-15 Revised Budget</u>
Property Tax	\$18,349	\$19,560	\$20,327	10.8%	3.9%
RPTTF distributions	3,500	4,109	4,353	24.4%	5.9%
Sale & Use Tax	20,606	19,666	21,490	4.3%	9.3%
Hotel/Motel Tax	7,114	7,819	8,018	12.7%	2.6%
Other Taxes	4,263	4,697	4,449	4.4%	(5.3%)
Permit & Inspection	5,730	6,409	6,498	12.7%	1.4%
Fines & Forfeitures	382	429	408	6.8%	(4.9%)
Interest Income	168	165	141	(16.1%)	(14.6%)
Intergovernmental	1,020	1,203	956	(0.8%)	(20.5%)
Charges for Services	5,417	5,860	5,762	7.1%	(1.7%)
Other Revenue	223	225	85	(69.3%)	(62.0%)
Operating Transfers	4,456	4,305	4,107	(7.8%)	(4.6%)
Total	\$71,228	\$74,447	\$76,594	7.5%	2.9%

FY 15-16 General Fund revenues and other financing sources is projected to increase by 7.5% or \$5.4 million more than the FY 14-15 adopted budget revenue. When compared to the FY 14-15 revised revenue projection, it is estimated to increase 2.9% or \$2.1 million. Some of the changes include the following:

Sales tax revenues for FY 14-15 are revised to be less than budget by 4.6% or \$940,000. The decrease is primarily due to relocation of a major office equipment company to another city. Staff's assumption for FY 15-16 sales tax revenue is a 9.4% increase from the FY 14-15 revised estimate. The reason for the 9.4% increase is related to the end of the "triple-flip" borrowing of sales tax revenue that originated from the State budget deficit 10 years ago. Beginning in March 2016, local agencies will receive its full share of 1% sales tax revenue instead of 0.75% thereby eliminating the timing difference of receiving the remaining 0.25% "true-up" sales tax revenue.

Permit and Inspection revenue for FY 14-15 is revised to be \$679,000 more than budget due to intensified development activities in the Transit Area. In FY 15-16, building permit and inspection revenues are projected to be \$6.5 million, an increase of 1.4% or \$89,000 over the FY 14-15 revised revenue. It is anticipated that residential developments will continue at a high level similar to FY 14-15. 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 3.9% in FY 15-16 from the FY 14-15 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 new residential units that added to the assessed valuation of the secured properties. The projection is consistent with the assessed valuation information provided by the County of Santa Clara Assessor's office. In addition, pursuant to ABx1 26 that legislates the dissolution of the RDA, all remaining RDA property tax 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 \$4.4 million in FY 15-16. In FY 14-15, the residual distributions were revised to be \$4.1 million. The increased residual RDA property tax revenue distribution is partially due to refinancing of the 2003 Tax Allocation Bonds that saved the taxing entities approximately \$1.6 million annually. The City's share of the savings is approximately \$256,000 annually and is included in the \$4.4 million projection next year

Hotel/motel Transient Occupancy Tax revenue is projected to increase \$904,000 or 12.7% from the FY 14-15 budget but is projected to increase 2.6% or \$199,000 when compared with the revised FY 14-15 revenue. All 19 hotels in the local area continue to have high occupancy rates and it is anticipated that the trends will continue in FY 15-16.

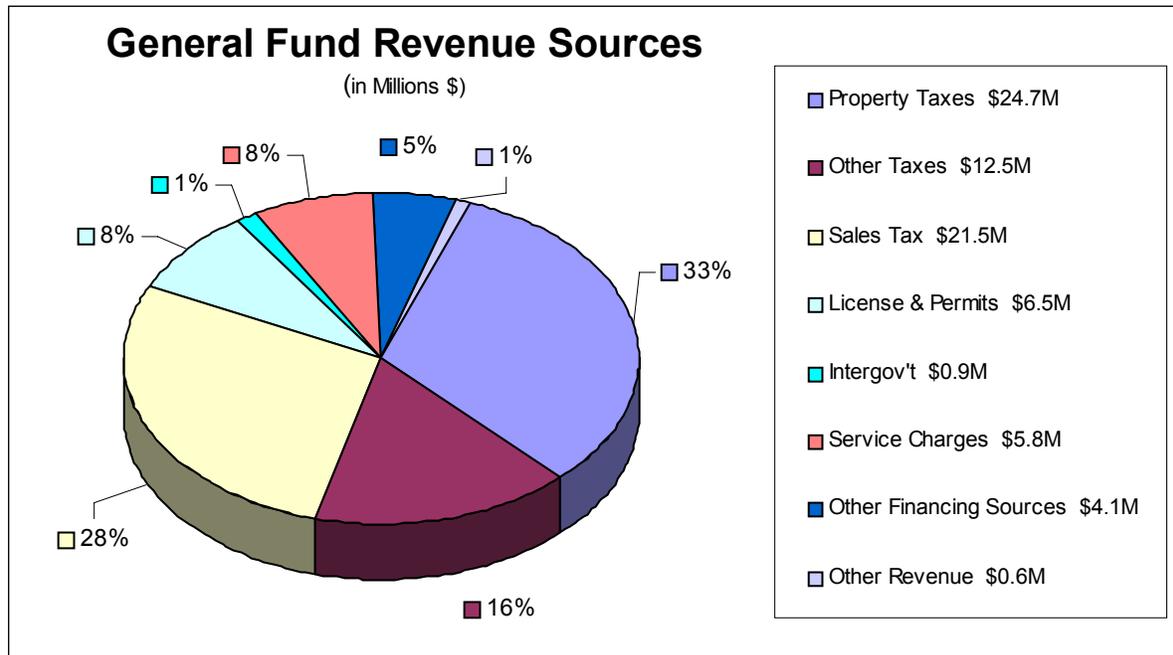
Charges for services is anticipated to increase by 7% from the FY 14-15 budget but is expected to decrease 1.6% or \$98,000 from the FY 14-15 revised revenue. Charges for services comprised of various services provided by the City such as police services charged to the Great Mall pursuant to an agreement, recreation services, rental income for City facilities, and private development services charged by Engineering and Planning staff. Some of the service charges will continue at a high level due to increased development activities while other service charges will remain at the same level, limited by capacity for providing the services. An example will be rental income that is limited by the number of facilities that are available for rent. The projected decrease in FY 15-16 is related to one-time revenues that are non-recurring next fiscal year.

Operating transfers are internal transfers between funds primarily to allocate operating costs and capital budget contributions from one fund to another. Compared to the FY 14-15 Adopted Budget, net operating transfers in FY 15-16 are projected to decrease by \$349,000 due to commencement of an annual operating transfer of \$300,000 from the General Fund to the Technology Replacement Fund. In addition to receiving operating cost reimbursements from the Water and Sewer Utility Funds, the General Fund will receive \$200,000 from the Community Facilities District 2008-1 Fund ("CFD 2008-1") to help offset the costs of increased police officers.

Cost Allocation A cost allocation worksheet is utilized to allocate indirect 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 2014, 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 Cost Allocation Plan also provides the basis for review of City fees and charges each fiscal year. The updated Plan was applied to the FY 15-16 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 function for FY 15-16 can be found on pages 104 to 105.

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



Utility Rates

In FY 2010-11, the City adopted by ordinances a four-year maximum water and sewer rate program in accordance with Proposition 218. The four year sewer rate program contemplated annual sewer rate increases of approximately 7%. The first year (FY 11-12) sewer rate increase was implemented. The second (FY 12-13) and third (FY 2013-14) sewer rate increases were deferred as the City of San Jose delayed some of the planned rehabilitation work at the Regional Wastewater Facility. The recently completed San Jose-Santa Clara Regional Wastewater Facility Master Plan recommends more than 114 capital improvement projects to be implemented over the next 30 years at an estimated cost of \$2.2 billion. The City of Milpitas is responsible for approximately 8% of the capital improvement cost. Consequently, in year four (FY 14-15), the final year of the four year sewer rate program, the City implemented sewer rate increase of approximately 14.5%.

The four year water rate program contemplated approximately 7% to 14% annual rate increases, based on the classification of customers, tier and consumption. Based upon annual review, the first three annual water rate increases were implemented according to the adopted four year program. In FY 14-15, the City implemented the planned fourth year water increase of approximately 7% to 14%.

Currently, the City is the process of preparing a new utility rate study for both water and sewer. For the sewer operation, the new rate would take into consideration the ramping up of capital improvement projects at the Wastewater Facility, updated data regarding residential sewer flow allocation, and the financing mechanism for City’s share of Wastewater Facility CIP mentioned above. The rate study has not been completed in time for the Adopted Budget, consequently, staff is recommending a one year sewer rate increase of approximately 11.6%. As for the water operation, due to the impact of drought in California and State mandated 20% reduction of water

consumption, a 38% water rate increase is necessary in FY 15-16. Since water conservation will actually reduce City’s water revenue, the rate increase has to take into consideration the water conservation effect in order to stay cost neutral. The water rate increase also accounts for the proposed rate increases of 28% from San Francisco Public Utility Commission (SFPUC) and 19.7% from Santa Clara Valley Water District (SCVWD), the City’s two main water suppliers. The City’s proposed rate increase also includes potential costs to finance water supply augmentation projects estimated at \$15 million.

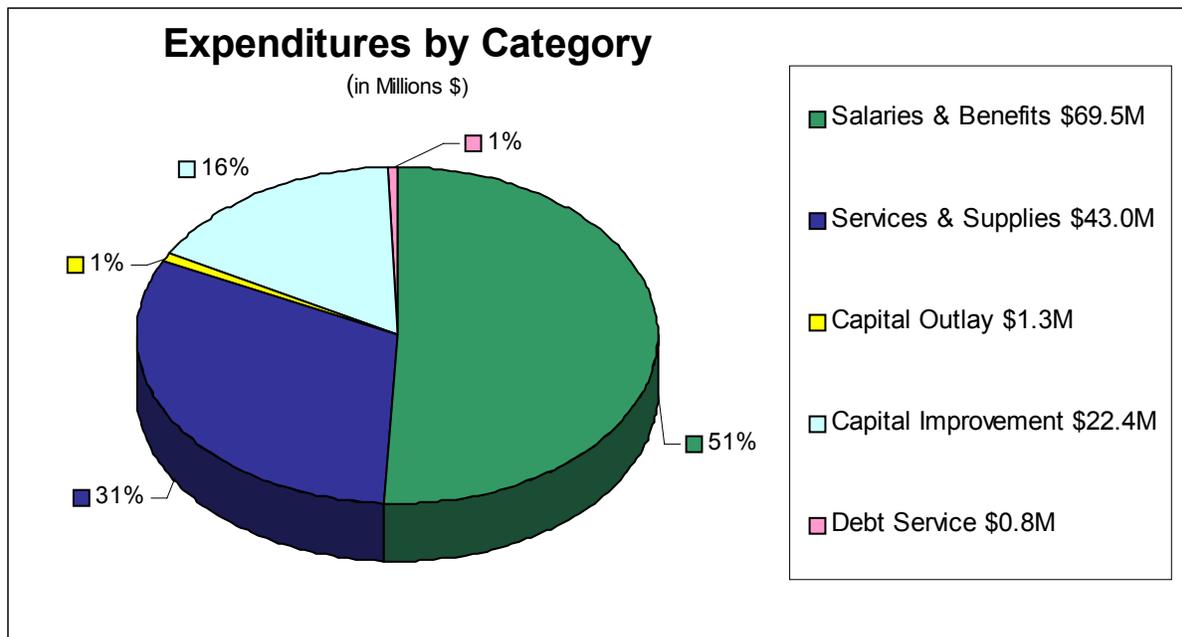
In the Adopted FY 15-16 Budget, approximately 63% or \$15.7 million of the water fund budget and 66% or \$10.7 million of the sewer fund budget are attributed to outside agencies’ costs that need to be passed through to the utility ratepayers. These costs include wholesale water cost from the SCVWD and the SFPUC which are projected to increase an average of 26%. City’s Water operation cost and capital improvement project cost are approximately \$7.3 million and \$4.0 million respectively. The San Jose-Santa Clara Regional Wastewater Facility’s operation and capital improvement project costs are passed through to the sewer utility ratepayers. City’s Sewer operation cost is approximately \$4.1 million. The Sewer budget also includes a debt service cost of \$685,000.

EXPENDITURES

A budget comparison of appropriations for all funds between FY 14-15 (Adopted Budget) and FY 15-16 (Adopted Budget) is as follows:

<u>Appropriations</u>	<u>Adopted Budget FY 14-15</u>	<u>Adopted Budget FY 15-16</u>	<u>Over (Under) Prior Year</u>
Salaries & Benefits	\$ 64,022,932	\$ 69,478,009	\$ 5,455,077
Services & Supplies	38,914,645	42,992,400	4,077,755
Capital Outlay	761,638	1,276,087	514,449
Subtotal	\$ 103,699,215	\$ 113,746,496	\$ 10,047,281
Capital Improvement	15,428,000	22,421,960	6,993,960
Debt Service	685,000	760,000	75,000
Total Appropriations	\$ 119,812,215	\$ 136,928,456	\$ 17,116,241

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



Total expenditures represent an overall 14.3% increase from FY 14-15. Operating expenditures, excluding capital improvement and debt service, increased by 9.7% compared to last year. Following is a summary of the changes in operating expenditures by category:

Salaries and benefits are expected to increase by 8.5%. Compared to last fiscal year’s budget, the total citywide increase is \$5.5 million. The increase reflects increased employer’s contribution to CalPERS, increased health insurance premiums, restoration of employees’ concessions, salary enhancements for Public Safety group, and increased funding for temporary positions and 5 FTEs. The employer CalPERS contribution percentages for FY 15-16 for Miscellaneous Employees group and Public Safety Employees group are at 28.57% and 39.417% of payroll respectively. In addition, the FY 15-16 budget includes pre-funding of retiree medical benefits in the amount of \$3.4 million citywide and the General Fund’s share is \$2.9 million.

The City’s services will be staffed by 328.25 full time employees and 69.0 FTE of temporary/seasonal employees. The historical number of authorized positions and funded positions can be found on pages 67 and 68 of this document. The detail for each department’s funded positions can be found in their respective sections on pages 113 through 187.

Services and supplies are expected to increase by \$4.0 million or 10.5% citywide. The services and supplies budget include services that are provided by outside parties. The increase is partially due to increase outside agencies’ costs such as wholesale water purchase and City’s share of the San Jose-Santa Clara Regional Wastewater Facility’s operating cost. Other contributing factors include increases in equipment replacement amortization, contractual services and electric utility costs.

Capital Outlay includes new and scheduled vehicle and equipment replacements. Total capital outlay request for FY 15-16 is \$1.3 million which includes the funding of six police vehicles, replacement of a Fire Department’s urban rescue vehicle with an ambulance, two defibrillators, and a water meter-reader truck. All the vehicles and equipment to be replaced are fully depreciated and will be primarily funded by the Equipment Replacement Fund, except for an ambulance to be partially funded by Federal grant. Other capital outlay includes replacement of technology equipment, hydrants and water meters.

Debt Service in FY 15-16 is budgeted at \$760,000, of which \$685,000 is for the only outstanding bond of the City, the 2006 Certificates of Participation (“COPS”) and \$75,000 is for the repayment of an interfund loan. 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 \$527 million. The 2006 Certificates of Participation (“COPS”) has an outstanding balance of \$6,490,000 and the 2015 Tax Allocation Refunding Bonds has an outstanding balance of \$127,790,000. None of these bonded debts is subject to the legal debt limit although the payment of the 2015 Tax Allocation Refunding 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 13-14 audited results was at 790%.

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>
2016	\$ 435,000	\$ 249,348
2017	450,000	233,193
2018	470,000	216,055
2019	485,000	198,031
2020	505,000	179,028
2021-2025	2,840,000	572,312
2026-2027	1,305,000	55,335
Total	\$6,490,000	\$1,703,302

CAPITAL IMPROVEMENTS

The Capital Improvement Budget funding for FY 15-16 by Project Category is as follows:

<u>Project Category</u>	<u>Adopted Budget</u>	<u>Percentage of Total</u>
Community Improvements	\$ 685,000	3.06%
Park Improvements	5,875,000	26.20%
Street Improvements	3,596,960	16.04%
Water improvements	4,000,000	17.84%
Sewer Improvements	6,315,000	28.16%
Storm Drain Improvements	1,950,000	8.70%
Total	\$22,421,960	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 15-16 Capital Improvement Program funding is \$7.0 million more than the FY 14-15 CIP, primarily due to proposed funding of the Sport Center Sports Fields of \$2.9 million and for reimbursement to VTA for upgrades to City utilities within the BART line extension to Milpitas of \$2.6 million. The City's share of funding for the San Jose-Santa Clara Regional Wastewater Facility rehabilitation project is projected to be \$5.0 million for FY 15-16.

Aside from the BART related improvement projects, the focus of FY 15-16 capital improvement program is on design and construction of sports fields at the Sport Center (\$2.9 million), resurfacing of streets (\$2.7 million), rehabilitation of the Sport Center pools (\$1.5 million), renovation and restoration of the historic Alviso Adobe building (\$1.0 million) and replacement of water pipelines and seismic improvements (\$2.0 million). To maintain City's buildings in good condition, the FY 15-16 budget also includes \$685,000 for facilities improvement.

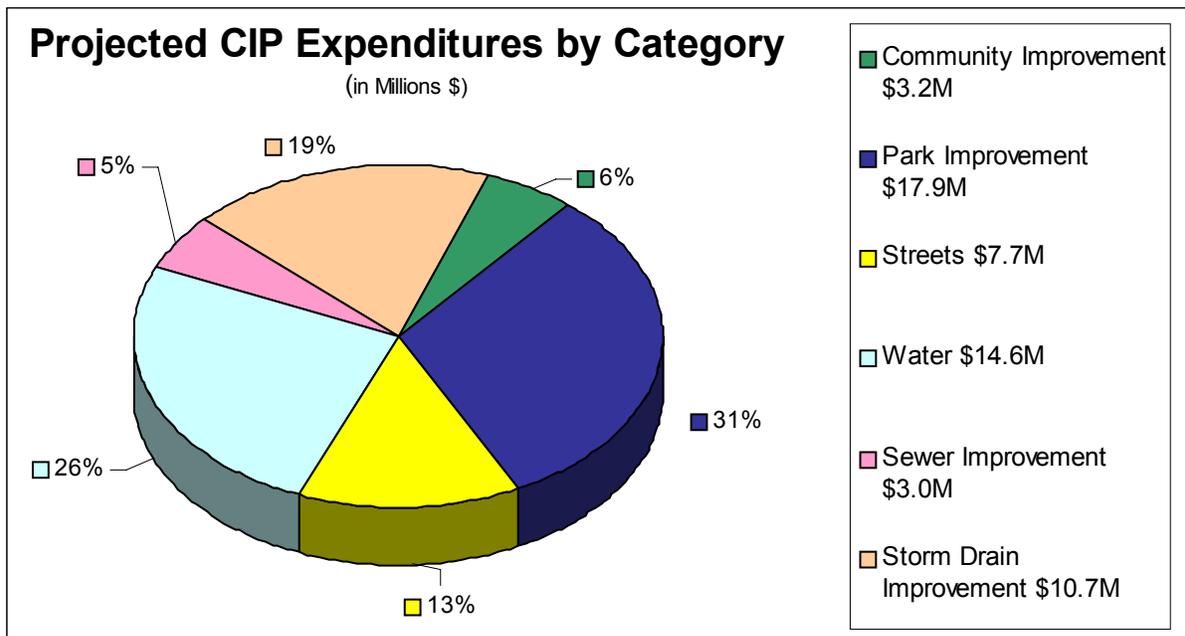
The funding for FY 15-16 capital improvement projects is primarily from the fund balances of various funds such as park fund, General Government Capital Project Fund, 2% Transient Occupancy Tax Fund, and utility funds. Approximately 10% of the funding comes from outside sources such special assessments, developer fees, gas tax revenue and Transit Area impact fee.

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 15-16 were also reviewed by the Parks, Recreation and Cultural Resources Commission.

Although cost saving 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. Conversely, these projects will also not incur additional operating costs upon completion.

Since the City's budget is an annual budget, the Adopted Budget only incorporates funding for the FY 15-16 capital improvement projects. However, in reviewing the City's capital improvement needs, staff also prioritizes and anticipates the longer term funding needs in the next four years, beyond FY 15-16.

The chart below provides an overview of the City’s anticipated capital improvement projects by category in fiscal years 2016-2020:



The Capital Budget Section of this document provides a brief description of the projects to be funded in FY 15-16. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2015-2020 prepared by the Engineering Department may be obtained at 455 E. Calaveras Blvd, Milpitas, CA 95035 or City’s website (<http://www.ci.milpitas.ca.gov/government/engineering/capital.asp>).

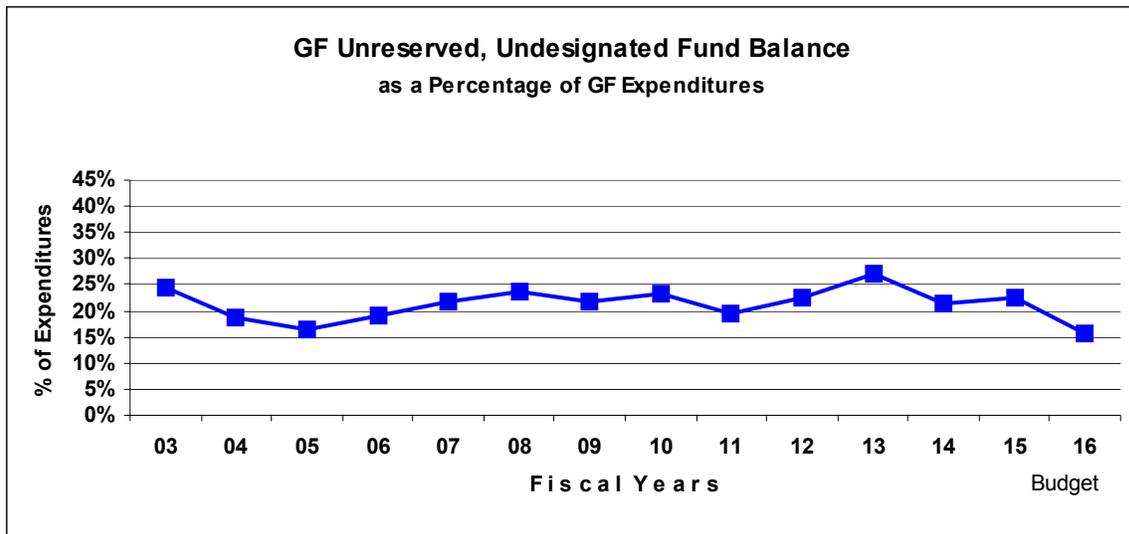
FUND BALANCES

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 Housing Authority will use \$928,000 of the fund balance to pay for its program cost in FY 15-16. Water and sewer utility funds will need \$3.6 million and \$3.4 million, respectively, of its reserve mainly to pay for capital improvement projects. The reduction of the Capital Project Fund Balance by \$9.1 million is fully anticipated as the expenditures on some of the multiple year capital improvement projects intensify when the projects enter into the construction phase. There are no significant changes to the fund balances of the General Fund and 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 15.8% which meets the Council's policy of maintaining a minimum unassigned fund balance at 15% of the General Fund budget appropriations. 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 15-16 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

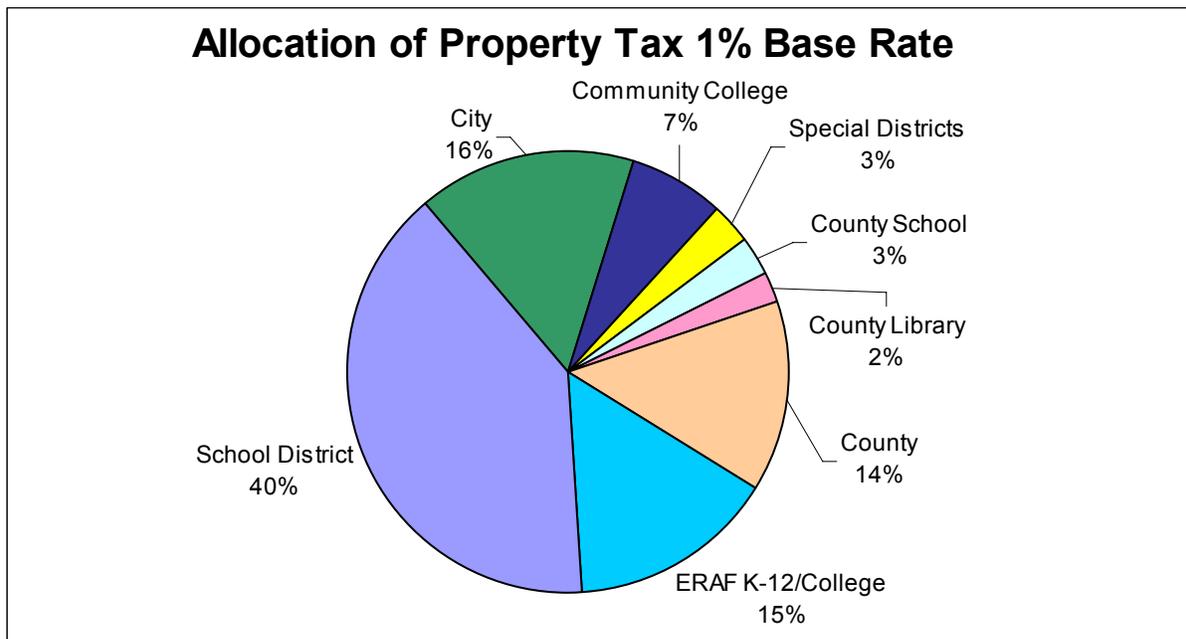
The Five-year General Fund Forecast is included to allow the City Council and the community to assess the sustainability of City services in the long term. The projection also identifies the type of commitments and resource demands in the next five years.

Five Year General Fund Forecast (in thousands)

	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
Estimated Revenue					
Property Tax	21,039	21,775	22,417	23,078	23,655
RPTTF Distributions	4,929	5,098	5,248	5,383	5,561
Sales & Use Tax	22,306	23,153	24,033	24,946	25,570
Other Taxes	4,566	4,686	4,803	4,922	5,042
Hotel/Motel Tax	8,732	9,465	9,701	9,943	10,192
License & Permits	6,631	6,765	6,921	7,079	7,240
Charges for Services	5,811	5,955	6,111	6,263	6,419
Other Revenues	1,543	1,171	1,180	1,205	1,233
Operating Transfers	4,611	4,776	5,153	5,327	5,653
Total Estimated Revenues and Other Financing Sources	<u>80,168</u>	<u>82,844</u>	<u>85,567</u>	<u>88,146</u>	<u>90,565</u>
Estimated Expenditures					
Salaries	39,497	40,668	41,873	43,115	44,394
Benefits	25,223	26,658	28,104	29,608	30,488
Supplies & Contractual Services	15,053	15,364	15,835	16,153	16,467
Total Estimated Expenditures	<u>79,773</u>	<u>82,690</u>	<u>85,812</u>	<u>88,876</u>	<u>91,349</u>
Net Operating Deficit	395	154	(245)	(730)	(784)

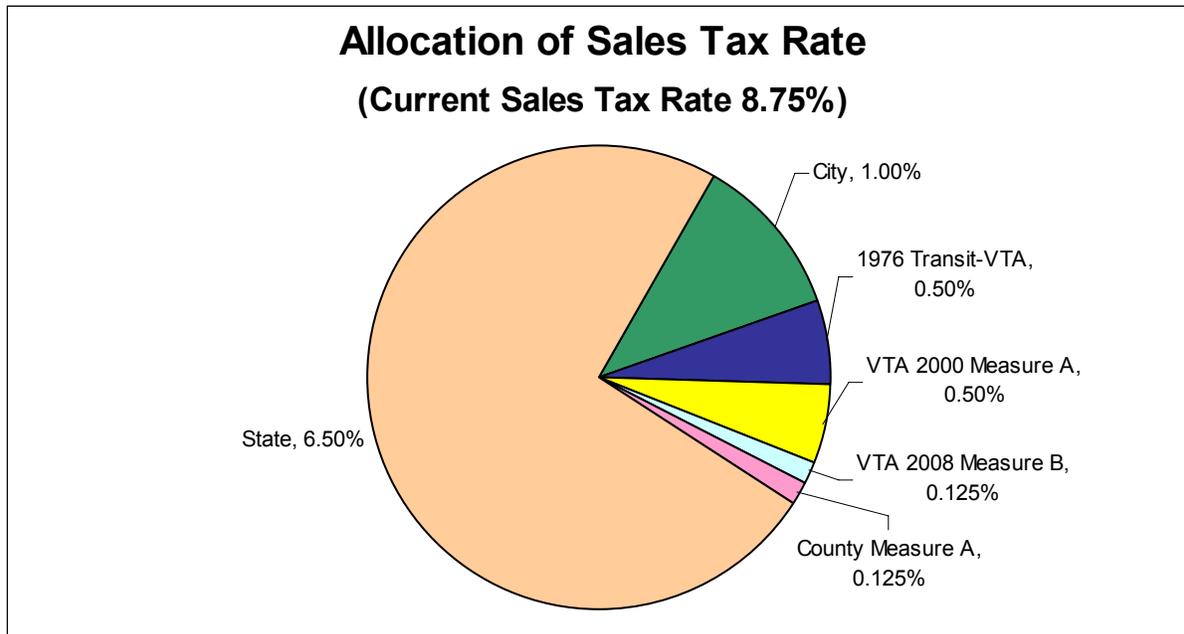
Property tax revenues are expected to increase 3.5% in FY 16-17 and FY 17-18, 3% in FY 18-19 and FY 19-20, and 2.5% in FY 20-21. Proposition 13 limits the base property tax rate to 1% of the assessed value and an annual increase of the assessed value at the lesser of 2% or the California consumer price index (CCPI). Based on the last 10 years' average, staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will increase about 2.5% in each of the next five years and therefore the 2% limit of Proposition 13 will apply. However, the projected growth rate of property tax revenues is higher than the Proposition 13 limit of 2% due to added assessed valuation from new housing developments and reassessment of existing properties due to change of ownerships. Other than the 2% increase allowed by Proposition 13, staff projected that 1% increase will come from newly constructed housing units in FY 16-17 and FY 17-18, 0.5% increase in the subsequent two years and 0% increase in FY 20-21. The remaining 0.5% increase in each year is related to ownership changes that trigger reassessments.

The chart below shows the allocation of the property tax 1% base rate to all the taxing entities within the jurisdiction. The City's share is approximately 16% of the 1% base rate.



RPTTF distributions represent distributions of the residual property tax revenue attributing to the former RDA after satisfying the approved obligations of the RDA. The distributions are expected to increase 13.25% in FY 16-17 and tapering off to between 2.5% to 3.5% in subsequent years. The growth rate of the distributions is projected to be higher in FY 16-17 primarily attributable to the refinancing of former RDA's 2003 TABS, saving the City approximately \$256,000 annually. In addition, the assessed valuation in the former RDA area will increase significantly in FY 16-17 as a majority of the 1,500 new residential units being constructed in the Transit Area is with the RDA area.

Sales tax revenues are projected to increase 3.8% in the next four years through FY 19-20 and 2.5% for FY 20-21. Staff estimated that the California consumer price index in the San Francisco/ San Jose metropolitan area will increase 2.5% annually in the next five years. The projected increase in sales tax revenues also reflects population growth in the City as many of new residential developments are being constructed and occupied. It is assumed that Milpitas businesses will capture a portion of the consumers' spending, especially in the retail, auto and restaurant economic segments. Based on the sales tax report prepared by the City's consultant, consumer sales account for over 70% of the sales tax revenues in the City. Staff estimated population will increase 1.5% in each of the next four years and the City will capture at least 70% of the consumers generated sales tax revenue. The chart below shows the allocation of sales tax rate among the taxing jurisdictions. The City's share of the sales tax rate is 1%.



Other Taxes include real estate transfer tax, franchise tax and business license tax. As residential units are being developed and occupied, it is anticipated that the City will collect more real estate transfer tax and franchise tax from utility and cable companies. It is also assumed that utility and cable companies will increase their rates to offset cost increases. The projection is a modest increase of 2.6% in FY 16-17 and FY 17-18, and 2.5% for the subsequent three years.

Hotel tax revenues are projected to increase 8.4% to 8.9% in the next two years through FY17-18, and 2.5% for the subsequent three years. The growth rate is projected to be higher in FY 16-17 and FY 17-18 primarily attributable to two new hotels coming on line. The projection includes staff's assumption of the California consumer price index increase in the San Francisco/San Jose metropolitan area. It is assumed that the hotel operators will increase room price by the average consumer price index increase to recover costs.

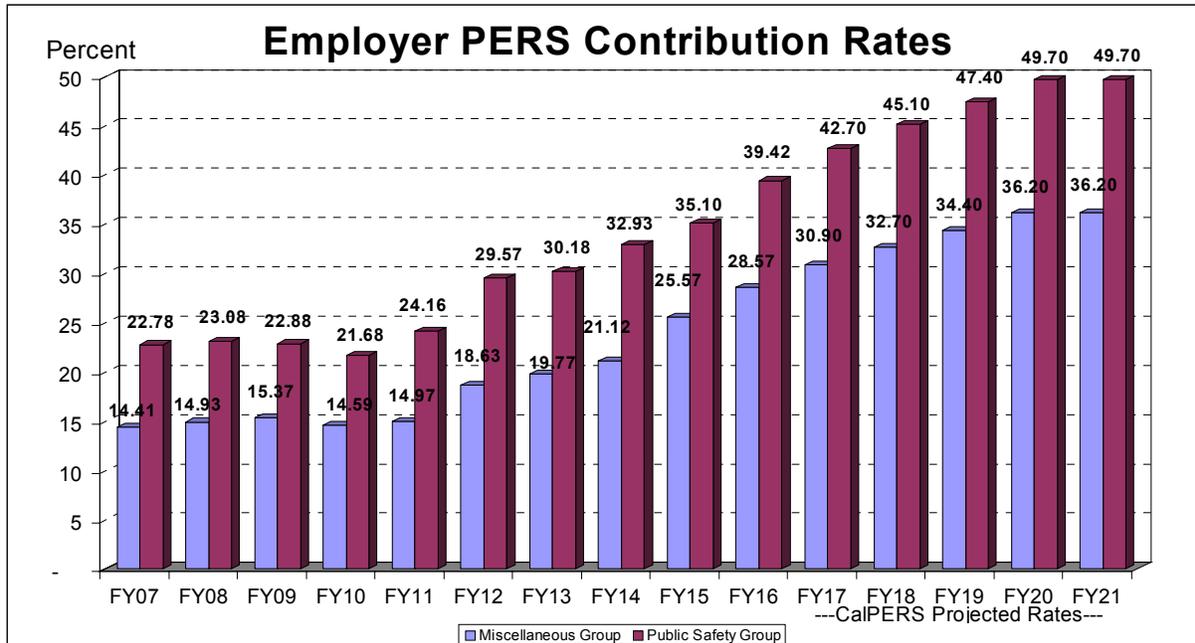
License and permits consist of building permits and fire permits which are primarily construction related. It is projected that these revenues will continue to increase in the next five years due to continued interest in residential developments in the Transit Area. It is estimated that Transit Area will add about 3,000 housing units in phase I of the development. Staff projected a growth rate of 2.0% to 2.3% in the next five years.

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 includes two elements, population growth and California consumer price index increase. Staff projected that some of the new residents will utilize City's recreation services. The combined projection for development related and non-development related customer service charges is a 1.0% to 2.6% increase in the next five years.

Operating transfers are mainly reimbursements from other funds for the staff support and administrative overhead provided by the General Fund. Net transfers into the General Fund will increase in conjunction with operating expenditure increases. Staff projected a 4.7% increase in FY16-17, and increases range from 2.7% to 3.3% in FY17-18 through FY20-21.

Five Year General Fund Forecast

Salaries and benefits Salaries are anticipated to increase by 3.0% through the next five years to FY 20-21. The increase is consistent with staff's assumption of the California consumer price index increase in the San Francisco/San Jose metropolitan area and salary step increases pursuant to contracts negotiated with employee groups. On the benefits side, health insurance premium is projected to increase 8% annually and contribution to CalPERS is anticipated to increase 5% to 8% annually through the next five years. The total benefits costs are projected to increase by 6.9% in FY 16-17 and gradually tapering off to 3.0% in FY 20-21. The chart below depicts historical employer CalPERS contribution rates from FY 06-07 through the budget year FY 15-16 and projected rates through FY 20-21. The projected rates are provided by CalPERS and are based on their latest actuarial studies.



Services and Supplies costs are anticipated to increase between 1.9% to 3.1% 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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Milpitas
California**

For the Fiscal Year Beginning

July 1, 2014

Executive Director

The Government Finance Officers' Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the City of Milpitas for its annual budget for the fiscal year beginning July 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.



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 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 unassigned 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 unassigned fund balances.

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.

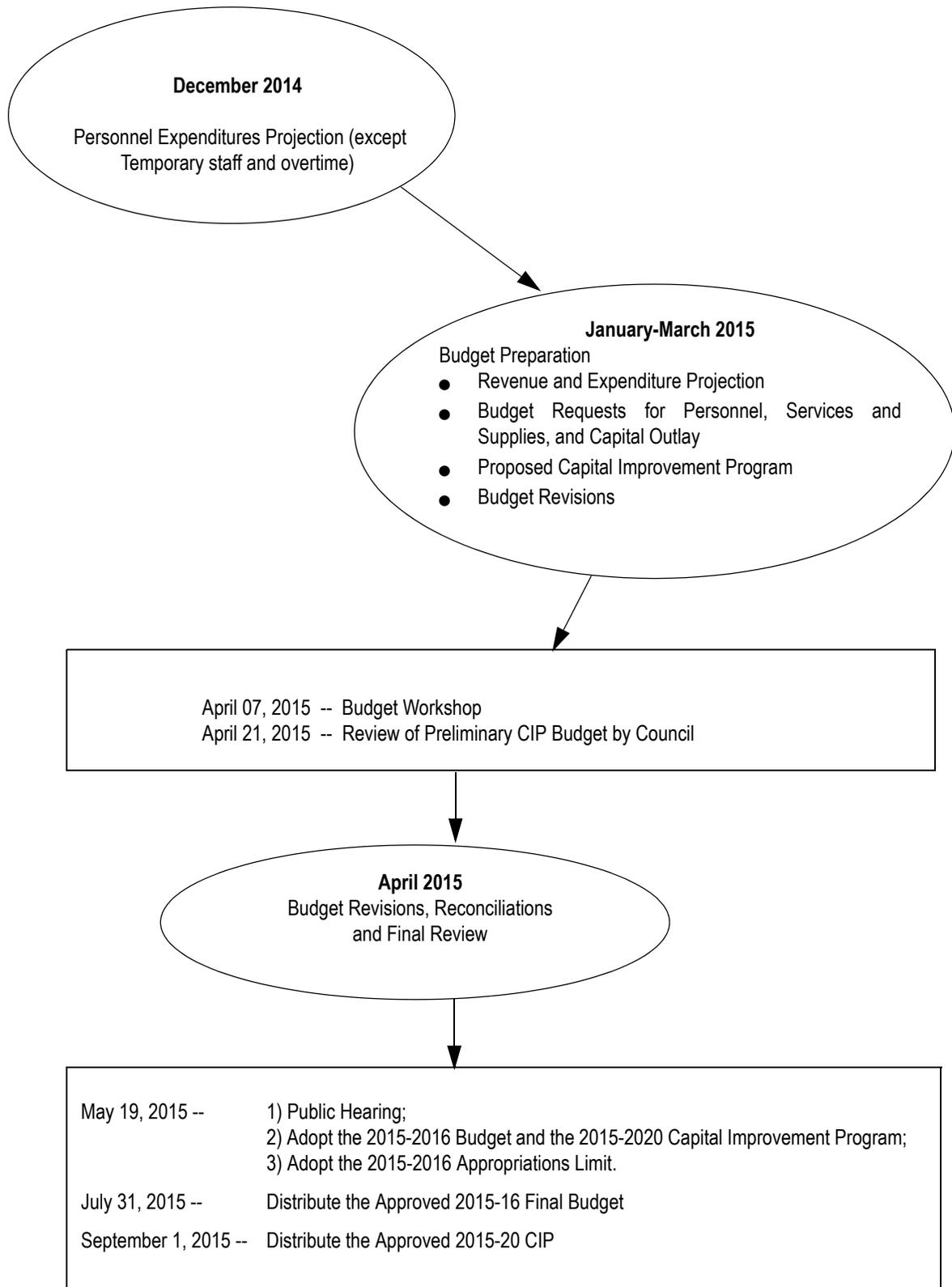
9. Budget Monitoring and Reporting

- 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, and Water and Sewer utility 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 2015-2016 Budget Process



CITY OF MILPITAS
BUDGET PREPARATION TIMELINE
2015-2016 FINANCIAL PLAN

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
1	11/05/14	Meet to discuss 2015-2020 CIP Budget calendar	CIP Staff, Finance Budget Team
2	11/14/14	Issue request for Capital Improvement Program (CIP) projects to Department Heads.	CIP Staff
3	11/24/14	Distribute inventory list and capital outlay request packet.	Budget Manager
4	12/08/14 - 12/12/14	Meet and discuss information provided to project Operating and CIP fund balances as of 6/30/15.	Finance Manager, Land Development Principal Engineer, Utility Engineering staff
5	01/05/15	New Capital Improvement Program (CIP) projects requests are due.	Senior Management Staff
6	01/05/15	<ul style="list-style-type: none"> • Equipment Inventory changes due to Finance. • Capital Outlay Requests due to Finance (Budget Manager). 	Senior Management Staff, Budget Liaisons
7	01/06/15	Meetings with Senior Staff to discuss programs, service levels, and general financial status overview.	City Manager, Director of Financial Services, Senior Management Staff
8	01/07/15	2015-16 Budget Preparation "Kick-Off" meeting with Budget Liaisons.	City Manager, Director of Financial Services, Budget Manager, Budget Liaisons
9	01/07/15 - 01/13/15	Budget Liaison Training	Budget Liaisons and Budget Manager
10	01/07/15 - 01/26/15	Budget data entry in BRASS budget system and providing detail for each line item if applicable.	Budget Liaisons
11	01/09/15	Provide updated Street, Park, Storm Drain, TASP, Water, Recycled Water, and Sewer projected fund balances to CIP Staff.	Finance Manager

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
12	01/20/15 - 01/23/15	Budget projection for Non-Departmental.	Director of Financial Services, Finance Manager, Budget Manager
13	01/20/15 - 01/23/15	Accounting review of Capital Outlay requests.	Finance Budget Team
14	01/20/15	Position Summary Corrections due to Finance.	Senior Management Staff, Budget Liaisons
15	01/23/15	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
16	01/26/15	<ul style="list-style-type: none">• Data entry in the BRASS budget system is complete.• Temporary Position Request Forms (one form per function) are due to Finance.• Out of State Travel Form is due to Finance.• Summary of service enhancements or new programs or elimination of services/programs that will impact budget is due to Finance.	Budget Liaisons
17	01/26/15 - 01/30/15	Complete Non-Department Budget BRASS entry.	Budget Manager
18	01/26/15 - 01/30/15	Conduct Revenue discussions with budget units (Department/ Divisions) and Special Fund expenditure projections and fund balance.	Director of Financial Services, Finance Manager, Budget Manager, Department/Division Heads
19	01/27/15 - 02/06/15	Review new classification or reclassification requests.	HR Director
20	02/02/15	Print and distribute Budget Proformas to Budget Units for review.	Budget Manager
21	02/02/15 - 02/06/15	Meet to discuss Capital Outlay Requests.	City Manager, Director of Financial Services, Public Works Director, Finance Manager
22	02/03/15	Set FY 15-16 Budget Hearing Dates.	City Council, Director of Financial Services

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
23	02/06/15	<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
24	02/06/15	HR completes review of new classification or reclassification requests and provides those results to Finance.	HR Director
25	02/09/15 - 02/13/15	Finance processes narratives, org charts, mission statements and changes to Budget Proformas. Finance provides analytical review on the Performance Measures, Staff Changes and Expenditure Analysis sections.	Finance Budget Team
26	02/09/15 - 02/13/15	<ul style="list-style-type: none"> Meet to discuss closing CIP projects. Review draft CIP document (without funding feasibility). 	CIP Staff, Finance Manager, CIP Accountant
27	02/17/15 - 02/20/15	Narratives, org charts, and mission statements review by Finance.	Finance Budget Team
28	02/17/15 - 02/23/15	Prepare budget reports and distribute to City Manager and Budget Units.	Finance Budget Team
29	02/19/15 - 02/24/15	Review draft CIP document and consider funding feasibility.	City Manager, Director of Financial Services, Public Works Director, Finance Manager
30	03/02/15	Review Draft Parks projects in the CIP Budget.	PRCRC
31	03/02/15 - 03/06/15	Budget Unit Work sessions - Review Operating Budget requests with the respective budget unit staff.	City Manager, Senior Management Staff, Director of Financial Services, Finance Manager, Budget Manager
32	03/02/15 - 03/06/15	Review Proposed CIP document by Finance.	Director of Financial Services, Finance Manager, CIP Accountant
33	03/08/15	Finance Subcommittee: review requests for new and proposed CIP project.	Finance Subcommittee, City Manager, Public Works Director, Director of Financial Services

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
34	03/09/15- 03/13/15	Follow-up meetings with Budget Unit, as needed.	City Manager, Senior Management Staff Director of Financial Services, Budget Manager
35	03/16/15	Distribute budget reports to Budget Units for final review.	Finance Budget Team
36	03/16/15 - 03/23/15	Final review of budget unit operating budget. No further changes after 3/23/15.	Senior Management Staff, Budget Liaisons
37	03/23/15	Provide fund balance numbers for all funds.	Finance Manager
38	03/23/15	No further internal changes to the CIP document.	CIP Staff
39	03/25/15	Publish Draft 2015-2020 Capital Improvement Program and distribute.	CIP Staff
40	03/25/15 - 03/30/15	Budget Reconciliation: Operating Budget and CIP.	Budget Manager, CIP Staff
41	03/25/15 - 03/30/15	Provide incremental maintenance costs and/or additional description to Finance for FY15-16 funded CIP's	CIP Staff, Finance Manager, Budget Manager
42	03/25/15	Review Draft CIP for information and General Plan conformance findings.	Planning Commission, Public Work Director
43	04/06/15 - 04/10/15	Draft the Transmittal Letter.	Director of Financial Services, Budget Manager
44	04/07/15	Budget Workshop.	City Council, Senior Management Staff
45	04/13/15 - 04/17/15	Review the Transmittal Letter.	City Manager
46	04/13/15 - 04/17/15	Final review of proposed budget.	Director of Financial Services, Finance Manager, Budget Manager
47	04/13/15 - 04/17/15	<ul style="list-style-type: none"> • Update Power Point slides on budget and staffing changes. • Distribute one presentation slide per section (budget changes, accomplishments and objectives) to the Budget Units. 	Finance Budget Team

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
48	04/21/15	<ul style="list-style-type: none">Review the Draft 2015-2020 Capital Improvement Program.	City Council
49	04/27/15 - 05/01/15	Budget Units update the presentation slides (accomplishments and objectives) and review the budget changes.	Senior Management Staff, Budget Liaisons
50	04/27/15 - 05/04/15	Distribute the Proposed 2015-16 Operating Budget and Financial Plan.	Finance Budget Team
51	05/01/15	Publish notice of public hearings regarding the Operating Budget and Capital Improvement Program.	City Clerk
52	05/01/15	Power Point slides due to Finance.	Budget Liaisons
53	05/04/15 - 05/06/15	Incorporate the accomplishments and objectives to the Power Point slides for all Budget Units.	Finance Budget Team
54	05/14/15 and/or 05/18/15	Presentation practice (rehearsal) on the 2015-2016 Proposed Budget and Financial Plan and the 2015-2020 Capital Improvement Program.	Senior Management Staff
55	05/19/15	<ol style="list-style-type: none">1) Public Hearing;2) Adopt the recommended 2015-2016 Proposed Budget and Financial Plan and the 2015-2020 Capital Improvement Program;3) Adopt the 2015-2016 Appropriations Limit Resolution.	City Council, Senior Management Staff
56	05/26/16	Prepare departmental budget workbooks.	Budget Manager
57	06/22/15	Upload Approved Budget into the financial system.	Budget Manager
58	07/01/15	Fill out Personnel Action Forms for those employees whose split funding or job function will be different in FY 15-16 and send the forms to HR.	Budget Liaisons
59	07/31/15	Distribute the Approved 2015-16 Operating Budget and Financial Plan.	Finance Budget Team
60	08/14/15	Receive final numbers from Finance and Publish Final 2015-2020 Capital Improvement Program.	Finance Manager, CIP Staff
61	09/01/15	Distribute the Approved 2015-2020 Capital Improvement Program.	CIP Staff

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 maintain the City's general credit rating of "AAA".
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 an unassigned 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 (PERS) Rate Stabilization Reserve. Based on the annual valuation report provided by CalPERS, the City may fund either the Annual Required Contribution (ARC) amount in lieu of a contribution amount derived from a percentage of salary. Any savings or additional costs resulting from the funding methodologies shall be adjusted from the PERS Rate Stabilization Reserve. This reserve may also be drawn on if the required employer contribution rates exceed previous year's contribution rates by more than 3% of payroll. In this instance, the City Council must approve utilization of this reserve at the time of the budget hearing. This reserve balance will be replenished from the unassigned 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. 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 assigned to investment portfolio market gain, and uninsured claims 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. Reserve levels for Debt Service Funds will be established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
41. 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.
42. The City will maintain a capital reserve for technological equipment replacement and will endeavor to set-aside an annual amount of \$300,000 in this fund.
43. The City may direct any loan repayments from the former Redevelopment Agency and residual property tax distributions from the Redevelopment Property Tax Trust Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
44. The City may direct any portion of the General Fund revenues that is not required to balance the operating budget to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
45. The City may direct any portion of the unassigned fund balance of the 2% Transient Occupancy Tax Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.

INVESTMENT POLICIES

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

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

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

RESOLUTION NO. 8477

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADOPTING THE
APPROPRIATIONS LIMIT FOR THE CITY OF MILPITAS FOR FISCAL YEAR 2015-2016**

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 2015-2016 of \$86,130,096. The calculation is attached hereto as Attachment No.1 ("FY 2015-2016 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 2015-2016 shall be \$86,130,096, 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 2015-2016 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.

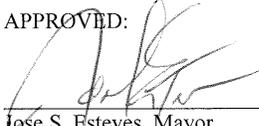
PASSED AND ADOPTED this 19th day of May, 2015, by the following vote:

AYES: (5) Mayor Esteves, Vice Mayor Montano, Councilmembers Barbadillo, Giordano, and Grilli
NOES: (0)
ABSENT: (0)
ABSTAIN: (0)

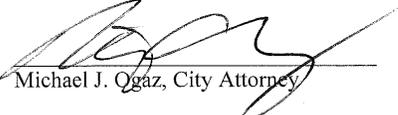
ATTEST:


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 2015-2016 APPROPRIATIONS LIMIT**

Per Capita Change	1.03820
* Population Change	1.03870
Calculation Factor FY 15-16 1.0382×1.0387	1.07838
FY 14-15 limit $\$79,870,017 \times 1.07838$	86,130,096
Appropriations Subject to Limit	<u>60,987,419</u>
Appropriations under Limit	<u><u>25,142,677</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 2015-2016 appropriations limit, the population growth of the City and the California Per Capita Personal Income change were used.

RESOLUTION NO. 8474 / HA15

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AND THE HOUSING AUTHORITY OF THE CITY OF MILPITAS APPROVING THE FINAL BUDGET FOR THE CITY OF MILPITAS FOR THE FISCAL YEAR 2015-16

WHEREAS, the City Manager submitted a 2015-16 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 Milpitas Housing Authority ("Authority") reviewed the City Manager's 2015-16 Proposed Budget and Financial Plan; and

WHEREAS, on May 19, 2015, the City Council and Authority approved the 2015-16 Financial Plan and the 2015-16 Capital Budget.

NOW, THEREFORE, the City Council and Authority of the City of Milpitas hereby find, determine, and resolve 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 year 2015-16 is hereby reaffirmed and adopted totaling \$136,928,456 for all appropriated funds. This budget assumes that certain savings shall be achieved through concessions from City employees on total compensation.
3. Appropriations and estimated fund balances are hereby allocated for the various purposes designated in the 2015-16 Final Budget.
4. The budgets for all departments for the period July 1, 2015 through June 30, 2016, inclusively contained in this 2015-16 Final Budget Resolution, are approved as the operating budget for those departments for fiscal 2015-16.
5. Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager, at the end of fiscal year 2014-15 may be reappropriated for continued use in fiscal year 2015-16.
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, 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.
 - ii. When revisions, which involve transfers from appropriated contingency reserves, are less than or equal to the aggregate amount of \$550,000 during fiscal year 2015-16, 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 year 2015-16 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 which would cause the aggregate contract amount to exceed \$100,000.
 - 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 appropriated contingent reserves, which would cause the aggregate amount of \$550,000 during fiscal year 2015-16, to be exceeded.
8. Information establishing the current budget situation and steps to be taken to present balanced City Budgets has been presented during this meeting of May 19, 2015 and in prior budget presentations.
9. There is no potential impact on the environment from this action per Section 15061(b)(3) of the CEQA Guidelines.

PASSED AND ADOPTED this 19th day of May, 2015, by the following vote:

AYES: (5) Mayor Esteves, Vice Mayor Montano, Councilmembers Barbadillo, Giordano, and Grilli
NOES: (0)
ABSENT: (0)
ABSTAIN: (0)

ATTEST:


Mary Lavelle, City Clerk/Authority Secretary

APPROVED:


Jose S. Esteves, Mayor/Chair

APPROVED AS TO FORM:


Michael J. Ogaz, City Attorney/Authority Counsel

RESOLUTION NO. 8476

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING
THE AMENDED FISCAL POLICIES

WHEREAS, the City Council adopted Resolution No. 8260 on May 14, 2013, approving the City of Milpitas amended Fiscal Policies; and

WHEREAS, proposed amendments to the Fiscal Policies were presented to the City Council during the April 7, 2015, Budget Study Session; and

WHEREAS, proposed amendments are included in the attached Exhibit A and consist of:

- (1) Section 29 is updated to reflect the City's credit rating of AAA; and
- (2) Section 34 is updated to reflect the annual funding alternatives of the PERS contribution amount; and
- (3) Section 40 is deleted to eliminate the Recycled Water Utility Fund reserve requirement as that fund has been merged with the Water Utility Fund and is no longer a separate fund.

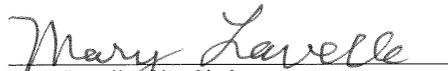
NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

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 amended City of Milpitas Fiscal Policies attached hereto as Exhibit A are hereby approved and replace all prior Fiscal Policies.

PASSED AND ADOPTED this 19th day of May, 2015, by the following vote:

AYES: (5) Mayor Esteves, Vice Mayor Montano, Councilmembers Barbadillo, Giordano, and Grilli
NOES: (0)
ABSENT: (0)
ABSTAIN: (0)

ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Jose S. Esteves, Mayor

APPROVED AS TO FORM:


Michael J. Ogaz, City Attorney

Exhibit A

CITY OF MILPITAS FISCAL POLICIES

GENERAL FINANCIAL GOALS

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

OPERATING BUDGET POLICIES

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

REVENUE POLICIES

10. The City will try to maintain a diversified and stable revenue system to avoid over-reliance on any one revenue source.
11. Revenue estimates are to be accurate and realistic, sensitive to both local and regional economic conditions.
12. The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis as appropriate.

13. User fees will be reviewed annually for potential adjustments to recover the full cost of services provided, except when the City Council determines that a subsidy is in the public interest.
14. The City will actively pursue federal, state, and other grant opportunities when deemed appropriate. Before accepting any grant, the City will thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant.
15. One-time revenues will be used for one-time expenditures only, including capital outlay and reserves.

EXPENDITURE POLICIES

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

UTILITY RATES AND FEES

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21. All utility enterprise funds will be operated in a manner similar to private enterprise. As such, the City will set fees and user charges for each utility fund at a level that fully supports the total direct and indirect cost of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

CAPITAL BUDGET POLICIES

22. The City will develop an annual Five-year Capital Improvement Program (CIP) which is designed to develop and maintain infrastructure to support existing residences and businesses and future anticipated development.
23. The CIP will identify the estimated full cost of each project which includes

administration, design, development and implementation, and operating costs once the projects are completed.

24. The CIP will identify potential funding sources for each proposed capital project, prior to submitting proposed projects to the City Council for approval. When appropriate, the CIP will seek other funding sources such as State and Federal funds, private funds and leverage these funding sources with public money to help meet the highest priority community needs.
25. The funding for the first year of the Five-year CIP will be legally appropriated as a component of the annual operating budget. Funding for future projects identified in the five year has not been secured or legally authorized and is therefore subject to change.
26. Each CIP project will be assigned to a Project Manager whose responsibilities are to monitor all phases of the project to ensure timely completion of the project and compliance with the project budget and all regulations and laws.

DEBT POLICIES

27. The City will limit long-term debt to only those capital improvements or long-term liabilities that cannot be financed from current revenue sources.
28. The City will utilize debt financing for projects which have a useful life that can reasonably be expected to exceed the period of debt service for the project.
29. The City will protect and maintain the City's general credit rating of "AAA".
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 an unassigned 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 (PERS) Rate Stabilization Reserve. Based on the annual valuation report provided by CalPERS, the City may fund either the Annual Required Contribution (ARC) amount in lieu of a contribution amount derived from a percentage of salary. Any savings or additional costs resulting from the funding methodologies shall be adjusted from the PERS Rate Stabilization Reserve. This reserve may also be drawn on if the required employer contribution rates exceed previous year's contribution rates by more than 3% of payroll. In this instance, the City Council must approve utilization of this reserve at the time of the budget hearing. This reserve balance will be replenished from the unassigned 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. 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 assigned to investment portfolio market gain, and uninsured claims 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. Reserve levels for Debt Service Funds will be established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
41. 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.
42. The City will maintain a capital reserve for technological equipment replacement and will endeavor to set-aside an annual amount of \$300,000 in this fund.

43. The City may direct any loan repayments from the former Redevelopment Agency and residual property tax distributions from the Redevelopment Property Tax Trust Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
44. The City may direct any portion of the General Fund revenues that is not required to balance the operating budget to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
45. The City may direct any portion of the unassigned fund balance of the 2% Transient Occupancy Tax Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.

INVESTMENT POLICIES

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

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

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

RESOLUTION NO. 8475

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING THE CLASSIFICATION PLAN TO RECLASSIFY TWO FIRE POSITIONS AND ONE OFFICE SPECIALIST POSITION, ADJUST HOURLY RATE FOR SEASONAL MAINTENANCE WORKER POSITION AND VARIOUS TEMPORARY POSITIONS, AND DELETE 15.5 UNFUNDED AND UNFILLED POSITIONS

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, 2015, as follows:
 - A. Reclassify one (1) 40 hour Fire Battalion Chief position and one (1) Fire Marshall position to Deputy Fire Chiefs within the Fire Department to improve span of control and service delivery.
 - B. Adjust the hourly rate for seasonal maintenance worker classification to be equivalent to a Maintenance Worker I, Step A and increase the minimum wage of several temporary classifications to comply with the State's minimum wage requirement, a listing of the classifications is attached hereto as Attachment No. 1 ("Hourly Rate Adjustments").
 - C. Reclassify one (1) vacant unfunded Confidential Office Specialist position to Office Specialist within the City Clerk's Office to better align the position's tasks and responsibilities.
 - D. Delete fifteen and a half (15.5) full time equivalent positions within various departments, all of which have been unfunded and unfilled for several years, a listing of these positions is attached hereto as Attachment No. 2 ("Positions to be deleted from the Departments' Authorized Positions"). Correspondently, delete thirteen (13) classifications from the Salary Table, a listing of these classifications is attached hereto as Attachment No. 3 ("Classifications to be deleted from Salary Table").

PASSED AND ADOPTED this 19th day of May, 2015, by the following vote:

AYES: (5) Mayor Esteves, Vice Mayor Montano, Councilmembers Barbadillo, Giordano, and Grilli
NOES: (0)
ABSENT: (0)
ABSTAIN: (0)

ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Jose S. Esteves, Mayor

APPROVED AS TO FORM:


Michael J. Ogaz, City Attorney

Resolution No. 8475

Attachment No. 1

Hourly Rate Adjustments

Classification	Current Hourly Rates	Revised Hourly Rates
Maintenance Worker/Seasonal	\$11.00 - \$14.89	\$23.98
Lifeguard	\$8.58 - \$11.56	\$10.00 - \$12.15
Rec Leader III	\$8.64 - \$11.11	\$10.00 - \$12.15
Student Intern	\$9.18 - \$17.68	\$10.00 - \$18.56

Resolution No. 8475

Attachment No. 2

Positions to be deleted from the Departments' Authorized Positions

Department/Division	Job Title	FTE's
Information Services	Network Manager	1
Planning & Neighborhood Services	Assistant Planner	0.5
	Assistant Transportation Planner	1
Recreation	Parks & Recreation Director	1
	Program Coordinator	1
	Public Services Assistant II	2
	Recreation Services IV	3
	Recreation Services Assistant III	1
	Recreation Services Assistant II	1
Fire	Captain/Pub Education	1
	Assistant Fire Chief	1
	Assistant Fire Marshall	1
	Office Assistant I/II	1
	TOTAL	15.5

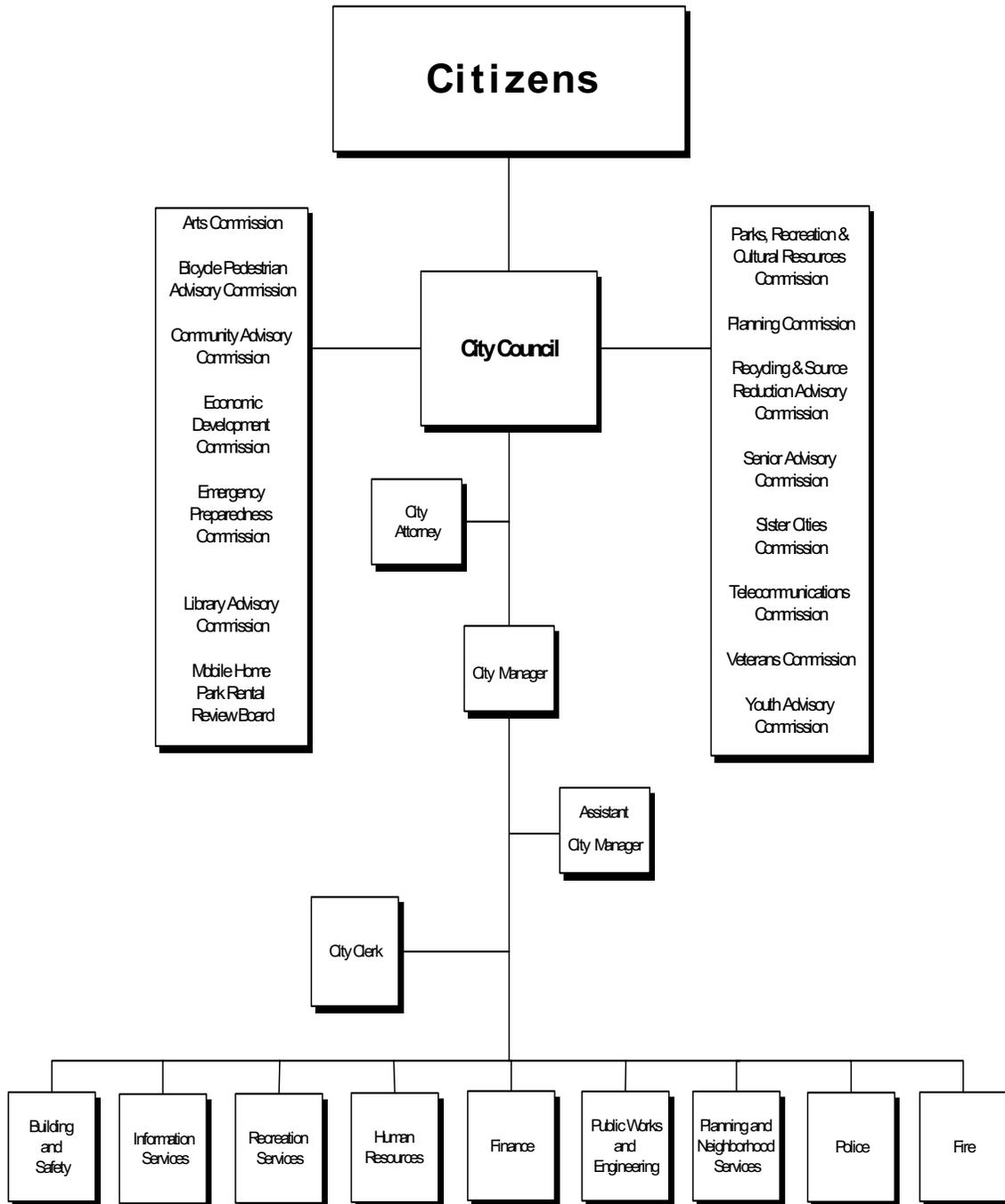
Resolution No. 8475

Attachment No. 3

Classifications to be deleted from Salary Table

Job Title
Network Manager
Assistant Transportation Planner
Junior Transportation Planner
Parks & Recreation Director
Captain/Pub Education
Cashier
Confidential Office Specialist
Water Meter Reader Supervisor
Assistant City Engineer
Assistant Fire Chief
Assistant Fire Marshall
Principal Administrative Analyst
Senior Administrative Analyst

Resolution No. 8475



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.



Alviso Adobe



Higuera Adobe

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

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

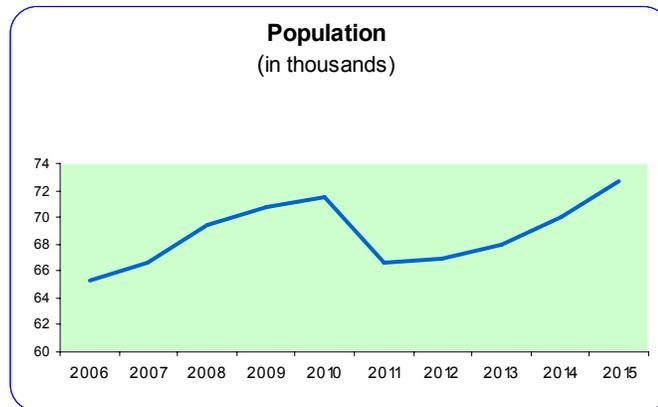
Following the computer firm boom of the 1980s and the opening of one of the nation's largest malls in 1994, the city is now home to more than 70,000 residents.

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

Demographic Profile



Once a small agricultural town and later a stopover point for travelers between Oakland and San Jose, Milpitas has blossomed into one of the world's premier computer and semiconductor producers. Tenants of the burgeoning city of 72,606 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 1.9 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 1,448 acres, or 2.6 square miles, designated for various industrial uses. About 113 acres are vacant and available in parcels ranging from 3 acres to 35 acres. Included in this acreage total are nine industrial districts and 438 manufacturing plants. 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.





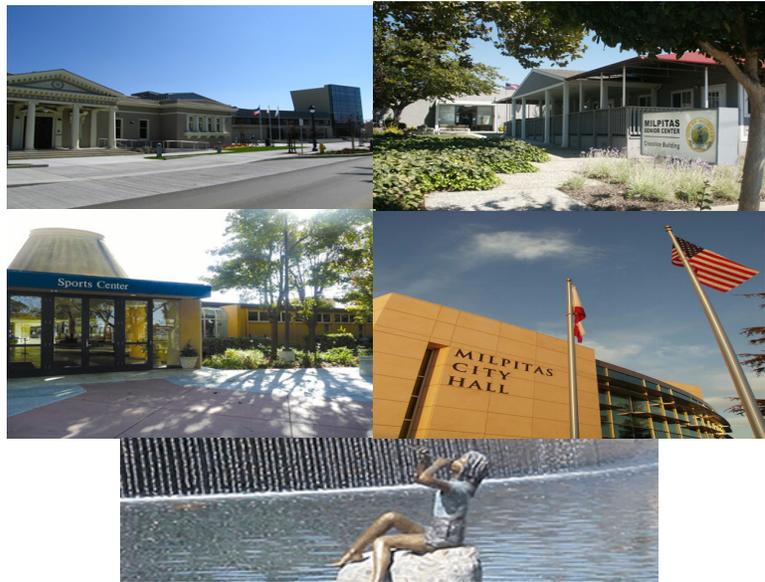
The two largest employers in Milpitas are Cisco Systems and KLA-Tencor with over 2,000 employees each. Other major employers are Flextronics Corporation; LSI Logic Corporation; SanDisk Corporation; Linear Technology; and Lifescan, Inc. Several of these top employers have made the City of Milpitas their corporate headquarters as well. Given the City's desirable location for high-tech industry, the day time population of Milpitas increases to 100,000.

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

Principal Property Tax Payers		
Fiscal Year 2013-14		
<u>Taxpayers</u>	<u>Taxable Assessed Value</u>	<u>% of Total City Assessed Value</u>
Cisco Technology Inc.	\$987,389,413	7.71%
Milpitas Mills LP	302,422,174	2.36%
KLA Tencor Corporation	249,599,168	1.95%
California Diversified	153,500,000	1.20%
Liner Technology Corporation	132,393,688	1.03%
BRE Milpitas LLC	121,141,738	0.95%
Headway Technologies Inc.	114,307,730	0.89%
Silicon Valley California LLC	106,048,587	0.83%
Sandbox Expansion LLC	89,250,000	0.70%
Fairfield Murphy RD LLC	83,610,070	0.65%

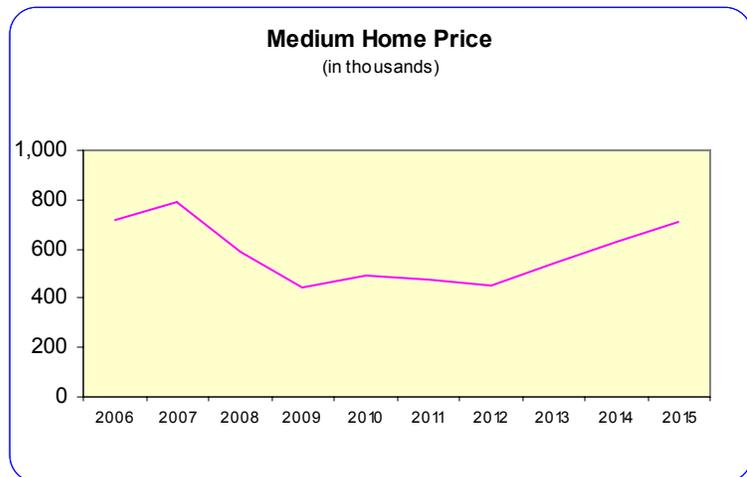
General Information Demographic Profile

Milpitas' neighborhoods are dotted with close to 19,985 households and well-placed parks. Thirty-four community parks are maintained by Milpitas, in addition to one dog park and 21 tennis courts. The City provides a multitude of outstanding recreational opportunities, including aquatics, cultural arts and theater, sports leagues and activities, youth programming, and senior activities and services.

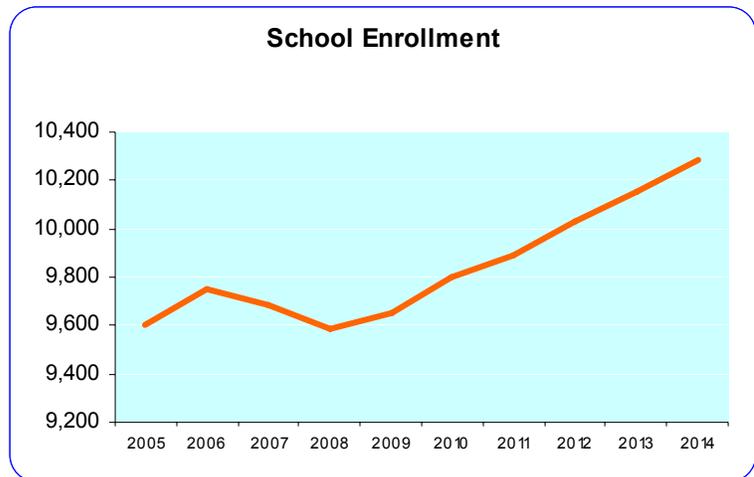


Milpitas' average household income is \$94,218. The percentage of households with incomes more than \$75,000 is close to 74 percent. About 47% of the households earn more than \$100,000 annually.

Close to 67 percent of Milpitans own their own home. Rental prices vary from \$1,105 to \$1,945 per month for renters with one and two bedroom apartments and duplexes. Rent for two and three bedroom houses typically run \$1,725 to \$2,785. The median price of a home as of April 2015 in Milpitas is \$707,000. 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 6 and 18 years old. About 62 percent of the population are between 18 and 64 years old. About 10 percent of residents are over 65, also the lowest in the county.



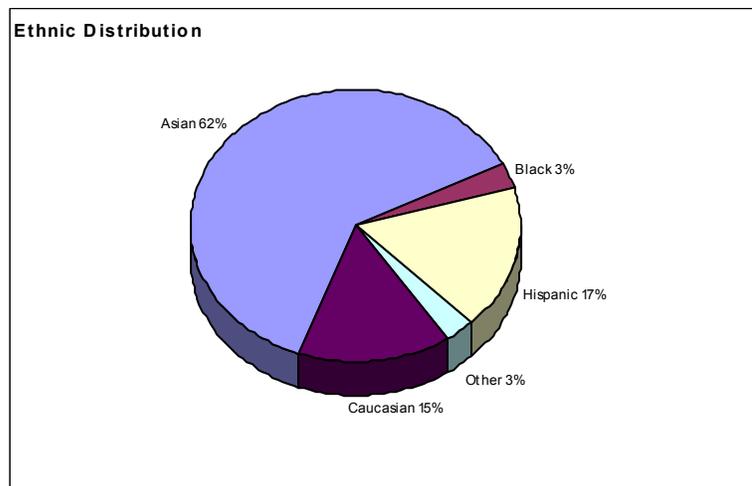
Milpitas public school system has 9 elementary schools, 2 middle schools, 2 high schools, 2 children centers, and an adult education program serving the community. Private school system has 4 elementary schools and 33 preschool/daycare facilities. School enrollment is 10,281.



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 \$137 million budget. The five members carry out twice a month public meetings. At these times, the public's comments are usually heard, under the citizen's forum. The Council's meetings are held the first and third Tuesdays of each month at 7:00 p.m. in the Milpitas City Hall, 455 E. Calaveras Blvd.

There are 15 advisory commissions on which residents can participate - the Planning Commission, Arts Commission, Youth Advisory Commission, 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	14,127
		Commercial	2,091
Population (estimated*)	72,606	Recycled Water	190
Land Area (Square Miles)	13.6	Average Daily Consumption	
Miles of Streets	128	(in million gallons)	9.3
Number of Street Lights	4,577	Miles of Water Mains	214
Fire Protection		Sewer Utility	
Number of Stations	4	Miles of Sanitary Sewers	179
Number of Firefighters	54	Miles of Storm Drains	110
Fire Apparatus	13	Public Schools Serving the Community	
Number of Fire Hydrants	2,033	Elementary Schools	9
Police Protection		Middle Schools	2
Number of Stations	2	High Schools	2
Number of Sworn Officers	86	Parks and Recreation	
Crossing Guard Posts	42	Acres of Parkland	180
Number of Police Patrol Vehicles	28	Number of Parks	34
Employees		Number of Swimming Pools	3
Permanent	443	Number of Tennis Courts	21
Temporary (FTE)	69		

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

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Vicinity Map



The City of Milpitas is located near the southern tip of San Francisco Bay, forty-five miles south of San Francisco. Milpitas is often called the “Crossroads of Silicon Valley” with most of its 13.63 square miles of land situated between two major freeways (I-880 and I-680), State Route 237, and a county expressway. A light rail line opened for service in 2004 and an extension of BART, including a major multi-model station is expected to open for service in 2017.

City Council

Mayor	Jose S. Esteves
Vice Mayor	Carmen Montano
Councilmember	Debbie Indihar Giordano
Councilmember	Garry Barbadillo
Councilmember	Marsha Grilli

Commissions/Board

Arts Commission

Christina Driggers
Bill Foulk
Robert Gill
Robin Hays
Cyd Mathias
Harriett McGuire
Nicole Phan
Doris Roth
Tess Santos
Becky Strauss
Marsha Tran
Larry Voellger

**Bicycle Pedestrian
Advisory Commission**

William Barnes
Rene Briones
Kristal Caidoy
Chris Lee
Jose Leon
Christine Sanchez
Samuel Usal

**Community Advisory
Commission**

Thelma Batilo
Samantha Beard
Mike Bilbao
Ashish Kathapurkar
Michael Lee
Oscar Leon
Michelle Manassau
Syed Mohsin
Adrian Morel
Jose Rosario
Ashok Sharma
Van Lan Truong

**Economic Development
Commission**

Ricardo Ablaza
Chandru Bhambhra
Dhaval J. Brahmhatt
Melanie Holthaus
Minh Nguyen
Cat-Tuong Nguyen
Bob Nunez
Teri Owens
Donald Peoples
Michael Strle
Charlene Tsao
Warren Wettenstein
Mark Wong

**Emergency Preparedness
Commission**

Mercedes Albana
Michael Berryhill
Evelyn Chua
Don Clendenin
Tim Howard
Nasir Lalani
Jonathan Nakapalau
Betty Reutter
Roger Silveira
Stephen Strauss
Christine Tran

Library Advisory Commission

Trinidad Aolin
Yu-Lan Chou
Elpidio Estioko
Hellie Mateo
Nonie McDonald
Marie Pham
Ha Phan
Margie Stephens
Sonny Wang

Commissions/Board

Mobile Home Park Rental

Review Board

Huy Bui
Mila Garcia
Demetrio Nitafan
Arthur Sana

Parks, Recreation and Cultural

Resources Commission

Satish Bansal
Stephanie Fong
Naomi Matau
Vishnu Mathur
Steve Munzel
Evelyn Ramirez
Rohit Sharma
Bhupinder (Bill) Singh
Samu Tiumalu

Planning Commission

Lawrence Ciardella
Hon Lien
Rajeev Madnawat
Ray Maglalang
Sudhir Mandal
Zeya Mohsin
Demetress Morris
Gurdev "Dave" Sandhu

Recycling and Source Reduction

Advisory Commission

Madan Arora
Echo Arthur
Manpreet Badesha
Conrad Chua
Kashmir Gill
Eddie Inamdar
Christopher Salian
Steve Ybarra

Senior Advisory Commission

Karen Adams
Mary Banick
Jenny Berryhill
Barbara Ebright
Estrella Gilana
Melba Holliday
Deborah R. Langley
Denny Weisgerber
Jae Kuk Wi
Willy Wong
Patrick Yung

Sister Cities Commission

Dana Arbaugh
Massoud Arefi
Peter Chang
Nolan Chen
Dennis Grilli
Mary Llamas
Roselda Mateo
Karen Serpa
Brenda Su

Telecommunications Commission

Albert Alcorn
Anh Bao
Ernesto Bautista
Kurt Bohan
Dinesh Gupta
Niranjan Gupta
William Lam
M. Idrees Munir
Sukhi Singh
Stephan Tang
Hai Tran

Veterans Commission

Ed Ackerman
Dana Arbaugh
Bruce Choy
Arthur Ebright
Andre Ramones
Liliana Ramos
Allen Thomas
Denny Weisgerber

Youth Advisory Commission

Riane Abaya
Jacqueline Ajero
Jashandeep Chahal
Sahil Hansalia
Sabina King
Jonathan Mendoza
Christie Maly
Alan Pham
Sahil Sandhu
Clare Sern
Ravit Sharma
Crystal Tran
Claudia Wang

Directory of Officials
Fiscal Year 2015 – 2016

City Manager
Thomas C. Williams

Police Chief
Steve Pangelinan

**Assist City Manager/
Director of Financial Services**
Emma Karlen, CPA

Fire Chief
Robert Mihovich

City Clerk
Mary Lavelle

City Attorney
Michael Ogaz

Chief Information Officer
Mike Luu

Human Resources Director
Vacant

Director of Engineering
Steven Machida

Planning & Neighborhd Svc Director
Bill Ekern (Interim)

Chief Building Official
Keyvan Irannejad

Public Works Director
Nina Hawk

Recreation Services Manager
Renee Lorentzen

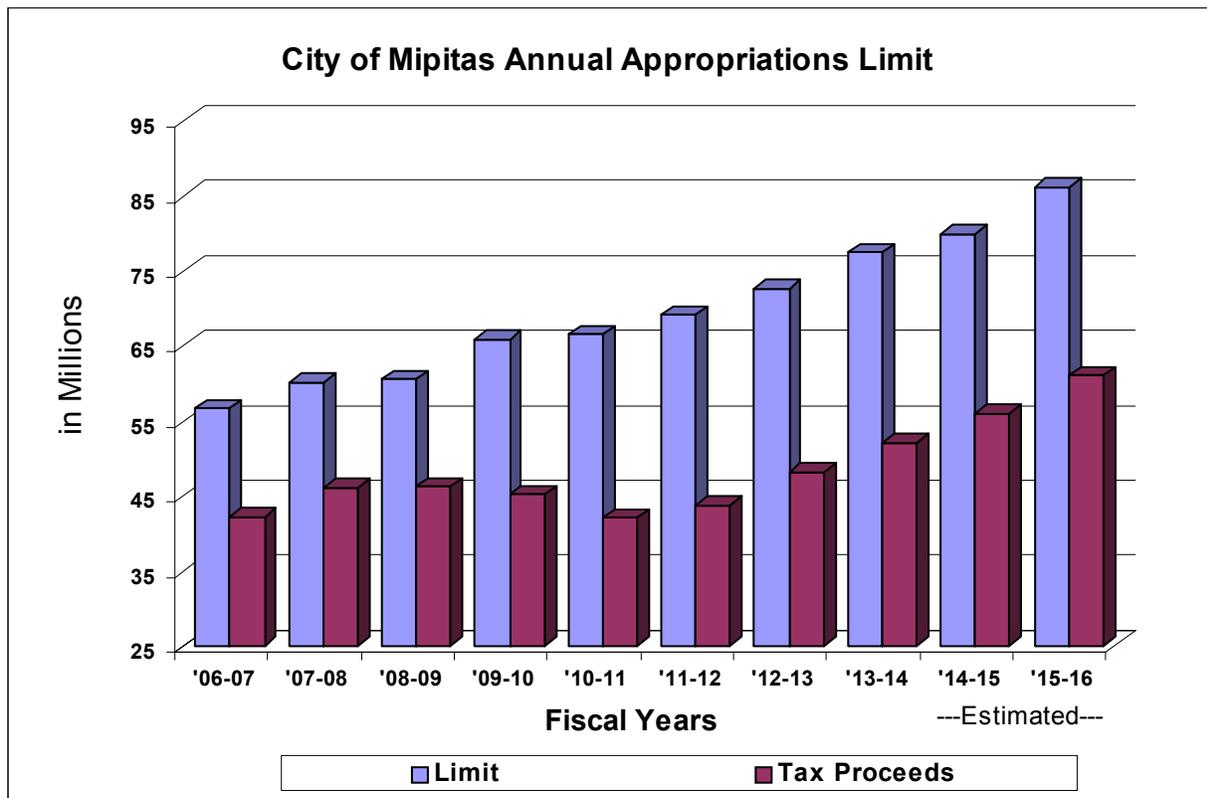
Economic Development Manager
Edesa Bitbadal

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 FY2015-16 has been computed to be \$86,130,096. Appropriations subject to the limitation in FY2015-16 budget total \$60,987,419 that is \$25,142,677 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since Fiscal Year 2006-2007. 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, 2015

ASSESSED VALUATION (NET) ¹ :	<u>\$14,060,786,369</u>
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) ² :	<u>\$527,279,489</u>
AMOUNT OF DEBT SUBJECT TO LIMIT:	
Total Bonded Debt	\$134,280,000
Less: Tax Allocation Bonds and Certificates of Participation, not subject to limit	\$134,280,000
Amount of debt subject to limit	<u>-0-</u>
LEGAL BONDED DEBT MARGIN:	<u>\$527,279,489</u>

¹ Source: County of Santa Clara Tax Rates and Information publication.

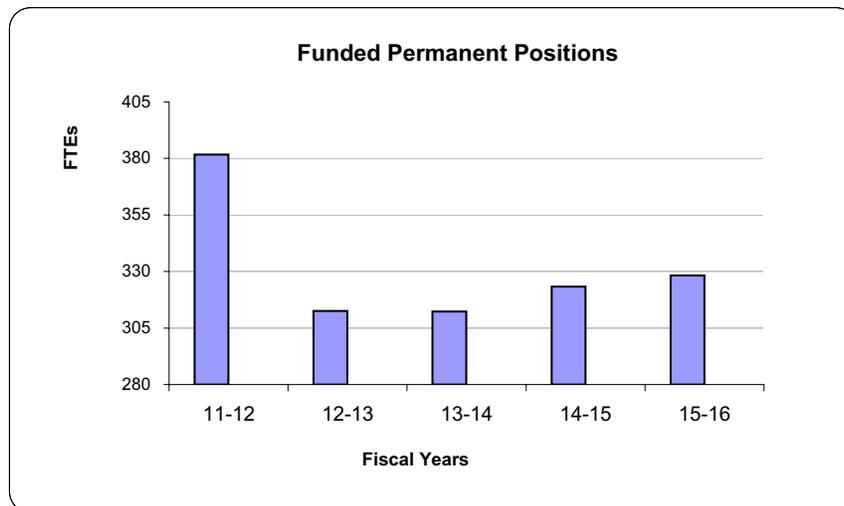
² California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Authorized Positions by Division

	12 - 13		13 - 14		14 - 15		Change		15 - 16	
	Approved		Approved		Approved				Approved	
	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp
100 City Council	5.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00
111 City Manager	5.00	0.00	5.00	0.00	5.00	1.00	0.00	0.00	5.00	1.00
114 City Clerk	6.00	0.00	3.00	0.00	3.00	0.00	0.00	0.00	3.00	0.00
City Manager	<u>16.00</u>	<u>0.00</u>	<u>13.00</u>	<u>0.00</u>	<u>13.00</u>	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>	<u>13.00</u>	<u>1.00</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	3.00	23.00	2.00	1.00	1.00	24.00	3.00
Building and Safety	<u>28.00</u>	<u>0.00</u>	<u>28.00</u>	<u>3.00</u>	<u>23.00</u>	<u>2.00</u>	<u>1.00</u>	<u>1.00</u>	<u>24.00</u>	<u>3.00</u>
112 Information Services	15.00	0.00	15.00	0.00	15.00	0.00	(1.00)	1.50	14.00	1.50
Information Systems	<u>15.00</u>	<u>0.00</u>	<u>15.00</u>	<u>0.00</u>	<u>15.00</u>	<u>0.00</u>	<u>(1.00)</u>	<u>1.50</u>	<u>14.00</u>	<u>1.50</u>
115 Human Resources	6.00	0.50	6.00	0.75	6.00	0.75	0.00	0.00	6.00	0.75
Human Resources	<u>6.00</u>	<u>0.50</u>	<u>6.00</u>	<u>0.75</u>	<u>6.00</u>	<u>0.75</u>	<u>0.00</u>	<u>0.00</u>	<u>6.00</u>	<u>0.75</u>
450 Recreation Services	25.50	30.50	25.50	31.25	25.50	32.25	(7.75)	1.00	17.75	33.25
Recreation Services	<u>25.50</u>	<u>30.50</u>	<u>25.50</u>	<u>31.25</u>	<u>25.50</u>	<u>32.25</u>	<u>(7.75)</u>	<u>1.00</u>	<u>17.75</u>	<u>33.25</u>
300 Finance Administration	7.00	0.00	7.00	0.00	7.00	0.00	0.00	0.00	7.00	0.00
310 Finance Operations	20.50	1.00	20.50	1.00	20.50	2.00	0.00	0.00	20.50	2.00
Finance	<u>27.50</u>	<u>1.00</u>	<u>27.50</u>	<u>1.00</u>	<u>27.50</u>	<u>2.00</u>	<u>0.00</u>	<u>0.00</u>	<u>27.50</u>	<u>2.00</u>
420 Public Works	87.00	5.00	89.00	5.00	90.00	5.00	0.00	0.00	90.00	5.00
Public Works	<u>87.00</u>	<u>5.00</u>	<u>89.00</u>	<u>5.00</u>	<u>90.00</u>	<u>5.00</u>	<u>0.00</u>	<u>0.00</u>	<u>90.00</u>	<u>5.00</u>
650 Engineering	28.00	0.50	28.00	2.00	32.00	4.50	1.00	(0.25)	33.00	4.25
Engineering	<u>28.00</u>	<u>0.50</u>	<u>28.00</u>	<u>2.00</u>	<u>32.00</u>	<u>4.50</u>	<u>1.00</u>	<u>(0.25)</u>	<u>33.00</u>	<u>4.25</u>
510 Planning & Nghbrhd	16.50	0.00	17.50	1.00	18.50	3.00	(1.50)	0.25	17.00	3.25
Planning & Nghbrhd Srves	<u>16.50</u>	<u>0.00</u>	<u>17.50</u>	<u>1.00</u>	<u>18.50</u>	<u>3.00</u>	<u>(1.50)</u>	<u>0.25</u>	<u>17.00</u>	<u>3.25</u>
700 Police Administration	2.00	0.00	3.00	0.00	3.00	0.00	0.00	0.00	3.00	0.00
710 Police Technical Services	29.50	1.00	29.50	1.00	30.00	1.00	0.00	0.00	30.00	1.00
720 Police Field Services	76.00	13.00	75.00	13.00	75.00	13.00	(3.00)	0.00	72.00	13.00
730 Special Operations	14.00	0.00	14.00	0.00	14.00	0.00	3.00	0.00	17.00	0.00
Police	<u>121.50</u>	<u>14.00</u>	<u>121.50</u>	<u>14.00</u>	<u>122.00</u>	<u>14.00</u>	<u>0.00</u>	<u>0.00</u>	<u>122.00</u>	<u>14.00</u>
800 Fire Administration	4.00	0.50	4.00	0.50	4.00	0.50	(2.00)	0.00	2.00	0.50
810 Emerg Resp & Prep Div	66.00	0.00	66.00	0.00	66.00	0.00	(1.00)	0.00	65.00	0.00
820 Prevention Division	10.00	0.00	10.00	0.50	10.00	0.50	(1.00)	0.00	9.00	0.50
Fire	<u>80.00</u>	<u>0.50</u>	<u>80.00</u>	<u>1.00</u>	<u>80.00</u>	<u>1.00</u>	<u>(4.00)</u>	<u>0.00</u>	<u>76.00</u>	<u>1.00</u>
TOTAL	<u>455.00</u>	<u>52.00</u>	<u>455.00</u>	<u>59.00</u>	<u>456.50</u>	<u>65.50</u>	<u>(12.25)</u>	<u>3.50</u>	<u>444.25</u>	<u>69.00</u>

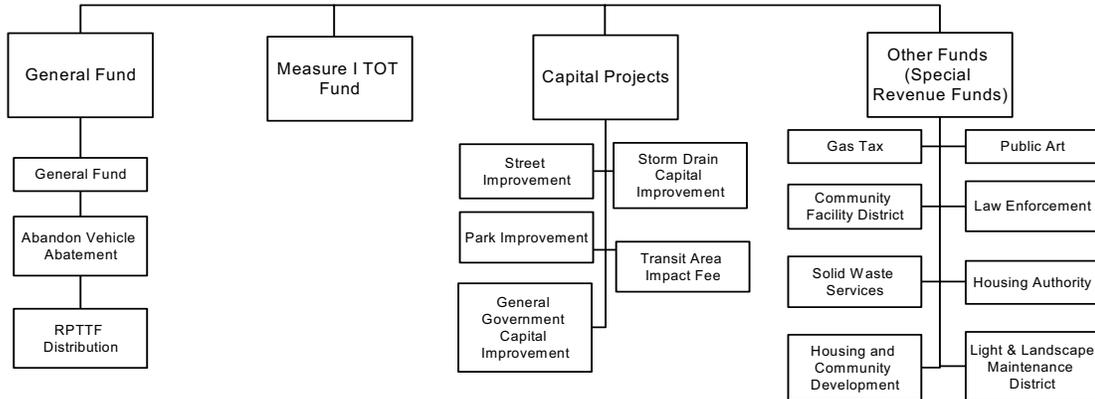
Funded Permanent Positions by Department

	11-12		12-13		13-14		14-15		15-16
	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	2.00	4.00	0.00	4.00
City Clerk	6.00	(3.00)	3.00	(1.00)	2.00	0.00	2.00	0.00	2.00
RDA & Economic Dvp	1.00	(1.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City Manager	14.00	(4.00)	10.00	(1.00)	9.00	2.00	11.00	0.00	11.00
City Attorney	4.00	(1.00)	3.00	0.00	3.00	0.00	3.00	0.00	3.00
Building and Safety	17.00	(3.00)	14.00	3.00	17.00	0.00	17.00	1.00	18.00
Information Services	14.00	(3.75)	10.25	(0.25)	10.00	0.00	10.00	(1.00)	9.00
Human Resources	3.00	0.00	3.00	0.00	3.00	0.00	3.00	1.00	4.00
Recreation Services	18.25	(4.50)	13.75	(1.00)	12.75	1.00	13.75	1.00	14.75
Finance	25.50	(4.00)	21.50	0.00	21.50	0.00	21.50	1.00	22.50
Public Works	74.00	(34.00)	40.00	0.00	40.00	1.00	41.00	0.00	41.00
Engineering	25.00	(6.00)	19.00	2.00	21.00	2.00	23.00	0.00	23.00
Planning & Nghbrhd Srves	11.00	(1.00)	10.00	0.00	10.00	1.00	11.00	0.00	11.00
Police	110.00	(6.00)	104.00	1.00	105.00	3.00	108.00	1.00	109.00
Fire	66.00	(2.00)	64.00	(4.00)	60.00	1.00	61.00	1.00	62.00
TOTAL	381.75	(69.25)	312.50	(0.25)	312.25	11.00	323.25	5.00	328.25

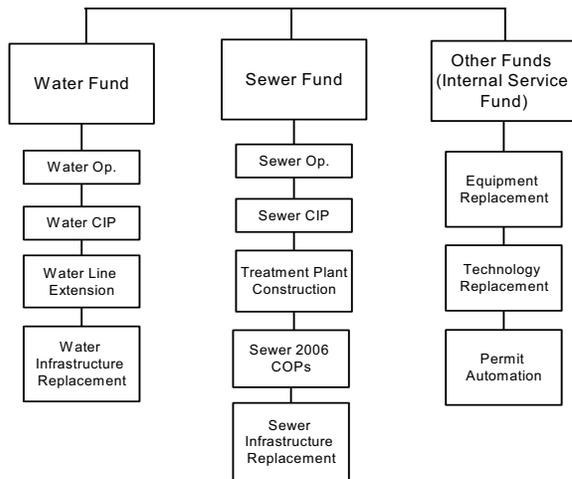


City of Milpitas Fund Structure By Budgetary Basis

Modified Accrual Basis of Budgeting



Accrual Basis of Budgeting



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.

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

Modified Accrual Basis is a basis of accounting in which revenues are recognized when measurable and available and expenditures are recorded when the related fund liability is incurred.

* The description of the funds can be found in the Appendix, Fund Descriptions

	Grand Total	General Fund (1)	Measure I TOT
ESTIMATED REVENUES			
PROPERTY TAXES	24,680,000	24,680,000	0
TAXES OTHER THAN PROPERTY	36,557,000	33,957,000	2,007,000
LICENSES AND PERMITS	6,497,808	6,497,808	0
FINES AND FORFEITS	408,000	408,000	0
USE OF MONEY AND PROPERTY	878,000	141,000	41,000
INTERGOVERNMENTAL	3,446,000	956,000	0
CHARGES FOR CURRENT SERVICES	46,577,442	5,762,000	0
OTHER REVENUE	1,563,500	85,500	0
sub-total	120,607,750	72,487,308	2,048,000
OTHER FINANCING SOURCES			
(INCREASE) DECREASE IN FUND BALANCE	5,777,746	0	(1,281,721)
(INCREASE) DECREASE IN CIP FUND BALANCE	10,542,960	0	0
OPERATING TRANSFERS IN	7,631,500	4,406,500	0
OPERATING TRANSFERS OUT	(7,631,500)	(300,000)	(600,000)
sub-total	16,320,706	4,106,500	(1,881,721)
TOTAL	136,928,456	76,593,808	166,279
BUDGETED APPROPRIATIONS			
PERSONNEL SERVICES	69,478,009	61,918,012	55,279
SUPPLIES & CONTRACTUAL SERVICES	42,992,400	14,665,796	111,000
CAPITAL OUTLAY	1,276,087	10,000	0
sub-total	113,746,496	76,593,808	166,279
CAPITAL IMPROVEMENTS	22,421,960	0	0
DEBT SERVICE	760,000	0	0
sub-total	23,181,960	0	0
TOTAL	136,928,456	76,593,808	166,279
FUND BALANCE			
FUND BALANCE 7/1/2015	158,477,877	38,628,877	8,300,000
NET CHANGES IN FUND BALANCE	(16,320,706)	0	1,281,721
FUND BALANCE 6/30/2016	<u>142,157,171</u>	<u>38,628,877</u>	<u>9,581,721</u>
RESTRICTED	34,514,976	18,279,480	5,000,000
RESTRICTED FOR CIP	50,584,040	0	0
COMMITTED FOR PERS	5,432,703	5,432,703	0
ASSIGNED	19,019,415	2,816,694	4,581,721
UNASSIGNED, UNRESTRICTED	32,606,037	12,100,000	0
TOTAL	142,157,171	38,628,877	9,581,721

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

(2) Other Funds include Public Art Fund, Community Facility District Funds, 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	593,000	0	0	0
0	0	0	0	0
0	0	0	0	0
30,000	102,000	267,000	128,000	169,000
0	2,454,000	0	36,000	0
0	3,315,442	0	23,300,000	14,200,000
0	1,273,000	0	145,000	60,000
<u>30,000</u>	<u>7,737,442</u>	<u>267,000</u>	<u>23,609,000</u>	<u>14,429,000</u>
928,093	521,562	0	3,579,266	2,030,546
0	0	9,139,960	(15,000)	1,418,000
0	300,000	2,925,000	0	0
0	(2,609,500)	0	(2,447,000)	(1,675,000)
<u>928,093</u>	<u>(1,787,938)</u>	<u>12,064,960</u>	<u>1,117,266</u>	<u>1,773,546</u>
<u>958,093</u>	<u>5,949,504</u>	<u>12,331,960</u>	<u>24,726,266</u>	<u>16,202,546</u>
331,093	1,467,355	0	3,115,723	2,590,547
627,000	3,381,233	150,000	17,447,958	6,609,413
0	1,100,916	0	162,585	2,586
<u>958,093</u>	<u>5,949,504</u>	<u>150,000</u>	<u>20,726,266</u>	<u>9,202,546</u>
0	0	12,106,960	4,000,000	6,315,000
0	0	75,000	0	685,000
<u>0</u>	<u>0</u>	<u>12,181,960</u>	<u>4,000,000</u>	<u>7,000,000</u>
<u>958,093</u>	<u>5,949,504</u>	<u>12,331,960</u>	<u>24,726,266</u>	<u>16,202,546</u>
4,700,000	17,522,000	38,827,000	22,000,000	28,500,000
(928,093)	(521,562)	(9,139,960)	(3,564,266)	(3,448,546)
<u>3,771,907</u>	<u>17,000,438</u>	<u>29,687,040</u>	<u>18,435,734</u>	<u>25,051,454</u>
<u>3,771,907</u>	<u>7,463,589</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	18,087,040	14,315,000	18,182,000
0	0	0	0	0
0	21,000	11,600,000	0	0
0	9,515,849	0	4,120,734	6,869,454
<u>3,771,907</u>	<u>17,000,438</u>	<u>29,687,040</u>	<u>18,435,734</u>	<u>25,051,454</u>

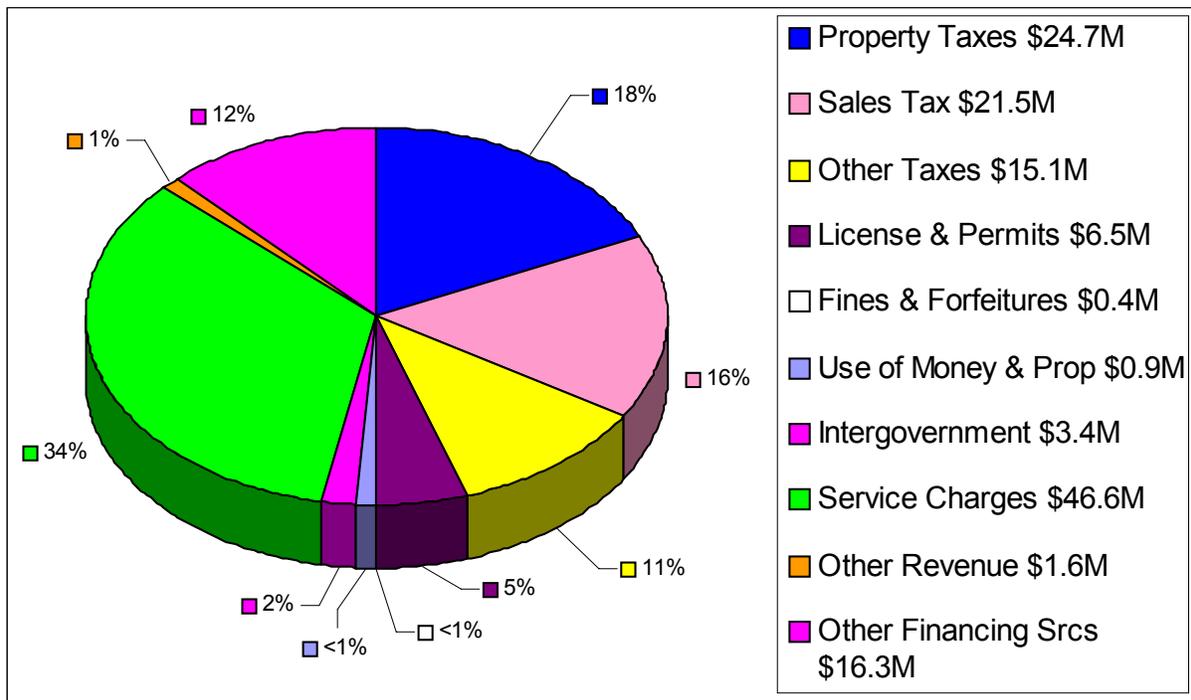
(3) Capital Projects include Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund and Transit Area Impact Fee Fund.

(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.

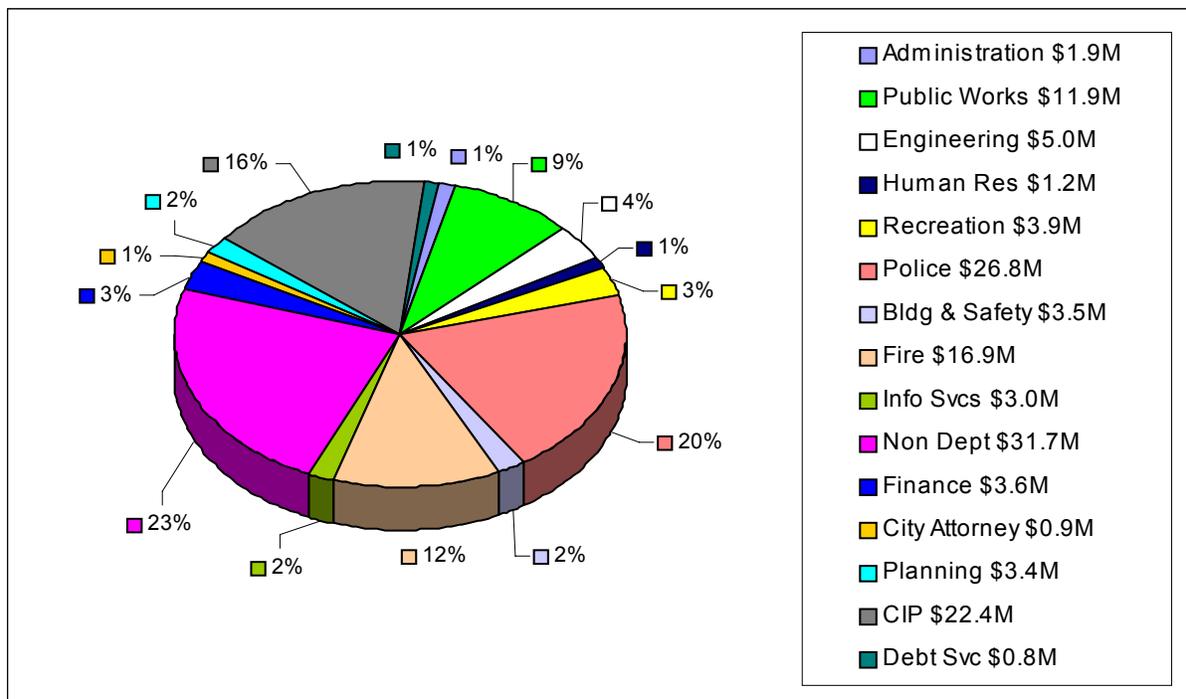
Distribution of Revenues

2015-2016
(All Funds)



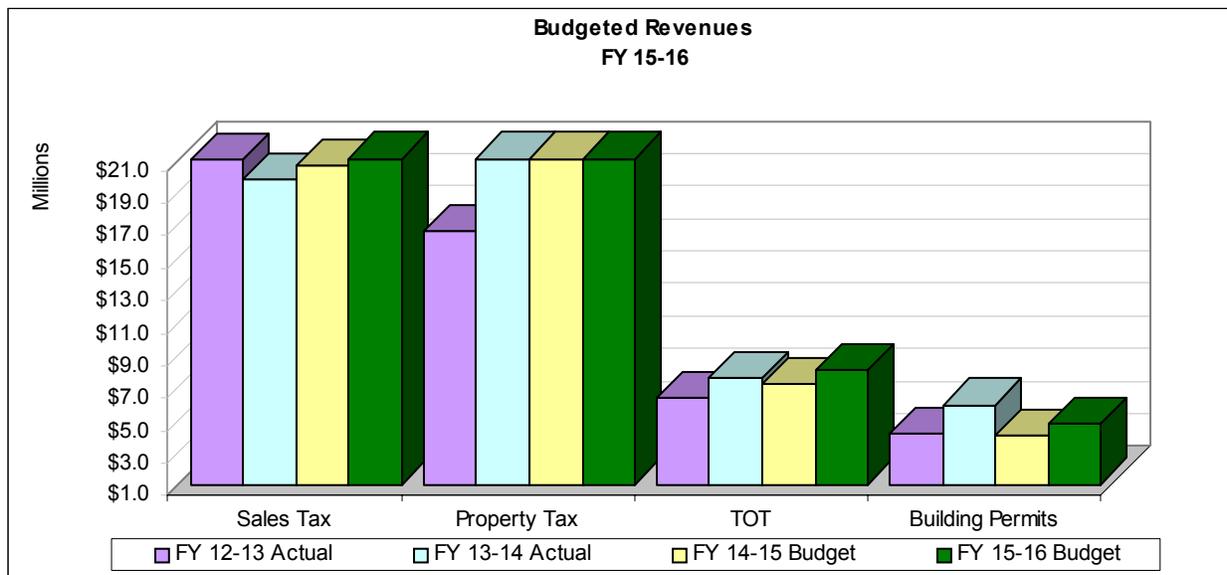
Distribution of Expenditures

2015-2016
(All Funds)



General Fund Revenue Assumptions

- CPI** Projected to be 2.5% 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** Staff's assumption for FY 15-16 sales tax revenue is a 9.4% increase from the FY 14-15 revised estimate. The reason for the 9.4% increase is related to the end of the "triple-flip" borrowing of sales tax revenue that originated from the State budget deficit 10 years ago. Beginning in October 2015, local agencies will receive its full share of 1% sales tax revenue instead of 0.75% thereby eliminating the timing difference of receiving the remaining 0.25% "true-up" sales tax revenue.
- Property Tax** Property tax revenues are estimated to increase by 3.9% in FY 15-16 from the FY 14-15 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 new residential units that added to the assessed valuation of the secured properties. The projection is consistent with the assessed valuation information provided by the County of Santa Clara Assessor's office. In addition, pursuant to ABx1 26 that legislates the dissolution of the RDA, all remaining RDA property tax 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 \$4.4 million in FY 15-16.
- Transient Occupancy Tax (TOT)** Transient Occupancy tax revenue is projected to increase \$904,000 or 12.7% from the FY 14-15 budget but is projected to increase 2.6% or \$199,000 when compared with the revised FY14-15 revenue. All 19 hotels in the local area continue to have high occupancy rates and it is anticipated that the trends will continue in FY 15-16.
- Building Permits** Building Permit and Inspection revenue for FY 14-15 is revised to be \$679,000 more than budget due to intensified development activities in the Transit Area. In FY15-16, building permit and inspection revenues are projected to be \$6.5 million, an increase of 1.4% or \$89,000 over the FY 14-15 revised revenue. It is anticipated that residential developments will continue at a high level similar to FY 14-15. 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.



Revenues by Fund (Summary)

	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
100 General Fund	60,671,576	73,075,651	71,171,911	76,353,808
101 RPTTF Distribution Fund	(4,931,885)	0	0	0
102 Measure I TOT	1,633,311	1,312,452	64,000	1,448,000
103 1452-1474 S. Main	0	0	0	200,000
105 Abandon Veh Abatement	69,620	80,697	56,000	40,000
140 Housing Administration	228,927	0	0	0
150 Redevelopment Administration	640,835	319,356	0	0
211 H-Hetch Ground Lease	14,117	21,662	12,141	12,500
212 Public Art Fund-Restricted	11,609	649	1,000	0
213 Public Art Fund-Nonrestricted	1,081	12,947	1,000	0
214 Community Planning Fee Fund	0	0	0	200,000
221 Gas Tax Fund	191,625	560,490	537,015	39,000
235 95-1 Lighting/Lscape Dist	276,089	(74,962)	241,000	210,000
236 98-1 Lighting/Lscape Dist	36,684	(23,522)	25,000	38,000
237 05 Community Fclty Dist	405,735	433,540	402,000	750,000
238 08 Community Fclty Dist	0	0	(200,000)	0
250 HCD Fund	480,079	370,862	375,000	375,000
251 HCD Loan	63,670	2,217	1,000	0
261 Supplemental Law Enforcement	140,509	131,842	1,000	0
262 State Asset Seizure	6,513	6,520	1,000	0
263 Federal Asset Seizure	726	709	1,000	0
267 Justice Assistance Grant	872	(861)	0	0
269 Grant Fund	0	168	0	0
280 Solid Waste Services	1,680,566	707,267	631,748	654,000
281 Solid Waste Reduction	(902,057)	0	0	0
295 Housing Authority	3,178,124	(3,057,838)	28,000	30,000
310 Street Fund	82,589	(217,981)	(403,000)	23,000
311 Street CIP	3,487,880	1,359,337	4,550,000	3,521,960
312 Traffic Impact Fee	524,600	(903,466)	(28,000)	(170,960)
313 Traffic Congestion Relief	(33)	0	0	0
314 Vehicle Registration Fee	26,925	93,437	(300,000)	(450,000)
315 Calaveras Widening Impact Fee	0	127,226	0	0
316 Montague Widening Impact Fee	0	337,348	0	0
317 Milpitas Business Park Impact Fee	0	723,188	0	0
320 Park Improvement Fund	1,115,116	165,052	(1,505,000)	(2,253,000)
321 Park Improvement CIP	858,685	2,170,000	2,250,000	5,875,000
322 Midtown Park Fund	2,316,980	(305,441)	(1,261,000)	(3,519,000)
330 General Government	2,695,090	(2,635,296)	(263,000)	(1,860,000)
331 General Government CIP	131,226	5,189,288	1,078,000	760,000
332 RPTTF Distribution Fund	8,911,596	(1,552,855)	20,044	44,000
340 Storm Drain Development	240,682	661,104	(514,000)	(737,000)
341 Storm Drain CIP	400,000	0	760,000	1,950,000
350 Transit Area Impact Fee Fund	17,166	10,918,768	3,374,000	8,000
351 Transit Area Impact Fee CIP Fund	0	0	(1,000,000)	0
352 Piper Montague Infrastructure	0	26,315	0	0
400 Water M & O Fund	15,818,994	18,714,675	17,156,541	17,147,000
401 Water CIP	2,900,000	1,400,000	2,775,000	4,000,000

Financial Information Revenues by Fund (Summary)

	<u>Actual 2012-13</u>	<u>Actual 2013-14</u>	<u>Budget 2014-15</u>	<u>Approved 2015-16</u>
402 Water Line Extension Fund	748,346	327,695	(329,000)	15,000
406 Recycled Water Fund	(583,569)	0	0	0
450 Sewer M & O Fund	7,299,357	6,584,847	8,729,615	7,857,000
451 Sewer CIP	4,050,000	7,500,000	5,015,000	6,315,000
452 Treatment Plant Construction	1,158,371	(1,701,755)	(2,352,000)	(1,446,000)
455 Sewer Infrastructure Replmnt	176,080	29,270	(1,477,000)	28,000
500 Equipment Mgmt Fund	1,584,903	1,938,741	1,847,821	2,444,442
505 Information Tec Replmt	29,436	300,022	302,000	300,000
506 Permit Automation Fund	293,783	570,102	200,000	405,000
TOTAL	<u>118,182,530</u>	<u>125,699,470</u>	<u>111,975,836</u>	<u>120,607,750</u>

Revenues by Fund (Detail)

Description	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
GENERAL FUND (100)				
PROPERTY TAXES				
3010 Property Taxes, Current	16,197,767	17,433,699	18,051,000	19,767,000
3030 Property Taxes, Supplement	311,497	509,932	298,000	560,000
3050 Property Taxes, RPTTF Distribution	0	9,663,929	3,500,000	4,353,000
sub-total	<u>16,509,264</u>	<u>27,607,560</u>	<u>21,849,000</u>	<u>24,680,000</u>
TAXES OTHER THAN PROPERTY				
3110 Sales and Use Tax	20,908,497	19,766,138	20,606,000	21,490,000
3120 Real Estate Transfer Tax	395,303	552,238	516,000	580,000
3131 Electric Franchise	1,165,639	1,227,238	1,236,000	1,240,000
3132 Gas Franchise	140,936	154,141	149,000	156,000
3133 Garbage Franchise-Commercial	952,988	1,034,577	1,000,000	1,045,000
3134 Garbage Franchise-NonCommercial	460,618	460,531	467,000	470,000
3137 Nitrogen Gas Franchise	45,981	48,969	46,000	49,000
3138 CATV Franchise	503,360	527,684	500,000	560,000
3140 Business License Tax	418,649	334,139	349,000	349,000
3150 Hotel/Motel Tax	6,343,107	7,473,691	7,114,000	8,018,000
sub-total	<u>31,335,077</u>	<u>31,579,345</u>	<u>31,983,000</u>	<u>33,957,000</u>
LICENSES AND PERMITS				
3210 Building Permits	4,143,185	5,881,934	4,026,000	4,755,808
3220 Fire Permits	914,872	1,402,422	1,379,000	1,340,000
3240 Life Safety Annual Permits	282,089	359,499	275,000	275,000
3250 Fire Inspections	92,724	133,977	86,000	127,000
sub-total	<u>5,432,870</u>	<u>7,777,832</u>	<u>5,766,000</u>	<u>6,497,808</u>
FINES AND FORFEITS				
3301 Vehicle Code Fines	178,474	137,865	162,000	142,000
3302 Other Court Fines	158,635	130,910	119,000	163,000
3305 Booking Fees	15,445	12,688	7,000	8,000
3306 NBO Violation Fees	5,475	3,150	4,000	4,000
3307 Impound Fees	63,446	65,922	61,000	61,000
3308 Animal Violations	9,965	9,162	9,000	10,000
3309 False Alarm Fee	11,000	55,700	20,000	20,000
sub-total	<u>442,441</u>	<u>415,396</u>	<u>382,000</u>	<u>408,000</u>
USE OF MONEY AND PROPERTY				
3431 Pooled Investment Interest (Nonalloc)	(44,049)	49,581	0	0
3433 Other Interest Income	90,716	158,912	0	0
3434 Pooled Interest Allocation	293,672	176,057	168,000	141,000
sub-total	<u>340,340</u>	<u>384,551</u>	<u>168,000</u>	<u>141,000</u>
INTERGOVERNMENTAL				
3511 Motor Vehicle In Lieu Tax	36,679	30,356	30,000	30,000
3521 Homeowners Property Tax Relief	121,309	119,506	120,000	120,000
3556 Federal Contributions-Recreation	7,721	6,195	5,000	5,000
3557 Federal Contributions-Police	16,502	12,430	0	0
3558 Federal Contributions-Fire	79,162	55,180	0	0
3562 POST Grant	29,442	3,790	0	0
3567 State Contributions-Police	3,000	81,000	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
3568 State Contributions-Fire	12,628	2,754	0	0
3575 County Cont-Public Works	356,093	550,020	397,000	400,000
3576 County Contributions-Recreation	76,845	77,085	82,000	86,000
3577 County Contributions-Police	0	65,691	80,000	105,000
3581 Other Restricted Grants-General Gov't	530,814	326,744	0	170,000
3582 SB90 Grant	51,401	22,082	0	0
3585 Other Res Grant-Public Works	0	0	250,000	0
3586 Other Restricted Grants-Recreation	1,809	750	0	0
3587 Other Restricted Grants-Police	10,412	0	0	0
sub-total	1,333,818	1,353,584	964,000	916,000
CHARGES FOR CURRENT SERVICES				
3601 General Government Service Charges	189,230	217,061	160,000	160,000
3602 Sales of Maps and Documents-Gen Gov't	908	487	0	0
3603 Rents, Leases and Concessions-Gen Gov't	222,778	90,061	85,000	82,000
3604 B L Processing Fee	189,048	147,986	106,000	106,000
3611 PJ Overhead Charges-PW/E	834,484	728,177	950,000	1,012,000
3612 PJ Labor Reimbursement-PW/E	367,452	322,451	420,000	440,000
3613 PJ Vendor Reimbursement-PW/E	49,540	4,263	40,000	120,000
3616 Engineering Plan Check Fee	15,738	4,455	10,000	0
3617 Planning Fees	2,630	3,575	3,000	4,000
3618 Sales of Maps and Doc-PW/Engr	919	418	1,000	1,000
3619 Rent,Lease & Concession-PW/Eng	28,000	28,000	25,000	28,000
3631 PJ Overhead Charges - Fire	10,728	17,917	11,000	11,000
3632 PJ Labor Reimbursement - Fire	7,382	13,713	5,000	5,000
3633 Fire Cost Recovery	(1,661)	0	0	0
3634 Unwanted Alarms-Fire	15,000	18,300	5,000	15,000
3637 Fire Service Charges	240,685	235,676	216,000	240,000
3638 Sale of Maps & Documents-Fire	5	60	0	0
3639 Fire Electroinc Archieve Charge	11,983	14,625	12,000	12,000
3641 Police Service Charges	596,724	657,082	592,000	592,000
3643 Fingerprints	867	933	2,000	2,000
3644 Sales of Maps & Documents-Police	11,359	10,078	10,000	10,000
3645 Police Cost Recovery	1,944	(7)	0	0
3646 Rents, Leases & Concessions-Police	6,000	0	0	0
3647 DUI-Police Cost Recovery	7,505	14,737	13,000	13,000
3648 PJ Overhead Charges-Police	0	3,187	0	0
3649 PJ Labor Reimb - Police	0	2,327	0	0
3651 Rents, Leases & Concessions-Recreation	223,409	238,006	225,000	300,000
3652 Recreation Fees	1,736,799	1,688,810	1,750,000	1,800,000
3653 Senior Nutrition Fees	27,060	27,155	26,000	27,000
3655 Sales of Merchandise Recreation	128	83	0	0
3656 Recreation Transaction Fees	0	4,393	0	20,000
3661 Sales of Maps & Documents-Building	27	0	0	0
3662 Records Retention Fee-Building	66,708	61,049	40,000	60,000
3663 Building Service Charges	807	1,432	0	0
3665 PJ Overhead Charges-Building	188,293	282,001	200,000	0
3666 PJ Labor Reimbursement-Building	88,137	128,728	85,000	0
3667 Building State Mandated Standard Fee	13,507	18,094	7,000	10,000
3672 Public Works Cost Recovery	46,261	118,334	10,000	20,000
3681 PJ Overhead Charge-Planning	137,787	211,498	217,000	270,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
3682 PJ Labor Reimbursement-Planning	60,860	94,972	96,000	100,000
3683 PJ Vendor Reimbursement-Planning	10,864	22,395	0	60,000
3685 Housing & Neighborhood Services	19,612	16,738	19,000	12,000
3686 Planning Plan Check Fee	19,003	21,210	22,000	12,000
3691 Fire GIS Mapping	286	328	0	0
3692 Fire Automation Fee	19,145	22,215	18,000	18,000
3693 Rent, Lease and Concession - FIRE	0	20,950	0	0
sub-total	5,467,941	5,513,952	5,381,000	5,562,000
OTHER REVENUE				
3710 Development	11,851	14,200	20,000	10,000
3730 Recycling	0	299	0	0
3750 Donations	74,120	60,826	0	0
3770 Sale of Property, Plant and Equipment	48,711	6,807	0	0
3790 Miscellaneous Other Revenue	70,779	140,287	203,000	75,500
sub-total	205,460	222,419	223,000	85,500
OPERATING TRANSFERS IN				
3806 Op Trfs in from Solid Waste Service	242,472	256,917	223,252	277,000
3812 Op Trfs in from Water Fund	1,706,077	1,829,179	2,366,459	2,347,000
3815 Op Trfs in from Sewer Fund	1,358,559	1,572,651	1,527,385	1,575,000
3819 Op Trfs in from Other	1,925	2,216	207,859	207,500
3824 Op Trfs in Transit Area Fund	0	0	151,000	0
sub-total	3,309,033	3,660,963	4,475,955	4,406,500
OPERATING TRANSFERS OUT				
3919 Op Trfs Out To Other Miscellaneous Funds	0	0	(20,044)	(300,000)
3931 Appn Trfs out to General Fund	(2,800,000)	0	0	0
3985 Extraordinary Item	0	(5,083,523)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(904,668)	(356,428)	0	0
sub-total	(3,704,668)	(5,439,951)	(20,044)	(300,000)
TOTAL (100)	60,671,576	73,075,651	71,171,911	76,353,808
RPTTF DISTRIBUTION FUND (101)				
3952 Appn Trfs out to General Gov't Fund	(4,931,885)	0	0	0
TOTAL (101)	(4,931,885)	0	0	0
MEASURE I TOT (102)				
3150 Hotel/Motel Tax	1,590,142	1,862,618	1,775,000	2,007,000
3431 Pooled Investment Interest (Nonalloc)	(2,528)	4,684	0	0
3434 Pooled Interest Allocation	45,132	45,150	39,000	41,000
3790 Miscellaneous Other Revenue	565	0	0	0
3922 Op Trfs Out To the General Government Fund	0	(600,000)	(1,750,000)	(600,000)
TOTAL (102)	1,633,311	1,312,452	64,000	1,448,000
1452-1474 S. MAIN (103)				
3603 Rents, Leases and Concessions-Gen Gov't	0	0	0	200,000
TOTAL (103)	0	0	0	200,000
ABANDON VEH ABATEMENT (105)				
3577 County Contributions-Police	54,813	43,625	56,000	40,000
3899 Op Trfs in from Subsidiary CIP Fund	14,807	37,072	0	0
TOTAL (105)	69,620	80,697	56,000	40,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
HOUSING ADMINISTRATION (140)				
3575 County Cont-Public Works	31	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	228,896	0	0	0
TOTAL (140)	228,927	0	0	0
REDEVELOPMENT ADMINISTRATION (150)				
3010 Property Taxes, Current	(20,171)	0	0	0
3575 County Cont-Public Works	42	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	660,965	319,356	0	0
TOTAL (150)	640,835	319,356	0	0
H-HETCH GROUND LEASE (211)				
3431 Pooled Investment Interest (Nonalloc)	39,454	51,559	20,000	20,000
3433 Other Interest Income	(23,657)	(28,034)	0	0
3434 Pooled Interest Allocation	245	354	0	0
3901 Op Trfs Out To the General Fund	(1,925)	(2,216)	(7,859)	(7,500)
TOTAL (211)	14,117	21,662	12,141	12,500
PUBLIC ART FUND-RESTRICTED (212)				
3431 Pooled Investment Interest (Nonalloc)	(167)	(272)	0	0
3433 Other Interest Income	10,470	614	0	0
3434 Pooled Interest Allocation	1,154	280	1,000	0
3602 Sales of Maps and Documents-Gen Gov't	152	28	0	0
TOTAL (212)	11,609	649	1,000	0
PUBLIC ART FUND-NONRESTRICTED (213)				
3431 Pooled Investment Interest (Nonalloc)	(146)	61	0	0
3434 Pooled Interest Allocation	1,228	886	1,000	0
3750 Donations	0	12,000	0	0
TOTAL (213)	1,081	12,947	1,000	0
COMMUNITY PLANNING FEE FUND (214)				
3617 Planning Fees	0	0	0	200,000
TOTAL (214)	0	0	0	200,000
GAS TAX FUND (221)				
3431 Pooled Investment Interest (Nonalloc)	(3,474)	1,816	0	0
3434 Pooled Interest Allocation	17,463	15,679	13,000	10,000
3543 Sec 2103-Gas Tax	562,131	987,838	1,013,000	1,013,000
3545 Sec 2105-Gas Tax	309,586	482,238	334,000	334,000
3546 Sec 2106-Gas Tax	244,119	249,552	226,000	226,000
3547 Sec 2107-Gas Tax	507,300	515,867	498,000	498,000
3548 Sec 2107.5-Gas Tax	7,500	7,500	8,000	8,000
3909 Op Trfs Out To the Street Improvement Fund	(1,453,000)	(600,000)	0	0
3922 Op Trfs Out To the General Government Fund	0	(1,100,000)	(1,554,985)	(2,050,000)
TOTAL (221)	191,625	560,490	537,015	39,000
95-1 LIGHTING/LSCAPE DIST (235)				
3431 Pooled Investment Interest (Nonalloc)	(160)	(233)	0	0
3433 Other Interest Income	246	200	0	0
3434 Pooled Interest Allocation	2,074	1,142	1,000	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
3720 Special Assessments	273,929	273,929	285,000	285,000
3922 Op Trfs Out To the General Government Fund	0	(350,000)	(45,000)	(75,000)
TOTAL (235)	276,089	(74,962)	241,000	210,000
98-1 LIGHTING/LSCAPE DIST (236)				
3431 Pooled Investment Interest (Nonalloc)	(30)	(53)	0	0
3433 Other Interest Income	32	27	0	0
3434 Pooled Interest Allocation	457	279	0	0
3720 Special Assessments	36,225	36,225	38,000	38,000
3922 Op Trfs Out To the General Government Fund	0	(60,000)	(13,000)	0
TOTAL (236)	36,684	(23,522)	25,000	38,000
05 COMMUNITY FCLTY DIST (237)				
3431 Pooled Investment Interest (Nonalloc)	(162)	(322)	0	0
3433 Other Interest Income	342	292	0	0
3434 Pooled Interest Allocation	3,210	1,600	2,000	0
3720 Special Assessments	402,345	431,970	400,000	750,000
TOTAL (237)	405,735	433,540	402,000	750,000
08 COMMUNITY FCLTY DIST (238)				
3720 Special Assessments	0	0	0	200,000
3901 Op Trfs Out To the General Fund	0	0	(200,000)	(200,000)
TOTAL (238)	0	0	(200,000)	0
HCD FUND (250)				
3559 Federal Contributions-Planning	480,079	370,862	375,000	375,000
TOTAL (250)	480,079	370,862	375,000	375,000
HCD LOAN (251)				
3431 Pooled Investment Interest (Nonalloc)	(274)	301	1,000	0
3433 Other Interest Income	2,129	1,766	0	0
3559 Federal Contributions-Planning	61,815	0	0	0
3790 Miscellaneous Other Revenue	0	150	0	0
TOTAL (251)	63,670	2,217	1,000	0
SUPPLEMENTAL LAW ENFORCEMENT (261)				
3431 Pooled Investment Interest (Nonalloc)	(157)	107	0	0
3434 Pooled Interest Allocation	(909)	754	1,000	0
3567 State Contributions-Police	141,575	105,581	0	0
3577 County Contributions-Police	0	25,400	0	0
TOTAL (261)	140,509	131,842	1,000	0
STATE ASSET SEIZURE (262)				
3431 Pooled Investment Interest (Nonalloc)	(76)	26	0	0
3434 Pooled Interest Allocation	725	586	1,000	0
3567 State Contributions-Police	5,864	5,909	0	0
TOTAL (262)	6,513	6,520	1,000	0
FEDERAL ASSET SEIZURE (263)				
3431 Pooled Investment Interest (Nonalloc)	(98)	41	0	0
3434 Pooled Interest Allocation	824	668	1,000	0
TOTAL (263)	726	709	1,000	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
JUSTICE ASSISTANCE GRANT (267)				
3431 Pooled Investment Interest (Nonalloc)	1	0	0	0
3434 Pooled Interest Allocation	6	4	0	0
3557 Federal Contributions-Police	865	(865)	0	0
TOTAL (267)	872	(861)	0	0
GRANT FUND (269)				
3434 Pooled Interest Allocation	0	168	0	0
TOTAL (269)	0	168	0	0
SOLID WASTE SERVICES (280)				
3135 Solid Waste-Community Relations	194,933	169,245	153,000	166,000
3136 Solid Waste-HHW-Contract & Public	297,293	285,032	257,000	257,000
3139 County-wide AB 939 Fee	190,204	154,950	125,000	170,000
3431 Pooled Investment Interest (Nonalloc)	(931)	919	0	0
3434 Pooled Interest Allocation	12,685	11,458	10,000	13,000
3565 State Contri-Public Works	0	13,155	0	0
3575 County Cont-Public Works	80	0	0	0
3615 Public Works and Engr Fees	110,951	111,340	110,000	110,000
3671 Public Works Service Charges	210,184	213,334	200,000	215,000
3790 Miscellaneous Other Revenue	5,582	4,750	0	0
3899 Op Trfs in from Subsidiary CIP Fund	902,057	0	0	0
3901 Op Trfs Out To the General Fund	(242,472)	(256,917)	(223,252)	(277,000)
TOTAL (280)	1,680,566	707,267	631,748	654,000
SOLID WASTE REDUCTION (281)				
3999 Op Trfs Out To the Subsidiary CIP Fund	(902,057)	0	0	0
TOTAL (281)	(902,057)	0	0	0
HOUSING AUTHORITY (295)				
3431 Pooled Investment Interest (Nonalloc)	6,107	3,733	0	0
3433 Other Interest Income	446,730	167,557	0	0
3434 Pooled Interest Allocation	17,664	32,969	28,000	30,000
3603 Rents, Leases and Concessions-Gen Gov't	376,878	187,570	0	0
3740 Reimbursements	555,494	568,160	0	0
3760 Developer Contribution	1,480,000	0	0	0
3770 Sale of Property, Plant and Equipment	289,982	0	0	0
3790 Miscellaneous Other Revenue	5,268	314,021	0	0
3985 Extraordinary Item	0	(4,331,849)	0	0
TOTAL (295)	3,178,124	(3,057,838)	28,000	30,000
STREET FUND (310)				
3431 Pooled Investment Interest (Nonalloc)	(8,643)	1,741	0	0
3433 Other Interest Income	107,198	26,749	0	0
3434 Pooled Interest Allocation	44,001	34,023	32,000	23,000
3565 State Contri-Public Works	0	19,506	0	0
3899 Op Trfs in from Subsidiary CIP Fund	33	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(60,000)	(300,000)	(435,000)	0
TOTAL (310)	82,589	(217,981)	(403,000)	23,000
STREET CIP (311)				
3511 Motor Vehicle In Lieu Tax	347,000	0	0	0
3555 Federal Contri-Public Works	1,227,764	0	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
3565 State Contri-Public Works	0	7,180	160,015	0
3575 County Cont-Public Works	384,843	452,157	0	0
3585 Other Res Grant-Public Works	15,273	0	0	0
3802 Op Trfs in from Gas Tax Fund	1,453,000	600,000	1,554,985	2,050,000
3812 Op Trfs in from Water Fund	0	0	225,000	100,000
3815 Op Trfs in from Sewer Fund	0	0	225,000	100,000
3826 Op Trfs in from Measure I TOT Fund	0	0	1,600,000	600,000
3829 Op Trfs in from Vehicle Registration Fee	0	0	300,000	0
3899 Op Trfs in from Subsidiary CIP Fund	60,000	305,100	485,000	671,960
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(5,100)	0	0
TOTAL (311)	3,487,880	1,359,337	4,550,000	3,521,960
TRAFFIC IMPACT FEE (312)				
3431 Pooled Investment Interest (Nonalloc)	(2,151)	(2,365)	0	0
3434 Pooled Interest Allocation	26,568	17,723	22,000	11,000
3710 Development	500,183	262,096	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(1,180,921)	(50,000)	(181,960)
TOTAL (312)	524,600	(903,466)	(28,000)	(170,960)
TRAFFIC CONGESTION RELIEF (313)				
3999 Op Trfs Out To the Subsidiary CIP Fund	(33)	0	0	0
TOTAL (313)	(33)	0	0	0
VEHICLE REGISTRATION FEE (314)				
3431 Pooled Investment Interest (Nonalloc)	40	182	0	0
3434 Pooled Interest Allocation	197	1,062	0	0
3575 County Cont-Public Works	26,687	392,193	0	0
3922 Op Trfs Out To the General Government Fund	0	(300,000)	(300,000)	(450,000)
TOTAL (314)	26,925	93,437	(300,000)	(450,000)
CALAVERAS WIDENING IMPACT FEE (315)				
3434 Pooled Interest Allocation	0	679	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	126,547	0	0
TOTAL (315)	0	127,226	0	0
MONTAGUE WIDENING IMPACT FEE (316)				
3434 Pooled Interest Allocation	0	1,882	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	335,466	0	0
TOTAL (316)	0	337,348	0	0
MILPITAS BUSINESS PARK IMPACT FEE (317)				
3434 Pooled Interest Allocation	0	4,280	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	718,908	0	0
TOTAL (317)	0	723,188	0	0
PARK IMPROVEMENT FUND (320)				
3431 Pooled Investment Interest (Nonalloc)	(8,367)	4,802	0	0
3433 Other Interest Income	(83,338)	49,555	0	0
3434 Pooled Interest Allocation	64,516	58,811	45,000	62,000
3710 Development	1,892,306	1,801,884	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
3899 Op Trfs in from Subsidiary CIP Fund	0	350,000	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(750,000)	(2,100,000)	(1,550,000)	(2,315,000)
TOTAL (320)	<u>1,115,116</u>	<u>165,052</u>	<u>(1,505,000)</u>	<u>(2,253,000)</u>
PARK IMPROVEMENT CIP (321)				
3555 Federal Contri-Public Works	30,907	0	0	0
3559 Federal Contributions-Planning	77,778	0	0	0
3575 County Cont-Public Works	0	70,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	750,000	2,450,000	2,250,000	5,875,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(350,000)	0	0
TOTAL (321)	<u>858,685</u>	<u>2,170,000</u>	<u>2,250,000</u>	<u>5,875,000</u>
MIDTOWN PARK FUND (322)				
3431 Pooled Investment Interest (Nonalloc)	(1,019)	2,042	0	0
3434 Pooled Interest Allocation	42,994	42,516	39,000	41,000
3710 Development	2,275,005	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(350,000)	(1,300,000)	(3,560,000)
TOTAL (322)	<u>2,316,980</u>	<u>(305,441)</u>	<u>(1,261,000)</u>	<u>(3,519,000)</u>
GENERAL GOVERNMENT (330)				
3431 Pooled Investment Interest (Nonalloc)	(2,750)	21,932	0	0
3433 Other Interest Income	0	14,179	0	0
3434 Pooled Interest Allocation	17,764	28,593	72,000	25,000
3831 Appn Transfers in from General Fund	2,800,000	0	0	0
3912 Op Trfs Out To the Water Fund	(9,962)	0	0	0
3915 Op Trfs Out To the Sewer Fund	(9,962)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(100,000)	(2,700,000)	(335,000)	(1,885,000)
TOTAL (330)	<u>2,695,090</u>	<u>(2,635,296)</u>	<u>(263,000)</u>	<u>(1,860,000)</u>
GENERAL GOVERNMENT CIP (331)				
3565 State Contri-Public Works	0	79,288	0	0
3575 County Cont-Public Works	31,226	0	0	0
3802 Op Trfs in from Gas Tax Fund	0	1,100,000	0	0
3817 Op Trfs in from Equipment Replacement	0	0	170,000	0
3826 Op Trfs in from Measure I TOT Fund	0	600,000	150,000	0
3827 Op Trfs in from LLMD Fund	0	410,000	58,000	75,000
3829 Op Trfs in from Vehicle Registration Fee	0	300,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	100,000	2,700,000	700,000	685,000
TOTAL (331)	<u>131,226</u>	<u>5,189,288</u>	<u>1,078,000</u>	<u>760,000</u>
RPTTF DISTRIBUTION FUND (332)				
3010 Property Taxes, Current	3,389,031	0	0	0
3020 Property Taxes, Prior	587,825	0	0	0
3433 Other Interest Income	2,855	0	0	0
3434 Pooled Interest Allocation	0	56,353	0	44,000
3801 Op Trfs in from General Fund	0	0	20,044	0
3831 Appn Transfers in from General Fund	4,931,885	0	0	0
3985 Extraordinary Item	0	(1,609,208)	0	0
TOTAL (332)	<u>8,911,596</u>	<u>(1,552,855)</u>	<u>20,044</u>	<u>44,000</u>
STORM DRAIN DEVELOPMENT (340)				
3431 Pooled Investment Interest (Nonalloc)	(6)	1,531	0	0
3434 Pooled Interest Allocation	9,747	12,279	11,000	13,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
3710 Development	630,941	647,295	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(400,000)	0	(525,000)	(750,000)
TOTAL (340)	240,682	661,104	(514,000)	(737,000)
STORM DRAIN CIP (341)				
3899 Op Trfs in from Subsidiary CIP Fund	400,000	0	760,000	1,950,000
TOTAL (341)	400,000	0	760,000	1,950,000
TRANSIT AREA IMPACT FEE FUND (350)				
3431 Pooled Investment Interest (Nonalloc)	(2,500)	1,826	0	0
3433 Other Interest Income	0	13,358	0	0
3434 Pooled Interest Allocation	19,667	39,916	25,000	48,000
3710 Development	1,208,419	11,263,420	0	0
3815 Op Trfs in from Sewer Fund	0	0	2,500,000	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	1,000,000	0
3901 Op Trfs Out To the General Fund	0	0	(151,000)	0
3955 Appn Trfs Out Eco Dev Corp	(1,208,419)	(828,464)	0	0
3985 Extraordinary Item	0	428,713	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(40,000)
TOTAL (350)	17,166	10,918,768	3,374,000	8,000
TRANSIT AREA IMPACT FEE CIP FUND (351)				
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(1,000,000)	0
TOTAL (351)	0	0	(1,000,000)	0
PIPER MONTAGUE INFRASTRUCTURE (352)				
3740 Reimbursements	0	26,315	0	0
TOTAL (352)	0	26,315	0	0
WATER M & O FUND (400)				
3431 Pooled Investment Interest (Nonalloc)	(11,682)	13,189	0	0
3433 Other Interest Income	(183,269)	60,595	0	0
3434 Pooled Interest Allocation	123,689	117,988	98,000	113,000
3575 County Cont-Public Works	75,169	20,570	0	0
3585 Other Res Grant-Public Works	36,267	36,708	45,000	36,000
3622 Water Service Agreements	93,883	88,137	0	0
3623 Metered Water Sales	19,488,285	20,969,568	21,855,000	23,200,000
3626 Construction Water	51,729	124,329	30,000	100,000
3627 Water & Sewer Reimbursements	114	1,054	0	0
3672 Public Works Cost Recovery	8,479	8,476	0	0
3790 Miscellaneous Other Revenue	148,876	153,240	145,000	145,000
3801 Op Trfs in from General Fund	9,962	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	583,569	0	2,000,000	0
3901 Op Trfs Out To the General Fund	(1,706,077)	(1,829,179)	(2,366,459)	(2,347,000)
3909 Op Trfs Out To the Street Improvement Fund	0	0	0	(100,000)
3922 Op Trfs Out To the General Government Fund	0	0	(225,000)	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(2,900,000)	(1,050,000)	(4,425,000)	(4,000,000)
TOTAL (400)	15,818,994	18,714,675	17,156,541	17,147,000

Financial Information Revenues by Fund (Detail)

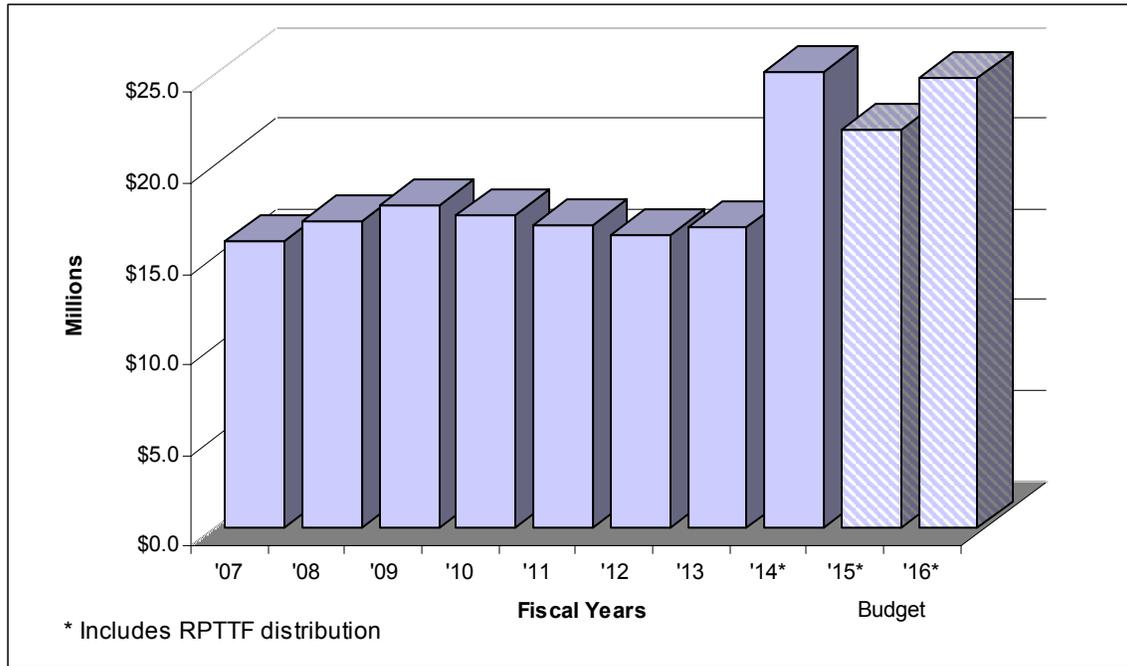
Description	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
WATER CIP (401)				
3899 Op Trfs in from Subsidiary CIP Fund	2,900,000	1,400,000	4,775,000	4,000,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(2,000,000)	0
TOTAL (401)	<u>2,900,000</u>	<u>1,400,000</u>	<u>2,775,000</u>	<u>4,000,000</u>
WATER LINE EXTENSION FUND (402)				
3431 Pooled Investment Interest (Nonalloc)	135	1,824	0	0
3434 Pooled Interest Allocation	10,939	13,536	11,000	15,000
3710 Development	727,651	652,711	0	0
3790 Miscellaneous Other Revenue	9,621	9,624	10,000	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(350,000)	(350,000)	0
TOTAL (402)	<u>748,346</u>	<u>327,695</u>	<u>(329,000)</u>	<u>15,000</u>
RECYCLED WATER FUND (406)				
3999 Op Trfs Out To the Subsidiary CIP Fund	(583,569)	0	0	0
TOTAL (406)	<u>(583,569)</u>	<u>0</u>	<u>0</u>	<u>0</u>
SEWER M & O FUND (450)				
3030 Property Taxes, Supplement	0	8,564	0	0
3431 Pooled Investment Interest (Nonalloc)	(3,735)	6,300	0	0
3433 Other Interest Income	(19,052)	307,332	0	0
3434 Pooled Interest Allocation	88,195	82,088	77,000	87,000
3575 County Cont-Public Works	720	0	0	0
3628 Sewer Service Charges	12,564,889	12,687,777	13,860,000	14,200,000
3790 Miscellaneous Other Revenue	66,938	65,438	60,000	60,000
3801 Op Trfs in from General Fund	9,962	0	0	0
3901 Op Trfs Out To the General Fund	(1,358,559)	(1,572,651)	(1,527,385)	(1,575,000)
3909 Op Trfs Out To the Street Improvement Fund	0	0	0	(100,000)
3922 Op Trfs Out To the General Government Fund	0	0	(225,000)	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(4,050,000)	(5,000,000)	(3,515,000)	(4,815,000)
TOTAL (450)	<u>7,299,357</u>	<u>6,584,847</u>	<u>8,729,615</u>	<u>7,857,000</u>
SEWER CIP (451)				
3899 Op Trfs in from Subsidiary CIP Fund	4,050,000	7,500,000	7,515,000	6,315,000
3924 Op Trfs Out To the Transit Area Impact Fund	0	0	(2,500,000)	0
TOTAL (451)	<u>4,050,000</u>	<u>7,500,000</u>	<u>5,015,000</u>	<u>6,315,000</u>
TREATMENT PLANT CONSTRUCTION (452)				
3431 Pooled Investment Interest (Nonalloc)	(5,888)	2,641	0	0
3434 Pooled Interest Allocation	67,400	55,057	48,000	54,000
3710 Development	1,096,858	740,546	100,000	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(2,500,000)	(2,500,000)	(1,500,000)
TOTAL (452)	<u>1,158,371</u>	<u>(1,701,755)</u>	<u>(2,352,000)</u>	<u>(1,446,000)</u>
SEWER INFRASTRTURE REPLMNT (455)				
3431 Pooled Investment Interest (Nonalloc)	(3,312)	2,886	0	0
3434 Pooled Interest Allocation	30,131	26,385	23,000	28,000
3710 Development	149,262	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(1,500,000)	0
TOTAL (455)	<u>176,080</u>	<u>29,270</u>	<u>(1,477,000)</u>	<u>28,000</u>

Financial Information Revenues by Fund (Detail)

Description	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
EQUIPMENT MGNT FUND (500)				
3431 Pooled Investment Interest (Nonalloc)	(8,147)	3,183	0	0
3433 Other Interest Income	(70,042)	27,834	0	0
3434 Pooled Interest Allocation	63,048	53,196	48,000	54,000
3619 Rent, Lease & Concession-PW/Eng	1,200	1,200	0	0
3671 Public Works Service Charges	1,493,255	1,938,322	2,269,821	2,390,442
3672 Public Works Cost Recovery	0	7,123	0	0
3770 Sale of Property, Plant and Equipment	30,955	37,300	0	0
3790 Miscellaneous Other Revenue	0	239	0	0
3922 Op Trfs Out To the General Government Fund	0	0	(170,000)	0
3981 Contributions-Proprietary Fund	74,633	170,345	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(300,000)	(300,000)	0
TOTAL (500)	1,584,903	1,938,741	1,847,821	2,444,442
INFORMATION TEC REPLMT (505)				
3431 Pooled Investment Interest (Nonalloc)	(209)	0	0	0
3434 Pooled Interest Allocation	161	22	2,000	0
3801 Op Trfs in from General Fund	0	0	0	300,000
3899 Op Trfs in from Subsidiary CIP Fund	0	300,000	300,000	0
3981 Contributions-Proprietary Fund	29,484	0	0	0
TOTAL (505)	29,436	300,022	302,000	300,000
PERMIT AUTOMATION FUND (506)				
3431 Pooled Investment Interest (Nonalloc)	341	1,087	0	0
3434 Pooled Interest Allocation	1,287	3,500	0	5,000
3601 General Government Service Charges	292,155	565,514	200,000	400,000
TOTAL (506)	293,783	570,102	200,000	405,000
TOTAL	118,182,530	125,699,470	111,975,836	120,607,750

History of Property Tax Revenue

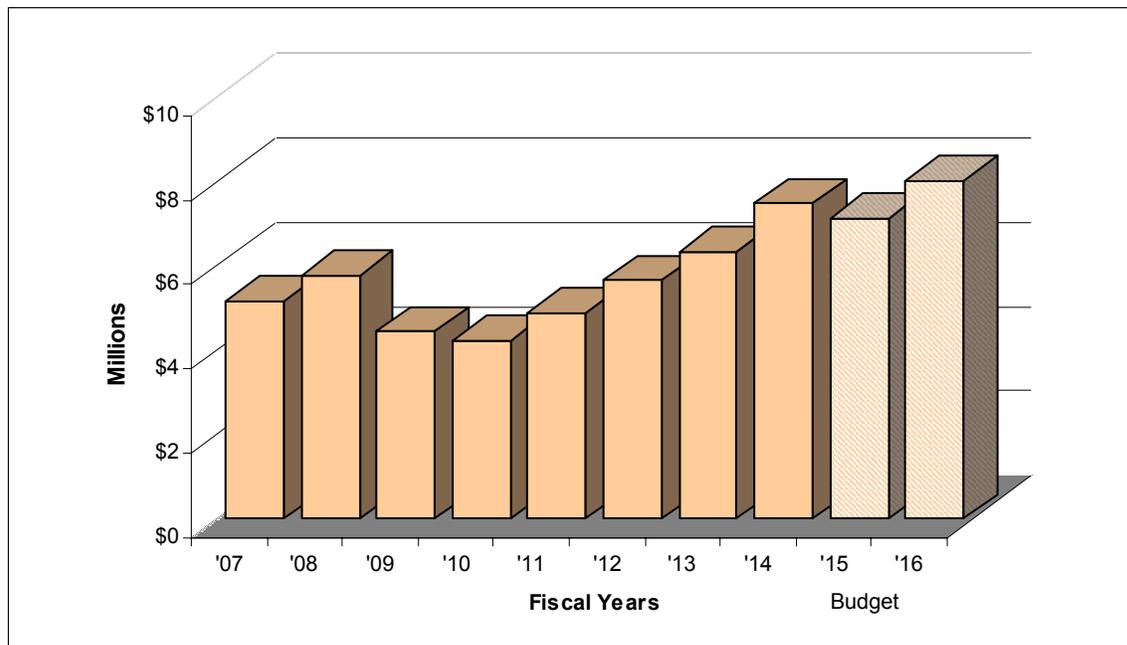
General Fund 2007 through 2016



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

History of Transient Occupancy Tax Revenue

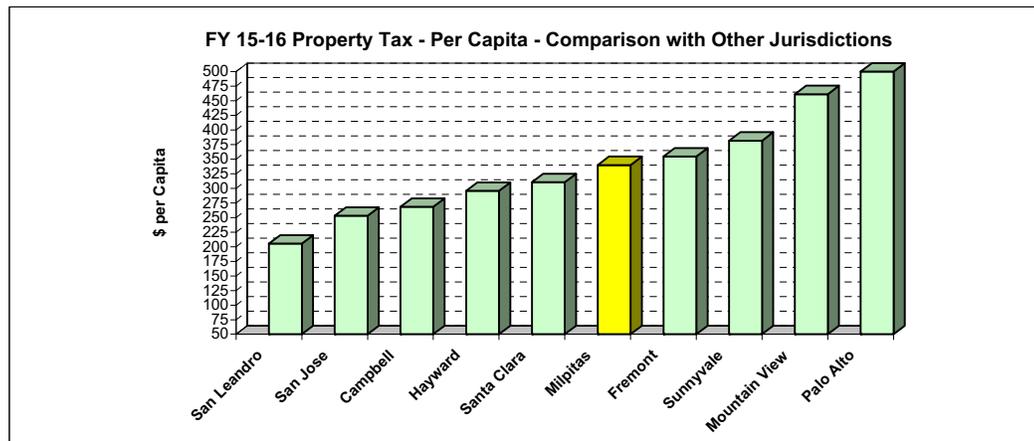
General Fund 2007 through 2016



The City of Milpitas Transient Occupancy Rate is currently 10%

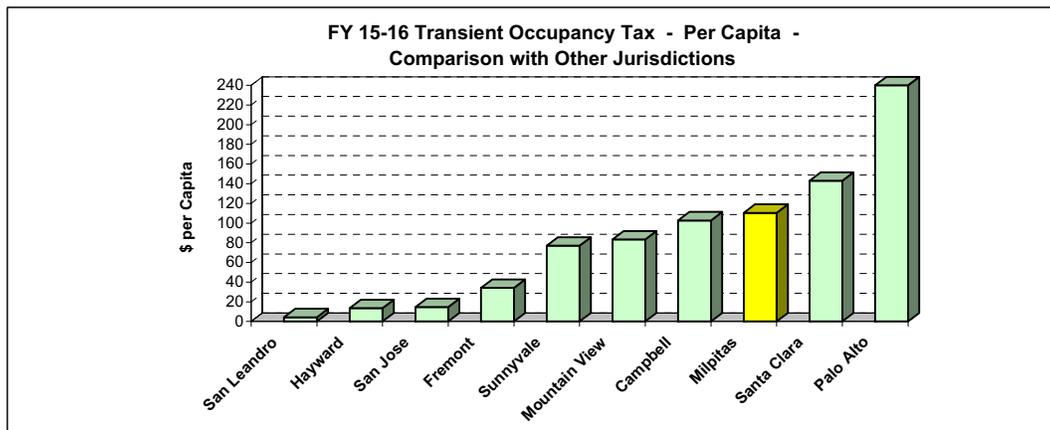
Property Tax, Comparison with Other Jurisdictions FY 2011-12 through FY 2015-16

City	Actual 2011-12	Actual 2012-13	Actual 2013-14	Budgeted 2014-15	Budgeted 2015-16
Milpitas	\$16,025,450	\$16,509,264	\$27,607,560	\$21,849,000	\$24,680,000
% of General Fund	26%	26%	38%	31%	32%
Per Capita	237.50	246.91	406.92	311.72	339.92
Campbell	\$8,737,866	\$9,728,905	\$10,195,501	\$10,155,000	\$11,233,000
% of General Fund	24%	25%	24%	25%	25%
Per Capita	213.85	238.10	252.53	241.83	268.37
Fremont	\$64,432,000	\$74,048,000	\$70,146,000	\$74,167,000	\$80,312,000
% of General Fund	50%	52%	48%	49%	48%
Per Capita	298.70	340.58	318.95	331.14	354.50
Hayward	\$35,715,000	\$39,181,000	\$38,971,000	\$40,514,000	\$43,521,000
% of General Fund	31%	32%	30%	32%	31%
Per Capita	247.70	262.36	270.28	279.09	295.73
Mountain View	\$26,216,053	\$28,122,360	\$31,120,547	\$33,782,100	\$35,932,400
% of General Fund	28%	29%	30%	34%	34%
Per Capita	350.84	373.59	408.08	439.98	461.18
Palo Alto	\$26,494,000	\$28,742,000	\$30,587,000	\$31,927,000	\$34,542,000
% of General Fund	17%	17%	18%	19%	19%
Per Capita	411.29	446.28	466.66	477.51	523.13
San Jose	\$201,711,784	\$205,016,137	\$233,644,896	\$233,973,240	\$253,210,000
% of General Fund	22%	23%	23%	24%	28%
Per Capita	210.38	208.44	237.55	233.85	253.07
San Leandro	\$15,789,590	\$17,631,582	\$18,514,127	\$18,480,000	\$19,034,406
% of General Fund	20%	22%	22%	22%	20%
Per Capita	184.70	203.25	215.15	207.20	205.21
Santa Clara	\$28,347,475	\$31,747,458	\$39,138,491	\$34,355,000	\$37,550,000
% of General Fund	18%	20%	23%	21%	21%
Per Capita	238.59	267.21	336.05	284.06	310.40
Sunnyvale	\$43,407,026	\$44,555,857	\$50,293,385	\$53,511,242	\$56,486,757
% of General Fund	33%	29%	31%	36%	35%
Per Capita	307.64	311.81	342.00	361.49	381.60



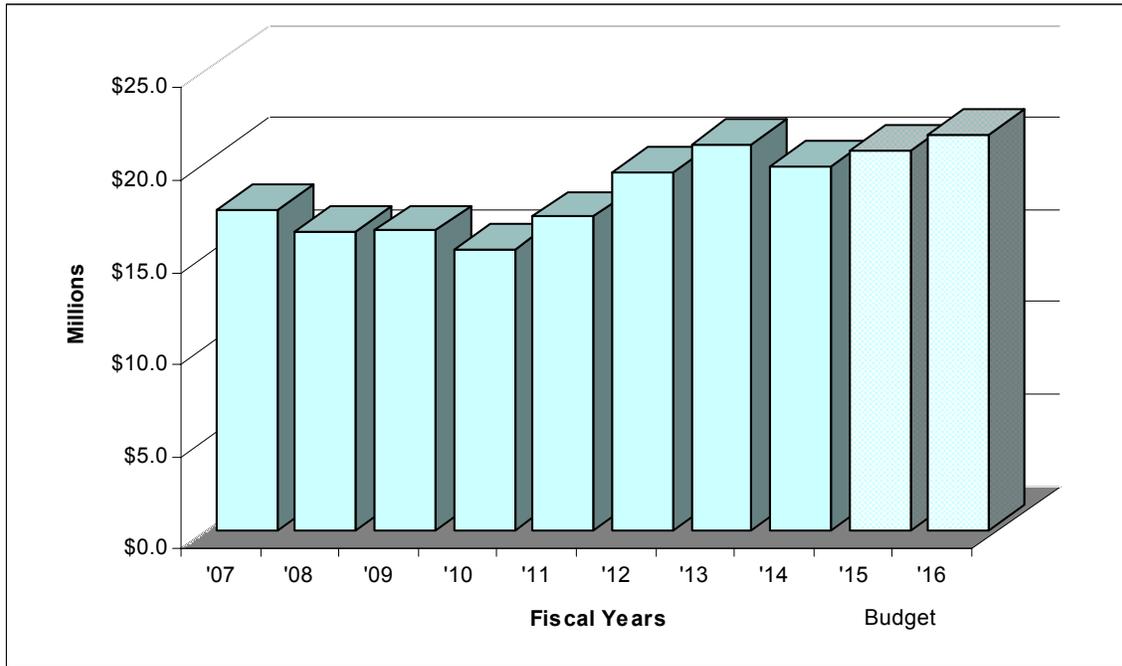
Transient Occupancy Tax, Comparison with Other Jurisdictions FY 2011-12 through FY 2015-16

City	Actual 2011-12	Actual 2012-13	Actual 2013-14	Budgeted 2014-15	Budgeted 2015-16
Milpitas	\$5,650,430	\$6,343,107	\$7,473,691	\$7,114,000	\$8,018,000
% of General Fund	9%	10%	10%	10%	11%
Per Capita	83.74	94.87	110.16	101.50	110.43
Campbell	\$2,587,323	\$2,875,976	\$3,417,412	\$3,509,000	\$4,300,000
% of General Fund	7%	7%	8%	9%	9%
Per Capita	63.32	70.39	84.65	83.56	102.73
Fremont	\$4,133,000	\$4,872,000	\$6,155,000	\$6,866,000	\$7,729,000
% of General Fund	3%	3%	4%	5%	5%
Per Capita	19.16	22.41	27.99	30.66	34.12
Hayward	\$1,466,000	\$1,678,589	\$1,918,000	\$1,734,000	\$1,996,000
% of General Fund	1%	1%	1%	1%	1%
Per Capita	10.17	11.24	13.30	11.95	13.56
Mountain View	\$4,397,450	\$4,668,303	\$5,594,909	\$5,928,900	\$6,486,200
% of General Fund	5%	5%	5%	6%	6%
Per Capita	58.85	62.02	73.37	77.22	83.25
Palo Alto	\$9,664,000	\$10,794,000	\$12,255,000	\$14,156,000	\$18,791,000
% of General Fund	6%	6%	7%	8%	10%
Per Capita	150.02	167.60	186.97	211.72	284.59
San Jose	\$8,983,963	\$10,103,383	\$11,873,017	\$11,750,000	\$14,700,000
% of General Fund	1%	1%	1%	1%	2%
Per Capita	9.37	10.27	12.07	11.74	14.69
San Leandro	\$388,049	\$426,575	\$472,247	\$400,000	\$400,000
% of General Fund	0.50%	0.53%	0.56%	0.47%	0.42%
Per Capita	4.54	4.92	5.49	4.48	4.31
Santa Clara	\$11,483,363	\$13,046,576	\$15,140,910	\$15,110,000	\$17,300,000
% of General Fund	7%	8%	9%	9%	10%
Per Capita	96.65	109.81	130.00	124.94	143.01
Sunnyvale	\$7,777,583	\$9,016,052	\$10,858,671	\$12,436,990	\$11,397,216
% of General Fund	6%	6%	7%	8%	7%
Per Capita	55.12	63.10	73.84	84.02	76.99



History of Sales Tax Revenue

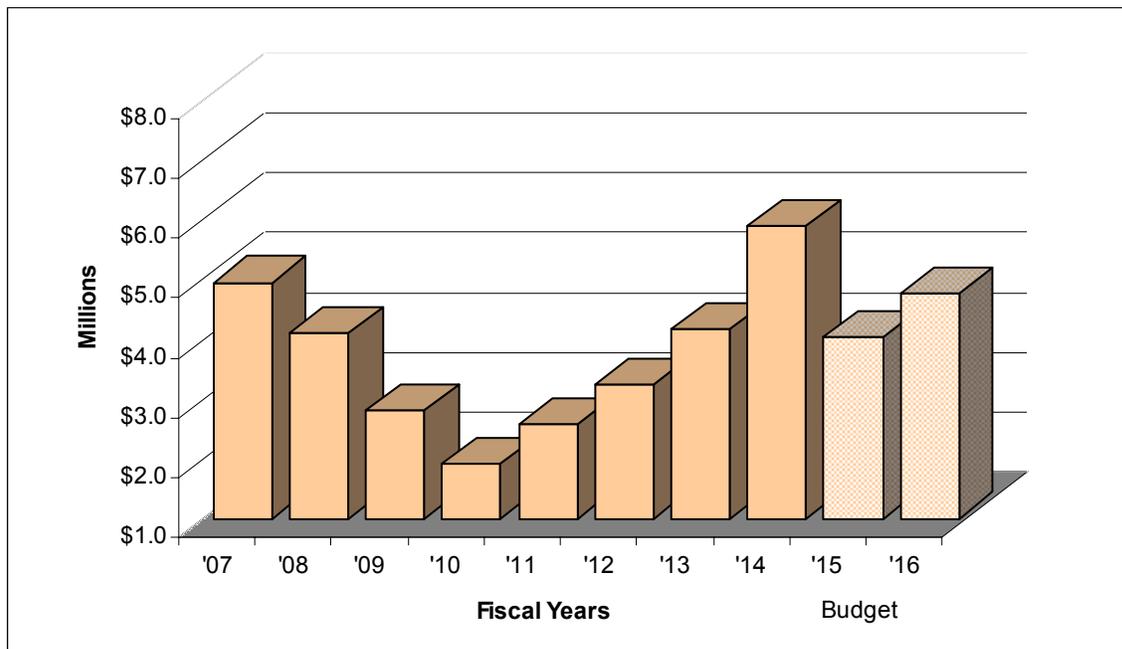
General Fund 2007 through 2016



Of the \$.0875 sales tax paid on every \$1 spent when shopping in Milpitas, \$.01 is returned to the City.

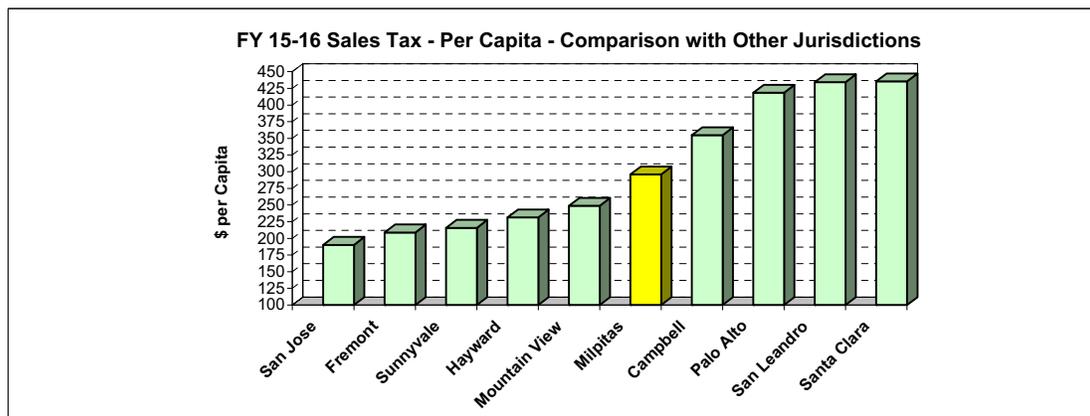
History of Building Permit Revenue

General Fund 2007 through 2016



Sales Tax Revenue, Comparison with Other Jurisdictions FY 2011-12 through FY 2015-16

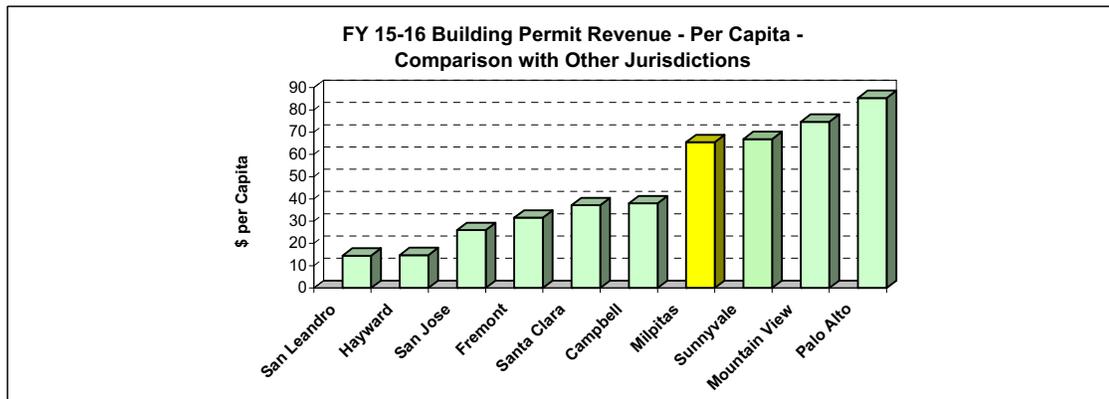
City	Actual 2011-12	Actual 2012-13	Actual 2013-14	Budgeted 2014-15	Budgeted 2015-16
Milpitas	\$19,403,068	\$20,908,497	\$19,766,138	\$20,606,000	\$21,490,000
% of General Fund	31%	32%	27%	29%	28%
Per Capita	287.56	312.70	291.34	293.99	295.98
Campbell	\$9,576,483	\$12,649,769	\$13,115,263	\$13,384,000	\$14,850,000
% of General Fund	26%	32%	31%	32%	33%
Per Capita	234.37	309.59	324.85	318.72	354.78
Fremont	\$33,066,000	\$34,404,000	\$38,862,000	\$39,400,000	\$47,337,000
% of General Fund	26%	24%	27%	26%	28%
Per Capita	153.29	158.24	176.70	175.91	208.95
Hayward	\$26,346,000	\$28,534,000	\$31,019,000	\$31,421,000	\$34,064,000
% of General Fund	23%	23%	24%	25%	24%
Per Capita	182.72	191.07	215.13	216.45	231.47
Mountain View	\$15,939,373	\$16,744,001	\$16,935,660	\$17,607,780	\$19,379,690
% of General Fund	17%	17%	17%	18%	18%
Per Capita	213.31	222.44	222.08	229.32	248.73
Palo Alto	\$22,132,000	\$25,606,000	\$29,424,000	\$25,957,000	\$27,630,000
% of General Fund	14%	15%	17%	15%	15%
Per Capita	343.57	397.59	448.92	388.22	418.45
San Jose	\$154,026,546	\$163,751,105	\$173,411,643	\$180,024,000	\$190,260,000
% of General Fund	17%	19%	17%	18%	21%
Per Capita	160.65	166.49	176.31	179.93	190.16
San Leandro	\$24,388,681	\$26,578,839	\$29,097,614	\$29,979,229	\$40,278,511
% of General Fund	32%	33%	34%	36%	42%
Per Capita	285.28	306.39	338.14	336.13	434.24
Santa Clara	\$40,322,018	\$44,351,020	\$46,735,959	\$50,020,000	\$52,690,000
% of General Fund	26%	28%	27%	30%	29%
Per Capita	339.37	373.28	401.28	413.59	435.55
Sunnyvale	\$30,345,514	\$30,028,067	\$30,194,827	\$29,849,173	\$31,947,169
% of General Fund	23%	20%	19%	20%	20%
Per Capita	215.07	210.14	205.33	201.65	215.82



Building Permit Revenue, Comparison with Other Jurisdictions

FY 2011-12 through FY 2015-16

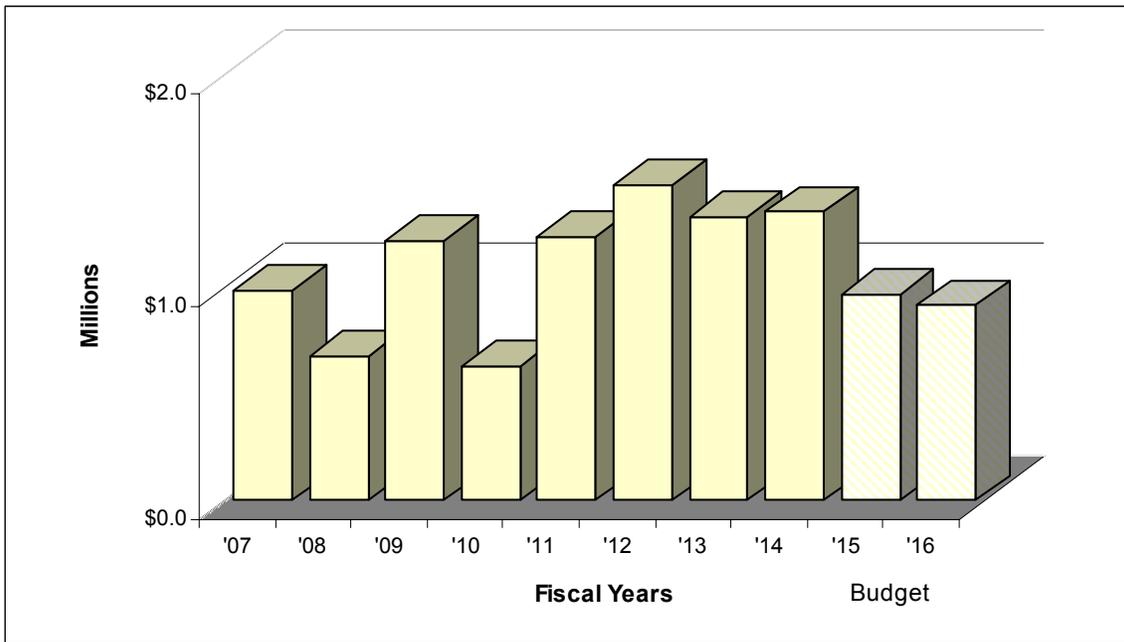
City	Actual 2011-12	Actual 2012-13	Actual 2013-14	Budgeted 2014-15	Budgeted 2015-16
Milpitas	\$3,220,061	\$4,143,185	\$5,881,934	\$4,026,000	\$4,755,808
% of General Fund	5%	6%	8%	6%	6%
Per Capita	47.72	61.96	86.70	57.44	65.50
Campbell	\$1,083,106	\$1,046,860	\$1,857,564	\$1,120,000	\$1,591,497
% of General Fund	3%	3%	4%	3%	3%
Per Capita	26.51	25.62	46.01	26.67	38.02
Fremont *	\$4,377,000	\$4,762,923	\$6,433,000	\$6,497,698	\$7,156,142
% of General Fund	3%	3%	4%	4%	4%
Per Capita	20.29	21.91	29.25	29.01	31.59
Hayward	\$1,351,000	\$1,574,611	\$1,437,000	\$1,920,000	\$2,170,000
% of General Fund	1%	1%	1%	1%	2%
Per Capita	9.37	10.54	9.97	13.23	14.75
Mountain View *	\$4,678,060	\$4,187,401	\$5,545,293	\$4,977,720	\$5,818,000
% of General Fund	5%	4%	5%	5%	5%
Per Capita	62.61	55.63	72.72	64.83	74.67
Palo Alto	\$4,700,000	\$7,430,000	\$6,020,000	\$5,439,000	\$5,635,000
% of General Fund	3%	4%	4%	3%	3%
Per Capita	72.96	115.37	91.85	81.35	85.34
San Jose	\$24,905,753	\$27,065,790	\$32,457,234	\$25,600,000	\$26,000,000
% of General Fund	3%	3%	3%	3%	3%
Per Capita	25.98	27.52	33.00	25.59	25.99
San Leandro	\$1,494,170	\$1,015,614	\$1,598,457	\$1,410,000	\$1,345,000
% of General Fund	2%	1%	2%	2%	1%
Per Capita	17.48	11.71	18.58	15.81	14.50
Santa Clara	\$5,051,661	\$2,769,715	\$2,881,893	\$2,700,000	\$4,500,000
% of General Fund	3%	2%	2%	2%	2%
Per Capita	42.52	23.31	24.74	22.32	37.20
Sunnyvale *	\$3,537,633	\$3,586,960	\$11,734,734	\$11,682,497	\$9,900,421
% of General Fund	3%	2%	7%	7%	6%
Per Capita	25.07	25.10	79.80	78.92	66.88



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

History of Intergovernmental Revenue

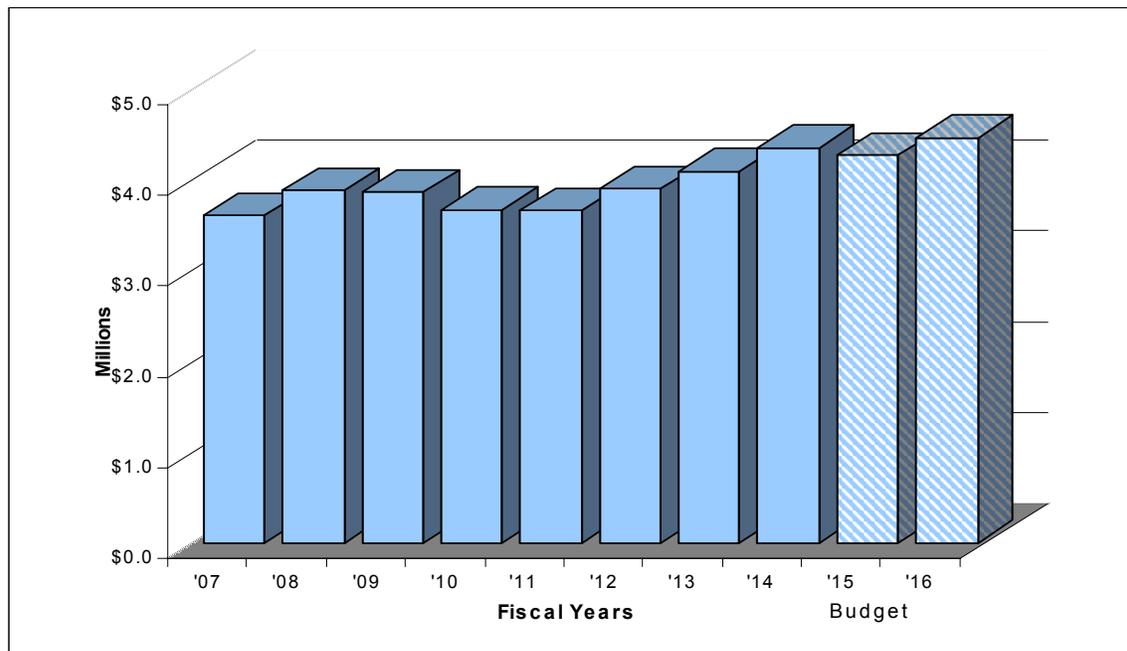
General Fund 2007 through 2016



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

History of "Other" Tax Revenue

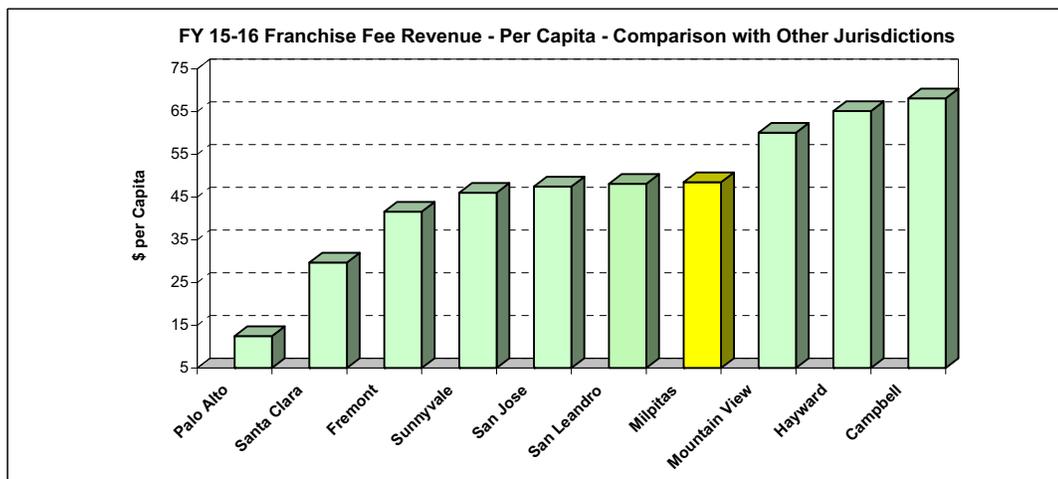
General Fund 2007 through 2016



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

Franchise Fees, Comparison with Other Jurisdictions FY 2011-12 through FY 2015-16

City	Actual 2011-12	Actual 2012-13	Actual 2013-14	Budgeted 2014-15	Budgeted 2015-16
Milpitas	\$3,218,132	\$3,270,000	\$3,453,140	\$3,398,000	\$3,520,000
% of General Fund	5%	5%	5%	5%	5%
Per Capita	47.69	48.91	50.90	48.48	48.48
Campbell	\$2,657,964	\$2,620,764	\$2,917,263	\$2,813,500	\$2,850,500
% of General Fund	7%	7%	7%	7%	6%
Per Capita	65.05	64.14	72.26	67.00	68.10
Fremont	\$8,255,000	\$8,471,000	\$8,925,000	\$8,987,000	\$9,420,000
% of General Fund	6%	6%	6%	6%	6%
Per Capita	38.27	38.96	40.58	40.13	41.58
Hayward	\$9,892,000	\$9,688,000	\$9,765,000	\$9,120,000	\$9,585,000
% of General Fund	9%	8%	7%	7%	7%
Per Capita	68.61	64.87	67.73	62.83	65.13
Mountain View	\$3,948,078	\$4,001,224	\$4,364,961	\$4,207,070	\$4,680,800
% of General Fund	4%	4%	4%	4%	4%
Per Capita	52.84	53.15	57.24	54.79	60.08
Palo Alto¹	\$0	\$1,201,000	\$900,000	\$824,000	\$824,000
% of General Fund	0.00%	0.72%	0.53%	0.49%	0.45%
Per Capita	0.00	18.65	13.73	12.32	12.48
San Jose	\$41,708,845	\$43,741,122	\$45,748,758	\$45,346,879	\$47,482,232
% of General Fund	5%	5%	5%	5%	5%
Per Capita	43.50	44.47	46.51	45.32	47.46
San Leandro	\$4,231,420	\$4,424,238	\$4,581,921	\$4,419,000	\$4,462,950
% of General Fund	5%	6%	5%	5%	5%
Per Capita	49.50	51.00	53.25	49.55	48.11
Santa Clara	\$3,361,039	\$3,342,501	\$3,515,786	\$3,459,100	\$3,593,935
% of General Fund	2%	2%	2%	2%	2%
Per Capita	28.29	28.13	30.19	28.60	29.71
Sunnyvale	\$6,372,876	\$6,461,568	\$6,694,336	\$6,871,846	\$6,809,616
% of General Fund	5%	4%	4%	5%	4%
Per Capita	45.17	45.22	45.52	46.42	46.00



¹ Only cable franchise fees are included.

Expenditures by Fund (Summary)

	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
100 General Fund	60,243,754	62,340,177	70,949,485	76,344,332
102 Measure I TOT	69,457	116,005	155,428	166,279
103 1452-1474 S. Main	0	0	0	40,000
105 Abandon Veh Abatement	72,125	82,480	22,500	22,500
140 Housing Administration	238,474	0	0	0
150 Redevelopment Administration	623,148	349,187	255,926	186,976
211 H-Hetch Ground Lease	28,678	29,366	36,000	37,000
212 Public Art Fund-Restricted	55,844	105,261	0	0
213 Public Art Fund-Nonrestricted	7,500	29,543	101,200	22,000
235 95-1 Lighting/Lscape Dist	196,371	188,407	304,704	249,222
236 98-1 Lighting/Lscape Dist	19,303	21,149	31,120	36,700
237 05 Community Fclty Dist	356,358	653,198	714,574	812,102
238 08 Community Fclty Dist	0	0	3,000	5,000
250 HCD Fund	480,079	372,038	466,646	483,646
251 HCD Loan	215,820	168,857	0	250,000
261 Supplemental Law Enforcement	98,437	126,162	0	0
262 State Asset Seizure	0	12,357	55,081	30,000
263 Federal Asset Seizure	0	0	55,081	30,000
280 Solid Waste Services	569,007	579,102	668,930	760,241
295 Housing Authority	804,528	477,807	990,534	958,093
310 Street Fund	40,147	4,906	0	0
311 Street CIP	5,056,851	1,493,488	4,550,000	3,521,960
320 Park Improvement Fund	0	361,776	0	0
321 Park Improvement CIP	2,217,887	963,417	2,250,000	5,875,000
331 General Government CIP	334,918	3,315,485	1,078,000	760,000
341 Storm Drain CIP	66,820	118,468	760,000	1,950,000
350 Transit Area Impact Fee Fund	726,645	954,151	0	225,000
351 Transit Area Impact Fee CIP Fund	10,923	19,608	(1,000,000)	0
352 Piper Montague Infrastructure	0	26,315	0	0
400 Water M & O Fund	15,780,292	15,813,957	17,634,564	20,726,266
401 Water CIP	444,898	605,860	2,775,000	4,000,000
450 Sewer M & O Fund	7,575,865	8,484,430	9,501,559	9,887,546
451 Sewer CIP	156,306	4,799,661	5,015,000	6,315,000
500 Equipment Mgnt Fund	1,730,346	1,784,054	1,878,034	2,505,218
505 Information Tec Replmt	260,308	187,953	248,000	248,000
506 Permit Automation Fund	34,945	44,132	311,849	480,375
TOTAL	98,516,035	104,628,758	119,812,215	136,928,456

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
GENERAL FUND						
City Council	123,236	164,496	0	0	0	287,732
City Manager	900,783	184,289	0	0	0	1,085,072
City Clerk	353,142	33,200	0	0	0	386,342
City Attorney	687,450	128,800	0	0	0	816,250
Building Inspection Services	1,967,040	48,224	0	0	0	2,015,264
Plan Checking	502,158	12,675	0	0	0	514,833
Building Administration	249,062	18,330	0	0	0	267,392
Permit Center	653,042	3,950	0	0	0	656,992
Information Services	1,429,066	941,301	0	0	0	2,370,367
Human Resources	721,051	448,012	0	0	0	1,169,063
Recreation Administration	630,210	125,867	0	0	0	756,077
Senior Citizen Services	630,260	230,083	0	0	0	860,343
Pre-K Enrichment	0	150,000	0	0	0	150,000
Youth Programs	472,405	32,700	0	0	0	505,105
Special Events	43,346	68,602	0	0	0	111,948
Marketing	113,444	6,765	0	0	0	120,209
Performing Arts	0	34,250	0	0	0	34,250
General Classes	84,400	266,759	0	0	0	351,159
Aquatics	320,351	13,800	0	0	0	334,151
Sports & Fitness	335,187	213,299	0	0	0	548,486
Adult Sports	35,615	11,860	0	0	0	47,475
Volunteer Services	39,106	2,500	0	0	0	41,606
Finance Administration	868,202	116,500	0	0	0	984,702
Finance Operations	1,296,661	23,700	0	0	0	1,320,361
Public Works Administration	191,428	9,004	0	0	0	200,432
Street Maintenance	777,778	489,811	0	0	0	1,267,589
Park Maintenance	31,043	1,166,000	0	0	0	1,197,043
Trees & Landscape Mnt	94,329	443,000	0	0	0	537,329
Facilities Maintenance	1,266,315	1,111,282	0	0	0	2,377,597
Engineering Administration	165,900	21,013	0	0	0	186,913
Design & Construction	464,945	2,000	0	0	0	466,945
Land Development	875,451	310,650	0	0	0	1,186,101
Traffic Engineering	216,526	94,750	0	0	0	311,276
Utility Engineering	0	163,000	0	0	0	163,000
Planning	1,126,751	197,140	0	0	0	1,323,891
Neighborhood Services	471,406	469,807	0	0	0	941,213
Police Administration	766,603	21,498	0	0	0	788,101
Records	1,250,038	167,143	0	0	0	1,417,181
Personnel & Training	285,792	131,228	0	0	0	417,020
Communications	2,751,227	314,976	0	0	0	3,066,203
Patrol Services	14,328,608	422,858	0	0	0	14,751,466
Traffic	1,566,046	126,427	0	0	0	1,692,473
Crossing Guards	437,521	2,000	0	0	0	439,521

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Community Relations	516,878	14,358	0	0	0	531,236
Investigations	3,354,559	293,745	0	0	0	3,648,304
Fire Administration	476,905	52,554	0	0	0	529,459
A/B/C Battalions Operations	12,734,391	1,612,559	0	0	0	14,346,950
Disaster Prep & Public Ed	185,482	37,440	0	0	0	222,922
Prevention Div Admin	429,737	53,201	0	0	0	482,938
Fire Inspection, Plan Check & Investigation	1,280,620	56,790	10,000	0	0	1,347,410
Non-Departmental	3,240,540	3,528,100	0	0	0	6,768,640
sub-total (100)	61,742,036	14,592,296	10,000	0	0	76,344,332
MEASURE I TOT						
Special Events	0	20,000	0	0	0	20,000
Performing Arts	0	20,000	0	0	0	20,000
Facilities Maintenance	55,279	15,000	0	0	0	70,279
Non-Departmental	0	56,000	0	0	0	56,000
sub-total (102)	55,279	111,000	0	0	0	166,279
1452-1474 S. MAIN						
Non-Departmental	0	40,000	0	0	0	40,000
sub-total (103)	0	40,000	0	0	0	40,000
ABANDON VEH ABATEMENT						
Traffic	22,500	0	0	0	0	22,500
sub-total (105)	22,500	0	0	0	0	22,500
REDEVELOPMENT ADMINIST						
City Manager	67,896	0	0	0	0	67,896
City Clerk	2,038	0	0	0	0	2,038
City Attorney	35,790	0	0	0	0	35,790
Information Services	1,788	0	0	0	0	1,788
Human Resources	2,500	0	0	0	0	2,500
Finance Administration	11,090	0	0	0	0	11,090
Finance Operations	32,374	0	0	0	0	32,374
Non-Departmental	0	33,500	0	0	0	33,500
sub-total (150)	153,476	33,500	0	0	0	186,976
H-HETCH GROUND LEASE						
Non-Departmental	0	37,000	0	0	0	37,000
sub-total (211)	0	37,000	0	0	0	37,000
PUBLIC ART-NONRESTRICT						
Non-Departmental	0	22,000	0	0	0	22,000
sub-total (213)	0	22,000	0	0	0	22,000
95-1 LIGHTING/LSCAPE DIST						
Street Maintenance	47,322	0	0	0	0	47,322
Trees & Landscape Mnt	0	196,500	0	0	0	196,500
Land Development	5,000	400	0	0	0	5,400
sub-total (235)	52,322	196,900	0	0	0	249,222

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
98-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	0	33,200	0	0	0	33,200
Land Development	3,000	500	0	0	0	3,500
sub-total (236)	3,000	33,700	0	0	0	36,700
05 COMMUNITY FCLTY DIST						
Street Maintenance	98,716	0	0	0	0	98,716
Park Maintenance	0	534,500	0	0	0	534,500
Trees & Landscape Mnt	60,886	113,000	0	0	0	173,886
Non-Departmental	0	5,000	0	0	0	5,000
sub-total (237)	159,602	652,500	0	0	0	812,102
08 COMMUNITY FCLTY DIST						
Non-Departmental	0	5,000	0	0	0	5,000
sub-total (238)	0	5,000	0	0	0	5,000
HCD FUND						
Finance Operations	15,000	0	0	0	0	15,000
Neighborhood Services	86,000	375,646	0	0	0	461,646
Non-Departmental	0	7,000	0	0	0	7,000
sub-total (250)	101,000	382,646	0	0	0	483,646
HCD LOAN						
Neighborhood Services	0	250,000	0	0	0	250,000
sub-total (251)	0	250,000	0	0	0	250,000
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						
Public Works Administration	0	1,126	0	0	0	1,126
Utility Engineering	191,915	524,400	0	0	0	716,315
Non-Departmental	10,500	32,300	0	0	0	42,800
sub-total (280)	202,415	557,826	0	0	0	760,241
HOUSING AUTHORITY						
Finance Operations	72,964	0	0	0	0	72,964
Neighborhood Services	258,129	7,000	0	0	0	265,129
Non-Departmental	0	620,000	0	0	0	620,000
sub-total (295)	331,093	627,000	0	0	0	958,093
STREET CIP						
Capital Improvement Projects	0	0	0	0	3,521,960	3,521,960
sub-total (311)	0	0	0	0	3,521,960	3,521,960
PARK IMPROVEMENT CIP						
Capital Improvement Projects	0	0	0	0	5,875,000	5,875,000
sub-total (321)	0	0	0	0	5,875,000	5,875,000

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
GENERAL GOVERNMENT CIP						
Capital Improvement Projects	0	0	0	0	760,000	760,000
sub-total (331)	0	0	0	0	760,000	760,000
STORM DRAIN CIP						
Capital Improvement Projects	0	0	0	0	1,950,000	1,950,000
sub-total (341)	0	0	0	0	1,950,000	1,950,000
TRANSIT AREA IMPACT FEE						
Planning	0	150,000	0	0	0	150,000
Debt Service	0	0	0	75,000	0	75,000
sub-total (350)	0	150,000	0	75,000	0	225,000
WATER M & O FUND						
City Manager	57,678	0	0	0	0	57,678
Finance Operations	673,244	107,379	32,585	0	0	813,208
Public Works Administration	232,557	4,505	0	0	0	237,062
Utility Maintenance	1,100,473	482,024	130,000	0	0	1,712,497
Engineering Administration	64,990	0	0	0	0	64,990
Design & Construction	85,424	0	0	0	0	85,424
Utility Engineering	649,157	400,150	0	0	0	1,049,307
Non-Departmental	252,200	16,453,900	0	0	0	16,706,100
sub-total (400)	3,115,723	17,447,958	162,585	0	0	20,726,266
WATER CIP						
Capital Improvement Projects	0	0	0	0	4,000,000	4,000,000
sub-total (401)	0	0	0	0	4,000,000	4,000,000
SEWER M & O FUND						
City Manager	57,678	0	0	0	0	57,678
Finance Operations	203,990	98,882	2,586	0	0	305,458
Public Works Administration	232,549	3,829	0	0	0	236,378
Utility Maintenance	1,201,737	202,402	0	0	0	1,404,139
Engineering Administration	64,990	0	0	0	0	64,990
Design & Construction	85,478	0	0	0	0	85,478
Utility Engineering	547,425	105,800	0	0	0	653,225
Non-Departmental	196,700	6,198,500	0	0	0	6,395,200
Debt Service	0	0	0	685,000	0	685,000
sub-total (450)	2,590,547	6,609,413	2,586	685,000	0	9,887,546
SEWER CIP						
Capital Improvement Projects	0	0	0	0	6,315,000	6,315,000
sub-total (451)	0	0	0	0	6,315,000	6,315,000
EQUIPMENT MGNT FUND						
Fleet Maintenance	721,866	847,436	0	0	0	1,569,302
Non-Departmental	0	45,000	0	0	0	45,000
Equipment to be Depreciated	0	0	890,916	0	0	890,916
sub-total (500)	721,866	892,436	890,916	0	0	2,505,218
INFORMATION TEC REPLMT						
Information Services	0	98,000	150,000	0	0	248,000
sub-total (505)	0	98,000	150,000	0	0	248,000

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
PERMIT AUTOMATION FUND						
Plan Checking	31,230	0	0	0	0	31,230
Permit Center	0	62,300	0	0	0	62,300
Information Services	195,920	174,925	0	0	0	370,845
Prevention Div Admin	0	16,000	0	0	0	16,000
sub-total (506)	<u>227,150</u>	<u>253,225</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>480,375</u>
TOTAL	<u><u>69,478,009</u></u>	<u><u>42,992,400</u></u>	<u><u>1,276,087</u></u>	<u><u>760,000</u></u>	<u><u>22,421,960</u></u>	<u><u>136,928,456</u></u>

Financial Information Expenditures by Function

Function	General Fund	Housing Authority	Water Fund	Sewer Fund	Other Funds	Total
City Council	287,732	0	0	0	0	287,732
City Manager	1,152,968	0	57,678	57,688	0	1,268,324
City Clerk	388,380	0	0	0	0	388,380
City Attorney	1,045,580	0	0	0	0	852,040
Building Inspection Services	2,015,264	0	0	0	0	2,015,264
Plan Checking	514,833	0	0	0	0	546,063
Building Administration	267,392	0	0	0	0	267,392
Permit Center	656,992	0	0	0	62,300	719,292
Information Services	2,372,155	0	0	0	618,845	2,991,000
Human Resources	1,171,563	0	0	0	0	1,171,563
Recreation Administration	756,077	0	0	0	0	756,077
Senior Citizen Services	860,343	0	0	0	0	860,343
Pre-K Enrichment	150,000	0	0	0	0	150,000
Youth Programs	505,105	0	0	0	0	505,105
Special Events	111,948	0	0	0	20,000	131,948
Marketing	120,209	0	0	0	0	120,209
Performing Arts	34,250	0	0	0	20,000	54,250
General Classes	351,159	0	0	0	0	351,159
Aquatics	334,151	0	0	0	0	334,151
Sports & Fitness	548,486	0	0	0	0	548,486
Adult Sports	77,745	0	0	0	0	47,475
Volunteer Services	41,606	0	0	0	0	41,606
Finance Administration	995,792	0	0	0	0	995,792
Finance Operations	1,361,865	72,964	813,208	305,458	15,000	2,559,365
Public Works Administration	200,432	0	237,062	236,378	1,126	674,998
Street Maintenance	1,267,589	0	0	0	146,038	1,413,627
Utility Maintenance	0	0	1,712,497	1,404,139	0	3,116,636
Park Maintenance	1,197,043	0	0	0	534,500	1,731,543
Trees & Landscape Mnt	537,329	0	0	0	403,586	940,915
Fleet Maintenance	0	0	0	0	1,569,302	1,569,302
Facilities Maintenance	2,377,597	0	0	0	70,279	2,447,876
Engineering Administration	186,913	0	64,990	64,990	0	316,893
Design & Construction	466,945	0	85,424	85,478	0	637,847
Land Development	1,186,101	0	0	0	8,900	1,195,001
Traffic Engineering	311,276	0	0	0	0	311,276
Utility Engineering	163,000	0	1,049,307	653,225	716,315	2,581,847

Financial Information Expenditures by Function

Function	General Fund	Housing Authority	Water Fund	Sewer Fund	Other Funds	Total
Planning	1,323,891	0	0	0	150,000	1,473,891
Neighborhood Services	941,213	265,129	0	0	711,646	1,917,988
Police Administration	788,101	0	0	0	0	788,101
Records	1,417,181	0	0	0	0	1,417,181
Personnel & Training	417,020	0	0	0	0	417,020
Communications	3,066,203	0	0	0	0	3,066,203
Community Relations	531,236	0	0	0	0	531,236
Patrol Services	14,751,466	0	0	0	0	14,751,466
Traffic	1,714,973	0	0	0	0	1,714,973
Crossing Guards	439,521	0	0	0	0	439,521
Investigations	3,648,304	0	0	0	60,000	3,708,304
Fire Administration	529,459	0	0	0	0	529,459
A/B/C Battalions Operations	14,346,950	0	0	0	0	14,346,950
Prevention Div Admin	482,938	0	0	0	16,000	498,938
Fire Insp, Plan Check & Invg	1,347,410	0	0	0	0	1,347,410
Disaster Prep & Public Ed	222,922	0	0	0	0	222,922
Non-Departmental	6,609,200	620,000	16,706,100	6,395,200	219,800	30,783,240
Debt Service	0	0	0	685,000	75,000	760,000
Equipment to be dprciated	0	0	0	0	890,916	890,916
Capital Improvement Project	0	0	4,000,000	6,315,000	12,106,960	22,421,960
TOTAL	76,593,808	958,093	24,726,266	16,202,546	18,447,743	136,928,456

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Internal Cost Allocation by Function Schedule

Indirect Costs	Police	Fire	Water	Sewer	Solid Waste
Legislation & Policy	15,050	25,995	27,363	6,841	30,099
General Administration					
City Manager	115,297	115,297	115,297	115,297	57,648
City Clerk	21,045	36,351	38,264	9,566	42,090
City Attorney	62,735	62,735	62,735	62,735	62,735
Human Resources	446,427	253,931	76,671	64,220	4,505
General Liability	194,718	110,757	33,441	28,011	1,965
Financial Services	683,318	458,235	564,720	309,061	19,446
Information Technology					
Citywide Support	838,448	476,915	143,998	120,613	8,461
Telephones	70,819	12,673	8,200	8,200	745
Cell Phones	5,116	4,186	3,256	3,721	
Retiree Medical Reserve and Other Non-Department					
Salaries & Benefits	658,724	441,743	544,395	297,938	18,746
Leave Cashout	261,136	283,624	16,906	16,654	411
Audit Fees	23,051	15,458	19,050	10,426	656
Uncollectible Accounts/ Collection Fee	4,500	7,373			
Contingent Reserve	146,687	98,369	121,228	66,346	4,175
Contractual Services	23,274	15,608	19,235	10,527	662
Facilities Maintenance	546,768	386,733	196,377	149,109	3,846
Utilities	505,279	357,388	181,476	137,795	3,554
Building Occupancy - Direct			79,912	79,142	11,552
Building Occupancy - Indirect	547,330	311,325	94,000	78,735	5,524
TOTAL INDIRECT COSTS	5,169,721	3,474,696	2,346,522	1,574,937	276,822
TOTAL DIRECT COSTS	26,713,757	17,914,339	22,077,260	12,082,507	760,241
TOTAL COSTS	31,883,478	21,389,035	24,423,782	13,657,444	1,037,063
INDIRECT COST RATE	19.4%	19.4%	10.6%	13.0%	36.4%

Note: In computing cost allocation, building occupancy cost was included and certain costs funded by designated revenue stream or special funds such as Measure I TOT, LLMD, CFD, TASP, Public Art, CDBG and Permit Automation Fee were excluded from the calculation.

DIRECT COST PROGRAMS					
Building & Safety	Recreation	Public Works	Engineering	Planning & Neighborhood Services	TOTAL
8,209	31,467	32,835	50,621	49,253	277,732
115,297	115,297	172,945	57,648	172,945	1,152,968
11,479	44,004	45,917	70,788	68,875	388,380
62,735	94,102	62,735	156,837	355,497	1,045,580
73,722	60,411	91,333	55,291	45,052	1,171,563
32,155	26,349	39,837	24,116	19,650	511,000
91,146	99,531	81,926	62,823	75,415	2,445,621
138,459	113,460	171,536	103,844	84,614	2,200,348
11,927	15,655	12,673	11,927	10,437	163,257
7,907	3,256	9,302	2,326	930	40,000
87,865	95,949	78,978	60,562	72,701	2,357,600
20,572	8,861	8,532	5,889	27,414	650,000
3,075	3,358	2,764	2,119	2,544	82,500
	2,188	1,693	31,725	3,520	51,000
19,566	21,366	17,587	13,486	16,189	525,000
3,105	3,390	2,790	2,140	2,569	83,300
36,215	891,006	226,063	47,195	44,283	2,527,597
33,467	823,395	208,909	43,614	40,923	2,335,800
		(70,838)	(99,768)		
90,385	74,065	111,977	67,789	55,235	1,436,364
847,286	2,527,110	1,309,496	770,974	1,148,047	19,445,610
3,563,272	3,891,079	3,202,848	2,456,011	2,948,281	95,609,596
4,410,558	6,418,189	4,512,344	3,226,984	4,096,328	115,055,206
23.8%	64.9%	40.9%	31.4%	38.9%	20.3%

Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>	<u>Transfer Distribution</u>
From the General Fund	To IT Replacement Fund for:
	Capital Reserve IT Equipment Replacement
	300,000
	sub-total
	<u>300,000</u>
From the Measure I TOT	To the General Government Fund for:
	Street Resurfacing Project 2016 (4280)
	600,000
	sub-total
	<u>600,000</u>
From the H-Hetch Ground Lease	To the General Fund for:
	Operating Cost Reimbursement
	7,500
	sub-total
	<u>7,500</u>
From the Gas Tax Fund	To the General Government Fund for:
	Soundwall Renovation (4267)
	200,000
	Bridge Improvements (4271)
	200,000
	Street LScape Irrigation Repair 2014 (4273)
	150,000
	Minor Traffic Improvements 2016 (4279)
	100,000
	Street Resurfacing Project 2016 (4280)
	1,400,000
	sub-total
	<u>2,050,000</u>
From the 95-1 Lighting/Lscape Dist	To the General Government Fund for:
	McCarthy Blvd LS & Lighting Impvt (3402)
	75,000
	sub-total
	<u>75,000</u>
From the 08 Community Fclty Dist	To the General Fund for:
	Operating Cost Reimbursement
	200,000
	sub-total
	<u>200,000</u>
From the Solid Waste Services	To the General Fund for:
	Operating Cost Reimbursement
	277,000
	sub-total
	<u>277,000</u>
* From the Traffic Impact Fee	To the Traffic Impact Fee CIP Fund for:
	Dixon Landing Rd Plan Line (4253)
	31,960
	Milpitas Blvd Plan Line Study (4278)
	150,000
	sub-total
	<u>181,960</u>
* From the Vehicle Registration Fee	To the General Government Fund for:
	Street Resurfacing Project 2016 (4280)
	450,000
	sub-total
	<u>450,000</u>
* From the Park Improvement Fund	To the Park CIP Fund for:
	Alviso Adobe Renovation (5055)
	1,000,000
	SC Sports Fields (5104)
	1,315,000
	sub-total
	<u>2,315,000</u>
* From the Midtown Park Fund	To the Midtown Park CIP Fund for:
	International Park (5101)
	500,000
	MSC Pool Rehabilitation (5103)
	1,500,000
	SC Sports Fields (5104)
	1,560,000
	sub-total
	<u>3,560,000</u>
* From the General Government	To the General Government CIP Fund for:
	City Building Improvements (3406)
	250,000
	City Buildings, Exterior Painting & Repairs (3414)
	100,000

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>	<u>Transfer Distribution</u>
PD Communications (3415)	335,000
Dempsey Rd Storm Drain Rplc (3709)	1,200,000
sub-total	<u>1,885,000</u>
* From the Storm Drain Development	To the Storm Drain Development CIP Fund for:
BART Projects - Storm Impvts (3711)	250,000
Dempsey Rd Storm Drain Rplct (3709)	400,000
Minor Storm Drain Projects 2016 (3712)	100,000
sub-total	<u>750,000</u>
* From the Transit Area Impact Fee Fund	To the Transit Area Impact Fee CIP Fund for:
TASP Underground Utility District (4281)	40,000
sub-total	<u>40,000</u>
From the Water M & O Fund	To the General Fund for:
Operating Cost Reimbursement	2,347,000
sub-total	<u>2,347,000</u>
From the Water M & O Fund	To the Street Improvement Fund for:
Street Resurfacing Project 2016 (4280)	100,000
sub-total	<u>100,000</u>
* From the Water M & O Fund	To the Water CIP Fund for:
BART Projects - Water Impvts (7125)	2,000,000
Water System Seismic Impvts (7100)	1,000,000
Dempsey Rd Water Line Rplct (7118)	1,000,000
sub-total	<u>4,000,000</u>
From the Sewer M & O Fund	To the General Fund for:
Operating Cost Reimbursement	1,575,000
sub-total	<u>1,575,000</u>
From the Sewer M & O Fund	To the Street Improvement Fund for:
Street Resurfacing Project 2016 (4280)	100,000
sub-total	<u>100,000</u>
* From the Sewer M & O Fund	To the Sewer CIP Fund for:
BART Projects - Sewer Impvts (6121)	350,000
Sewer System Replacement 12-13 (6116)	800,000
SJ/SC Regional Wastewater Trmt Plant (6118)	3,500,000
CCTV Sanitary Sewer (6119)	165,000
sub-total	<u>4,815,000</u>
* From the Treatment Plant Construction	To the Treatment Plant Construction CIP Fund for:
SJ/SC Regional Wastewater Trmt Plant (6118)	1,500,000
sub-total	<u>1,500,000</u>
TOTAL TRANSFERS:	<u><u>27,128,460</u></u>

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

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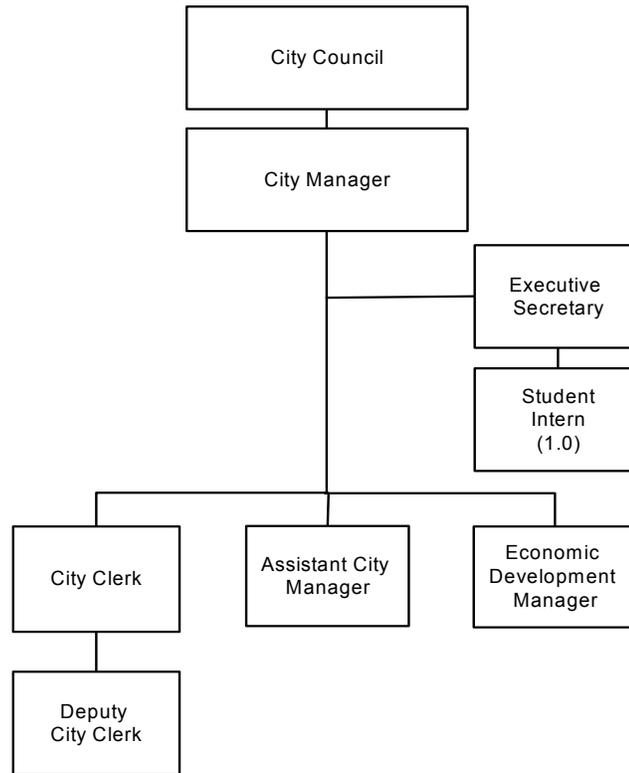
Mission Statements

The City Council serves as the informed, legislative governing body of the City on all issues, provides guidance in assessing the needs of the community and policy direction for the development of programs and provision of services to the citizens of Milpitas.

The division of the City Manager’s Department assist the public in accessing their local government and support the City Council and City Departments in providing the highest quality services. The Department is committed to being proactive to the changing needs of the public and City Department.

Functions

City Council
City Manager
City Clerk



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DEPARTMENT: City Manager

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.
- Serves as City Representatives at public events and functions.



Budgets Narrative and Summary City Council

	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
2014-2015 Accomplishments					
1. Developed long-term fiscal planning policies.	x	x	x	x	x
2. Launched Citywide Strategic Plan.	x	x	x	x	x
3. Provided comprehensive policy direction for the City's operation.		x		x	x
4. Established Citywide priorities for fiscal year 2014-15.	x	x		x	x
5. Provided sound fiscal policies and economic stability for the City.		x	x	x	
6. Reviewed and adopted policies to increase efficiency for service delivery.	x	x		x	
7. Continued to balance the General Fund budget without using of General Fund reserve.		x	x	x	x
2015-2016 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 2015-16.	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	
6. Foster quality of life for all citizens while maintaining first-rate services.	x	x		x	x
7. Promote economic opportunity and environmental sustainability.	x	x		x	x
8. Uphold honest and transparent City Government.	x	x		x	x

Performance Measures	Actual 2012-13	Actual 2013-14	Projected 2014-15	Estimated 2015-16
City Council Meetings	25	26	23	23
Commission Meetings	131	128	133	133
Subcommittee Meetings	45	49	73	73
County/Regional Agency/Association Meetings	260	260	260	260

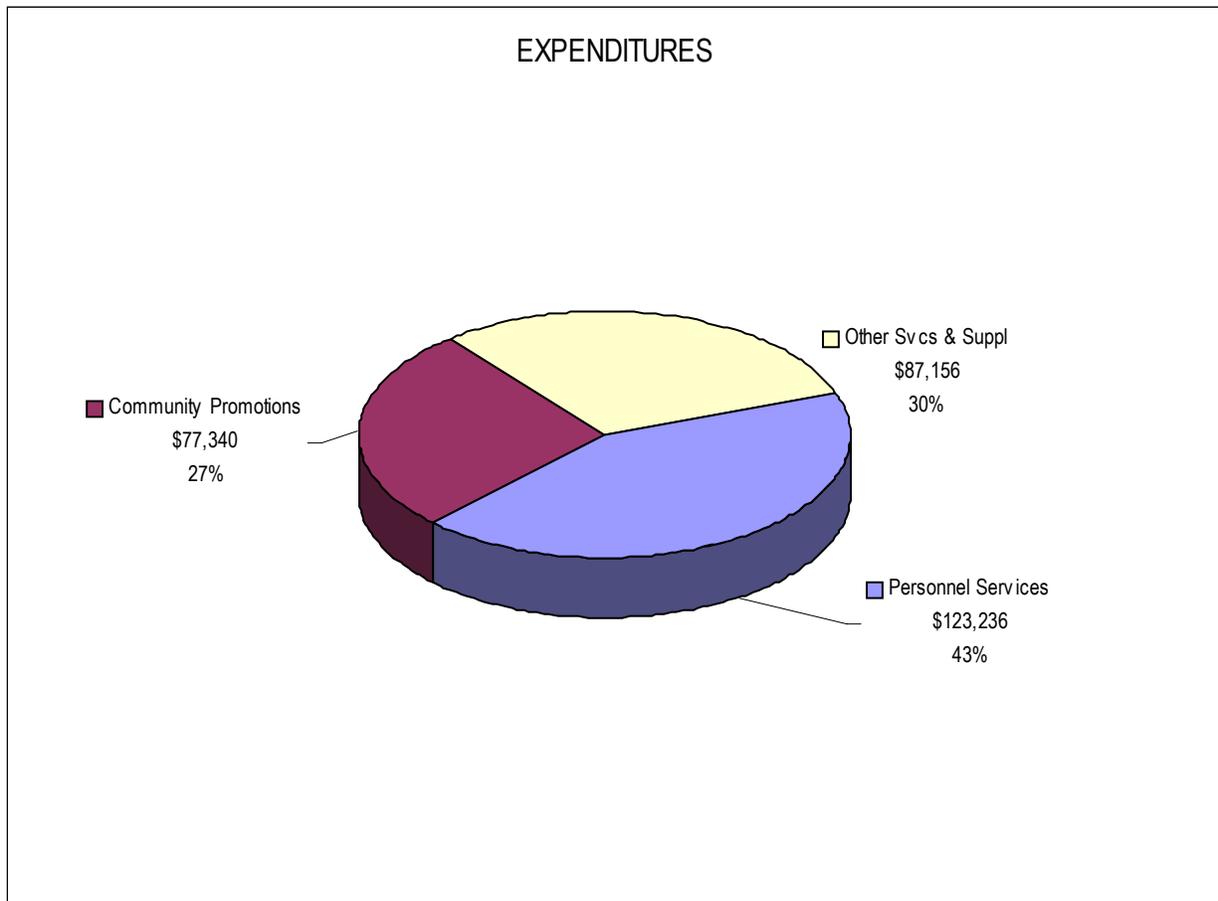
Personnel Allotment of 5 FTE

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	Increase attributed to restoration of compensation reduction and increased PERS contribution rate.
Services and Supplies / Community Promotions	Increase mainly due to increased community promotion, partially offset by decrease in contractual services.
Capital Outlay	None



Budgets Narrative and Summary City Council

	<u>Actual 2012-13</u>	<u>Actual 2013-14</u>	<u>Budget 2014-15</u>	<u>Approved 2015-16</u>
PERSONNEL SERVICES				
4111 Permanent Salaries	54,295	54,267	54,274	56,994
4112 Temporary Salaries	2,925	3,075	4,400	4,400
4113 Overtime	85	0	0	0
4121 Allowances	38,721	38,700	38,700	38,700
4131 PERS	7,389	8,997	18,334	20,926
4132 Group Insurance	19,707	405	420	420
4133 Medicare	1,171	1,016	1,422	1,434
4135 Worker's Compensation	189	248	294	296
4139 PARS	577	565	66	66
4151 Compensation Reduction	(8,732)	(8,727)	(8,727)	0
4161 Retiree Medical Reserve	516	0	0	0
sub-total	<u>116,845</u>	<u>98,546</u>	<u>109,183</u>	<u>123,236</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	16,125	97,657	47,340	77,340
4220 Supplies	4,464	3,235	4,000	4,000
4230 Services	10,500	10,526	10,500	0
4410 Communications	101	0	0	0
4501 Memberships and Dues	51,021	46,349	53,579	54,656
4503 Training	1,066	1,605	10,400	10,500
4520 Commissions and Boards	4,984	2,931	14,116	18,000
sub-total	<u>88,259</u>	<u>162,302</u>	<u>139,935</u>	<u>164,496</u>
TOTAL	<u><u>205,104</u></u>	<u><u>260,847</u></u>	<u><u>249,118</u></u>	<u><u>287,732</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
2014-2015 Accomplishments					
1. Implemented City Council priorities for fiscal year 2014-15.	x	x		x	x
2. Provided leadership to municipal organization.	x	x		x	x
3. Continued showing fiscal management that limited department's budget expenditures.	x	x		x	x
4. Continued Citywide Strategic Planning Process.	x	x	x	x	x
5. Continued to reorganize City departments and divisions to improve staff utilization, increase efficiency, accountability and at savings to the City.	x	x		x	
6. Implemented the roadmap to service improvement project resulting in improved permit turn-around time and customer satisfaction.	x	x		x	
7. Implemented financial strategies that ensure cost effective City service delivery while limiting department budget expenses.				x	
8. Continued to improve the economic base of the City.		x		x	
9. Developed leadership training program and succession planning.	x		x	x	
2015-2016 Goals					
1. Implement City Council priorities for fiscal year 2015-16.	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. Continue to 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
6. Implement Citywide Planning Process.	x	x	x	x	x

Performance Measures	Actual 2012-13	Actual 2013-14	Projected 2014-15	Estimated 2015-16
City Council Meetings	25	26	23	23
Capital Improvement Program Projects Completed	12	15	10	10
Conduct meetings with developers*	67	83	85	85

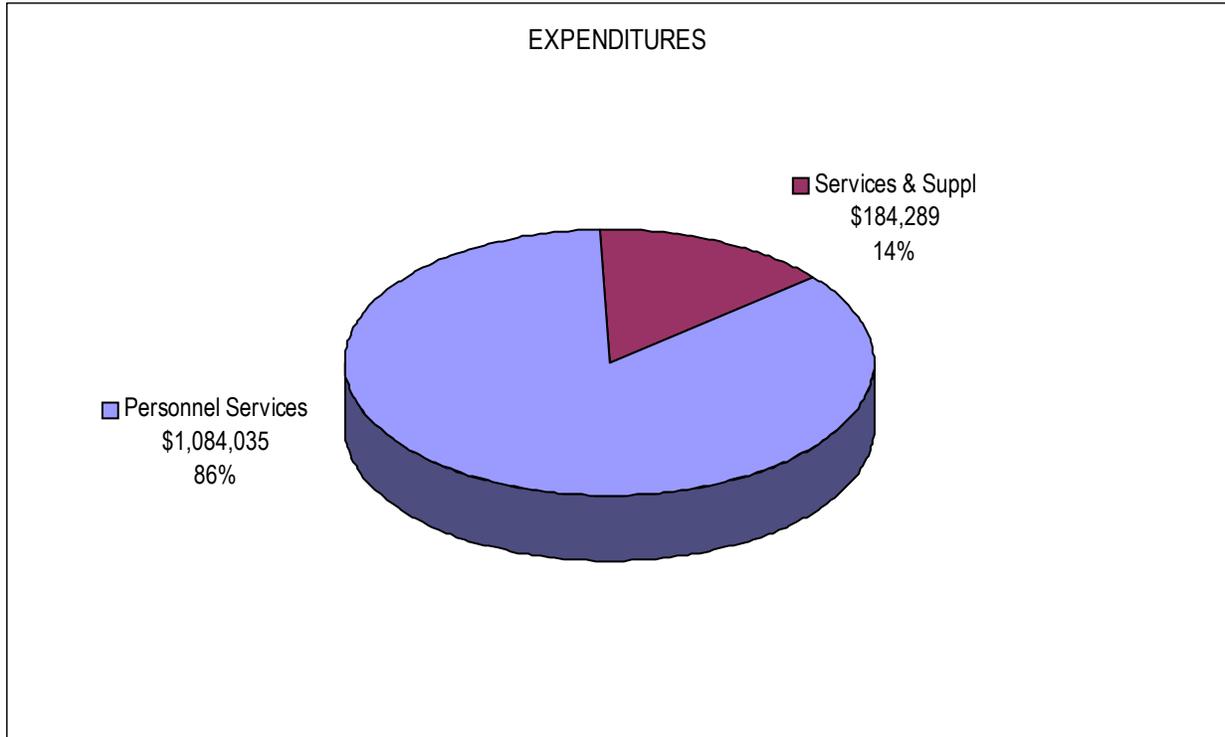
Personnel Allotment of 6 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Manager	1	1		Executive Secretary	2	1	1
Assistant City Manager	1	1		Temporary Positions (FTE)	1	1	
Economic Devp Manager	1	1					
				TOTAL	6	5	1

Staff Change(s): None.

Expenditure Analysis

Personnel Services	Increase attributed to increased PERS employer contribution rate.
Services and Supplies	Increase attributed to marketing related to economic development, partially offset by decrease in contractual services.
Capital Outlay	None



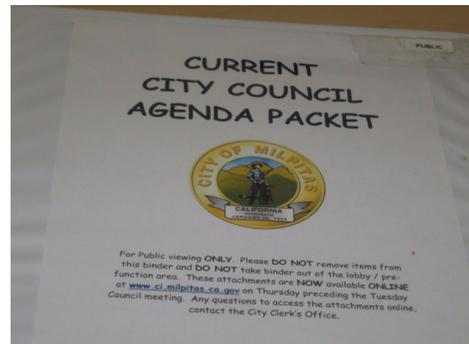
	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
PERSONNEL SERVICES				
4111 Permanent Salaries	319,839	330,620	723,915	719,014
4112 Temporary Salaries	0	3,375	30,000	30,000
4113 Overtime	(446)	(295)	0	0
4121 Allowances	2,015	1,800	0	0
4124 Leave Cashout	30,481	9,601	0	0
4131 PERS	65,390	76,511	167,614	195,670
4132 Group Insurance	36,269	38,879	88,656	84,912
4133 Medicare	5,116	4,941	10,859	10,919
4135 Worker's Compensation	1,027	1,336	3,556	3,722
4138 Deferred Comp-Employer	0	0	3,600	3,600
4139 PARS	0	50	450	450
4161 Retiree Medical Reserve	14,810	15,936	34,092	35,748
sub-total	<u>474,501</u>	<u>482,754</u>	<u>1,062,742</u>	<u>1,084,035</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	0	0	5,000
4211 Equip Replacement Amortization	2,632	2,950	3,146	3,309
4220 Supplies	6,971	5,256	5,000	7,000
4230 Services	1,058	88,716	150,000	135,000
4501 Memberships and Dues	0	670	4,180	23,480
4503 Training	2,706	1,333	4,000	10,500
sub-total	<u>13,367</u>	<u>98,925</u>	<u>166,326</u>	<u>184,289</u>
TOTAL	<u><u>487,868</u></u>	<u><u>581,679</u></u>	<u><u>1,229,068</u></u>	<u><u>1,268,324</u></u>

FUNCTION:	City Clerk	CITY CLERK: Mary Lavelle
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Description: The City Clerk serves as the legislative administrator, elections official, and records manager for the City. Serves as Secretary to the 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.
- Conducts Administrative Hearings, upon request, for Parking Citation violations.
- 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 14 City Commissions.
- Maintains codification of ordinances, i.e. ensures publication of Milpitas Municipal Code.
- Administers municipal elections, including candidate and campaign finance filings, in November of even years
- Receives and files annual Form 700/ Statements of Economic Interest for all designated employees, Commissioners and elected officials.
- Offers a U.S. Passport Acceptance Agency for passport applications.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
2014-2015 Accomplishments					
1. Prepared all City Council meeting agendas and minutes for 22 regular meetings.	x		x	x	
2. Collected required FPPC* filings (campaign documents and Conflict of Interest forms) and submitted appropriate forms to State of California.	x			x	
3. Implemented Records Retention Schedule by destroying more than 250 eligible files off the City Clerk's shelves.	x		x	x	
4. Provided Notary Public acknowledgement services on City documents.	x		x		
5. Hosted annual meeting with Commission staff liaisons Feb. 5, 2015.	x		x		
6. Continued Passport Application Acceptance program.	x	x	x		
7. Administered Municipal Election on November 4, 2014. Swore in newly elected officials on December 2, 2014.	x		x		
2015-2016 Goals					
1. Prepare all City Council, Housing Authority, Public Financing Authority, EDC meetings' agendas and minutes .	x				
2. Provide support to Campaign Finance Reform Committee.	x	x	x	x	
3. Continue Passport Acceptance Agency program with service by appointment only.	x	x		x	
4. Provide Deputy City Clerk with training toward Certification, and update City Clerk's training for administrative hearing officer function.	x	x	x	x	
5. Continue responding to increasing Public Records Act requests.	x	x	x	x	
6. Cull and destroy eligible records/files, per adopted schedule.	x		x		
7. Collect and post online required FPPC* documents, i.e. Forms 700 and Forms 501, 410, 460 and 470 for campaigns.	x		x		
8. Provide Notary Public Service.	x		x		

*FPPC: Fair Political Practices Commission

Performance Measures	Actual 2012-13	Actual 2013-14	Projected 2014-15	Estimated 2015-16
City Council agenda items processed	326	338	325	325
Passport applications accepted	2,179	1,639	1,600	1,500
# of Candidates assisted in Municipal Election	9	N/A	11	N/A
# of Administrative Hearings conducted for Parking Violation Citation appeals	6	7	6	6

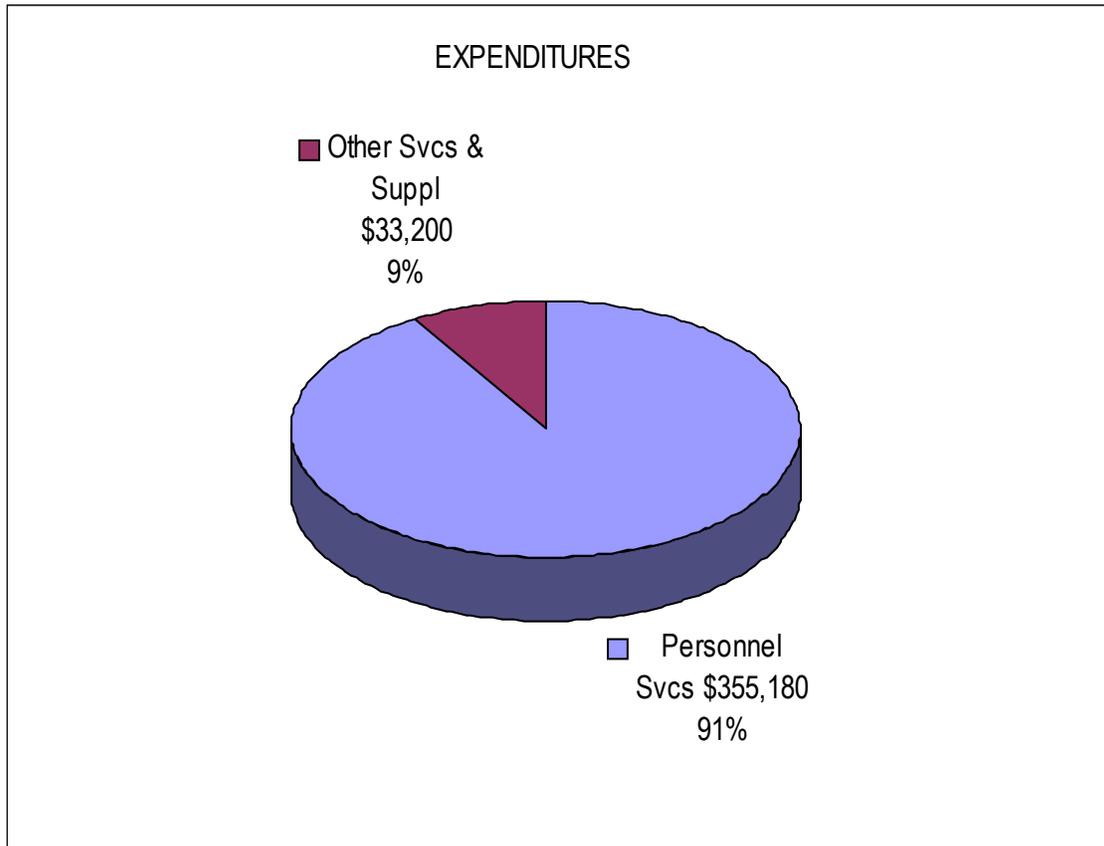
Personnel Allotment of 3 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Clerk	1	1		Confidential Office Specialist	1		1
Deputy City Clerk	1	1					
TOTAL					3	2	1

Staff Change(s): None.

Expenditure Analysis

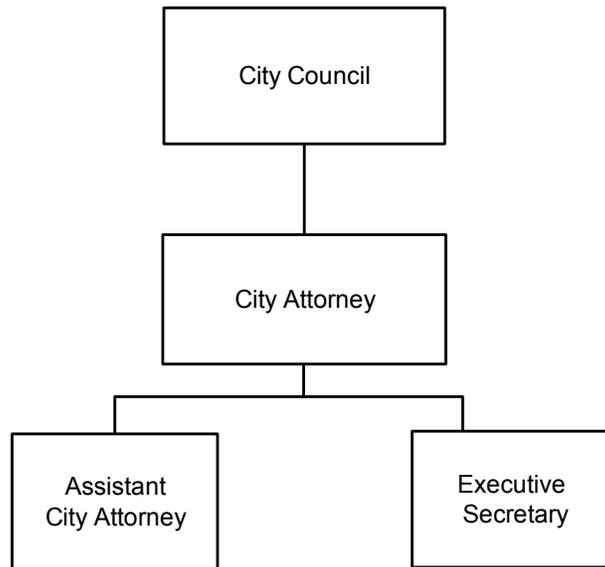
Personnel Services	Increase due to increased PERS employer contribution rate.
Services and Supplies	No municipal election scheduled in FY15-16.
Capital Outlay	None



	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
PERSONNEL SERVICES				
4111 Permanent Salaries	285,546	230,806	230,586	239,766
4113 Overtime	846	0	0	0
4124 Leave Cashout	3,264	0	0	0
4131 PERS	25,225	27,261	37,600	54,460
4132 Group Insurance	60,202	45,104	44,328	42,456
4133 Medicare	2,910	2,039	1,910	3,504
4135 Worker's Compensation	1,039	947	1,144	1,196
4138 Deferred Comp-Employer	2,458	1,800	1,800	1,800
4161 Retiree Medical Reserve	15,082	11,309	11,530	11,998
sub-total	<u>396,570</u>	<u>319,267</u>	<u>328,898</u>	<u>355,180</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	1,101	1,485	3,000	3,000
4230 Services	12,471	22,372	25,000	25,000
4280 Elections	58,163	0	70,000	0
4501 Memberships and Dues	405	906	1,200	1,200
4503 Training	1,831	1,613	4,000	4,000
sub-total	<u>73,970</u>	<u>26,375</u>	<u>103,200</u>	<u>33,200</u>
TOTAL	<u><u>470,541</u></u>	<u><u>345,642</u></u>	<u><u>432,098</u></u>	<u><u>388,380</u></u>

Mission Statement

The Office of the City Attorney provides cost effective legal representation, analysis and guidance to the City Council and City staff at the highest level of professionalism.



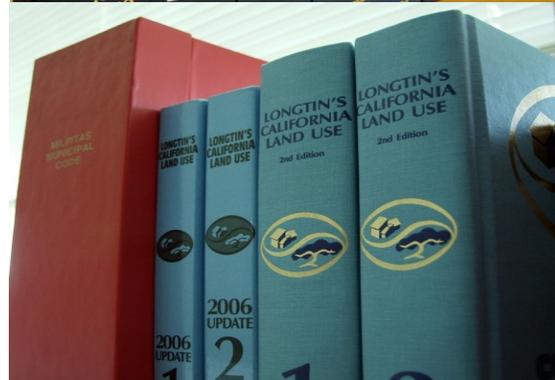
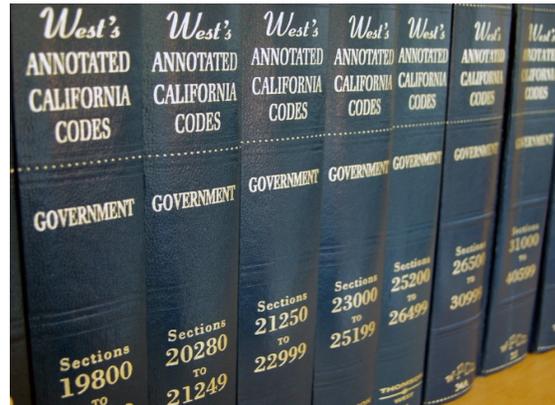
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DEPARTMENT:	Office of the City Attorney	CITY ATTORNEY: Michael J. Ogaz
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Description: This department provides general legal advice and services to the City Council, Housing Authority, City Commissions, 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. This fiscal year the Department will assume primary responsibility for the Risk Management function.

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
- Primary responsibility City-wide for Risk Management
- Land use advice; document preparation
- Conflict of Interest and Open Government guidance



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
2014-2015 Accomplishments					
1. Provided superior, affordable, timely legal advice and service.	x	x	x	x	x
2. Provided continued legal guidance/actions through RDA wind down.	x			x	
3. Completed RFQ process to appoint odor litigation team.		x			x
4. Advised management through continuing labor negotiations.	x		x	x	
5. Advised/drafted McCandless site sale to MUSD agreement.	x			x	
6. Negotiated/advised in RDA lawsuit settlement; certif. of completion.				x	
7. Successfully opposed VTA lawsuit to close Dixon Landing Road.		x			x
8. Advised/prepared documents for numerous Planning projects.	x	x	x	x	
9. Legal guidance and review re: RDA bond refunding.	x			x	
10. Advised/drafted documents re: Arts Commission consolidation.	x	x	x		
11. Advised re: various ord. amendments including noise ordinance.	x	x			x
12. Review nexus re: fee adjustments in budget adoption.	x			x	
13. Advised re: elections and measure for voter approval on ballot.	x				
14. Handled/supervised numerous administrative/court actions.				x	
15. Provided legal training to staff, commissions, etc.	x		x	x	
2015-2016 Goals					
1. Provide superior, affordable, timely legal advice and service.	x	x	x	x	x
2. Provide legal guidance through continuing RDA wind down.	x			x	
3. Provide ongoing legal training to staff, commissions, etc.	x		x	x	x
4. Provide advice and direction through Housing Element update.	x	x		x	x
5. Provide ongoing advice re: TASP, including BART project.	x	x		x	x
6. Expand services with 3rd attorney; assume Risk Management role.	x			x	
7. Complete annual Muni Code update; City Council handbook update.	x			x	x

Performance Measures	Actual 2012-13	Actual 2013-14	Projected 2014-15	Estimated 2015-16
Agenda contracts drafted/reviewed/edited	111	107	105	105
Ordinances/resolutions drafted/reviewed/edited	94	120	125	125
Court /administrative proceeding appearances	37	36	36	36
Contract complaints/agenda contracts	0/111	0/107	0/105	0/105
% of documents timely produced for agenda	100	100	100	100

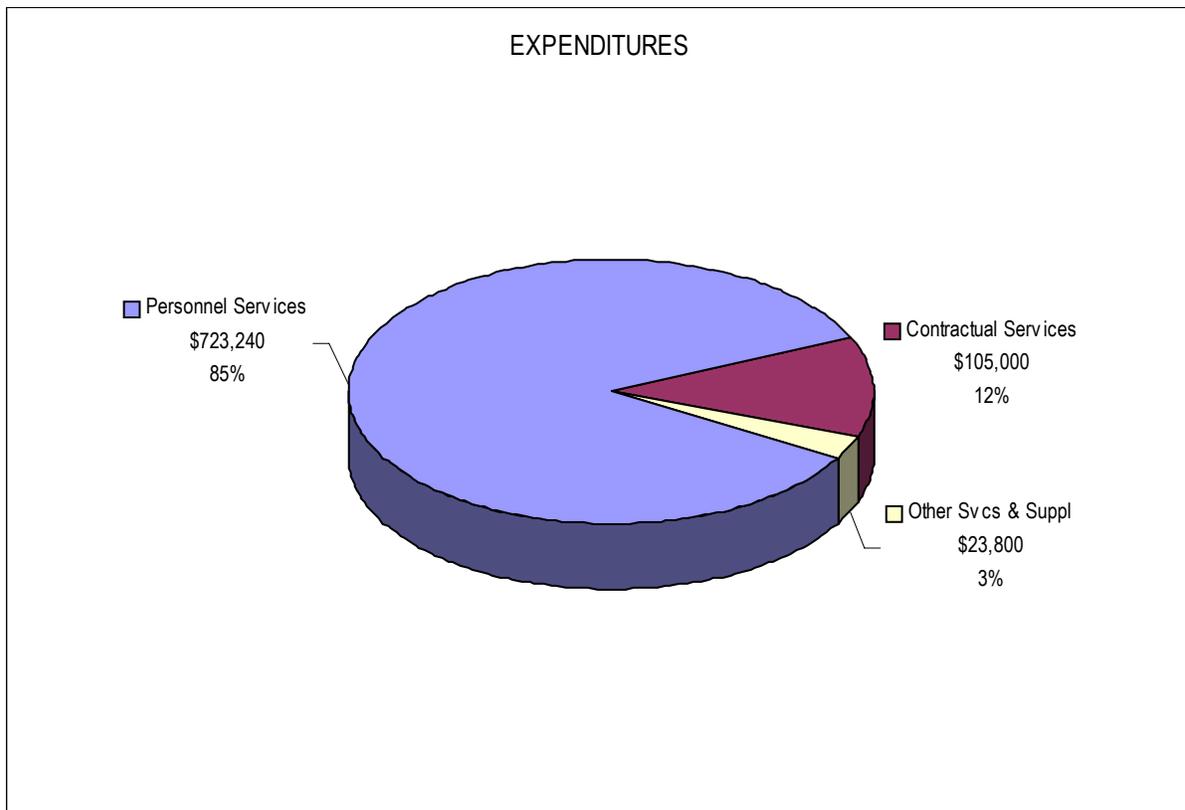
Personnel Allotment of 4 FTE

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): None

Expenditure Analysis

Personnel Services	Increase due to increased PERS employer contribution rate.
Services and Supplies	Decrease due to lesser need for outside legal services.
Capital Outlay	None.



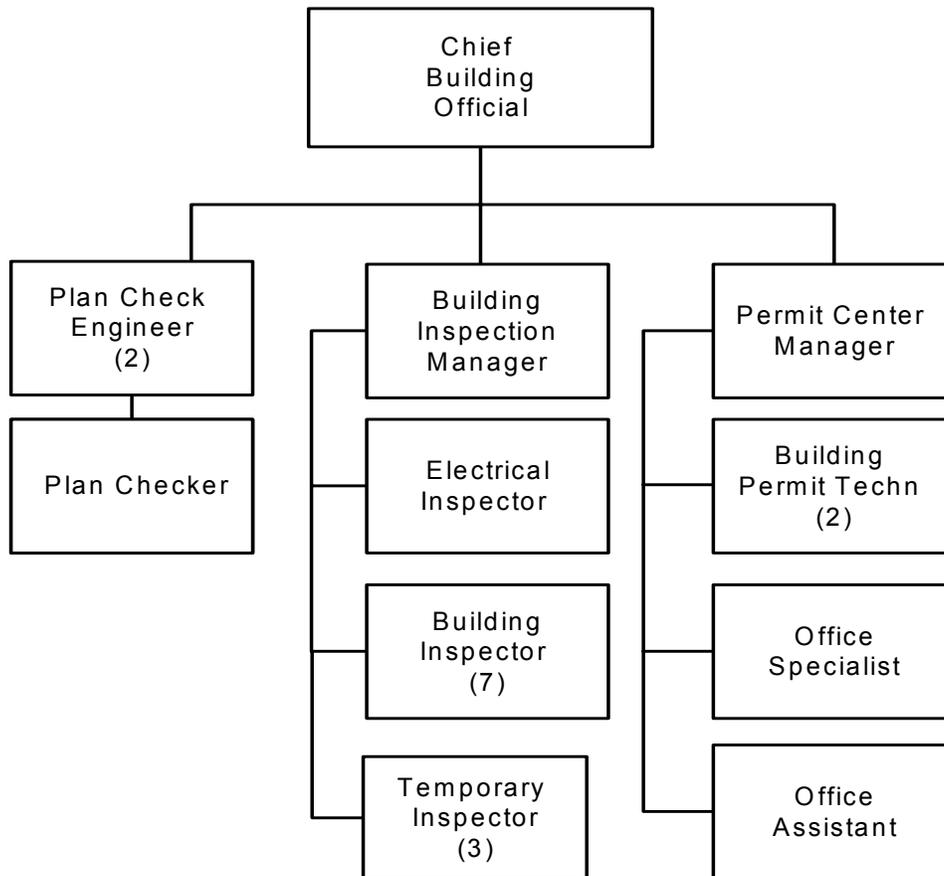
	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
PERSONNEL SERVICES				
4111 Permanent Salaries	367,388	435,253	454,420	475,732
4112 Temporary Salaries	1,920	672	0	0
4121 Allowances	2,140	1,800	0	0
4124 Leave Cashout	37,879	9,159	0	0
4131 PERS	69,508	96,131	121,456	148,610
4132 Group Insurance	52,070	70,420	66,492	63,684
4133 Medicare	5,915	6,448	6,630	6,944
4135 Worker's Compensation	1,497	1,872	2,262	2,326
4138 Deferred Comp-Employer	105	905	2,700	2,700
4139 PARS	29	10	0	0
4161 Retiree Medical Reserve	21,468	22,200	22,644	23,244
sub-total	<u>559,918</u>	<u>644,871</u>	<u>676,604</u>	<u>723,240</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	14,131	13,062	14,000	14,000
4230 Services	260,701	638,902	272,000	106,000
4410 Communications	1,040	1,740	1,400	1,400
4501 Memberships and Dues	410	1,150	1,150	1,700
4503 Training	2,956	3,339	4,500	5,700
sub-total	<u>279,237</u>	<u>658,193</u>	<u>293,050</u>	<u>128,800</u>
TOTAL	<u><u>839,156</u></u>	<u><u>1,303,064</u></u>	<u><u>969,654</u></u>	<u><u>852,040</u></u>

Mission Statement

The Building and Safety Department is committed to fulfill the needs of our community and contribute to the City’s economic development. We are committed to providing courteous, prompt and professional services to all citizens through innovations, continuous improvements, determination and excellence in customer service. We build positive working relationships within the business community, consumers and citizens alike. We promote health and safety in public and private construction and safeguard citizens of the City through enforcement of California Building Codes, State and Federal regulations and City standards. We work to promote and ensure that new structures and public improvements construction meets all required standards of safety, and that existing structures are maintained in safe conditions.

Functions

- Plan Check
- Administration
- Permit Center
- Building Inspection



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DEPARTMENT: Building and Safety	CHIEF BUILDING OFFICIAL: Keyvan Irannejad
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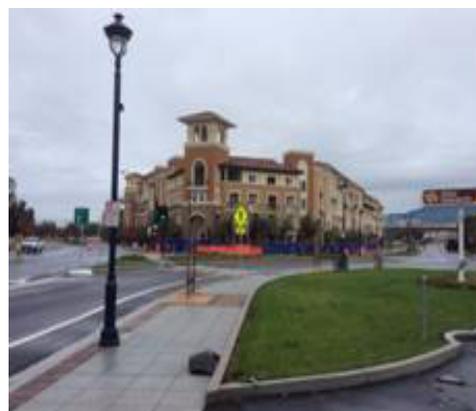
Description: This Department is responsible for implementation of life safety and quality standards in private and public construction achieved by enforcing California Building Codes, State and Federal regulations and City standards that pertain to physical development of the City. The Department's four functions include: Building Inspection Services, Plan Checking Services, Building Administration, and Permit Center.

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 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, obtain submittal requirements 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.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
2014-2015 Accomplishments					
1. Issued a combined permit card for all trades to improve efficiency and consistency.	X	X	X	X	
2. Introduced online appointment calendar to schedule plan check by appointment.	X	X	X	X	
3. Improved and enhanced Code Enforcement procedures.	X	X	X	X	
4. Continued to improve online plan submittal process.	X	X	X	X	
5. Continued to improve special inspection and testing procedures.	X	X	X		X
6. Continued web site enhancement by updating plan check and inspection checklists and submittal requirements to comply with current Building Codes and regulations.	X	X	X		X
7. Continued cross-training of staff to improve consistency and efficiency.	X		X	X	X
8. Continued to improve our image to public through community outreach, education and meetings with industry and to streamline permitting process	X		X	X	
2015-2016 Goals					
1. Continue to enhanced public outreach by sending e-Newsletters to more than 3000 customers.	X	X			X
2. Continue to improve automation of inspection reporting and time tracking systems.	X	X	X	X	
3. Streamline and automate occupancy certification process.	X	X	X	X	
4. Enhance the website by adding a feature to submit questions online.	X	X	X	X	X
5. Continue to utilize same plan checker and inspector from project start to finish.	X	X			X
6. Continue to cross-training of staff to improve consistency and efficiency.	X		X	X	X

Performance Measures	Actual 2012-13	Actual 2013-14	Projected 2014-15	Estimated 2015-16
New Construction Valuation (Millions)	\$282	\$378	\$330	\$330
Total Building Permits Issued/Avg. Permits Issued per day	3,568/14	4,534/17	4,300/16	4,300/16
Total Plan Checks /% Express Plan Checks *	1,161/44	1,397/46	1,400/46	1,400/46
Number of Customers Served/Avg. Waiting Time to assist customers (minutes)	4,885/1.5	4,625/1.5	4,900/1.5	4,900/1.5
Daily Inspections per Inspector/Avg. Min. **	9/40	10/35	10/35	10/35
Customer Survey overall rating Excellent / Good	99%	99%	99%	99%
Plan Checks completed on schedule	90%	90%	90%	90%
Inspections completed on requested time	99%	99%	99%	99%
Accuracy of building plan check	99%	99%	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.

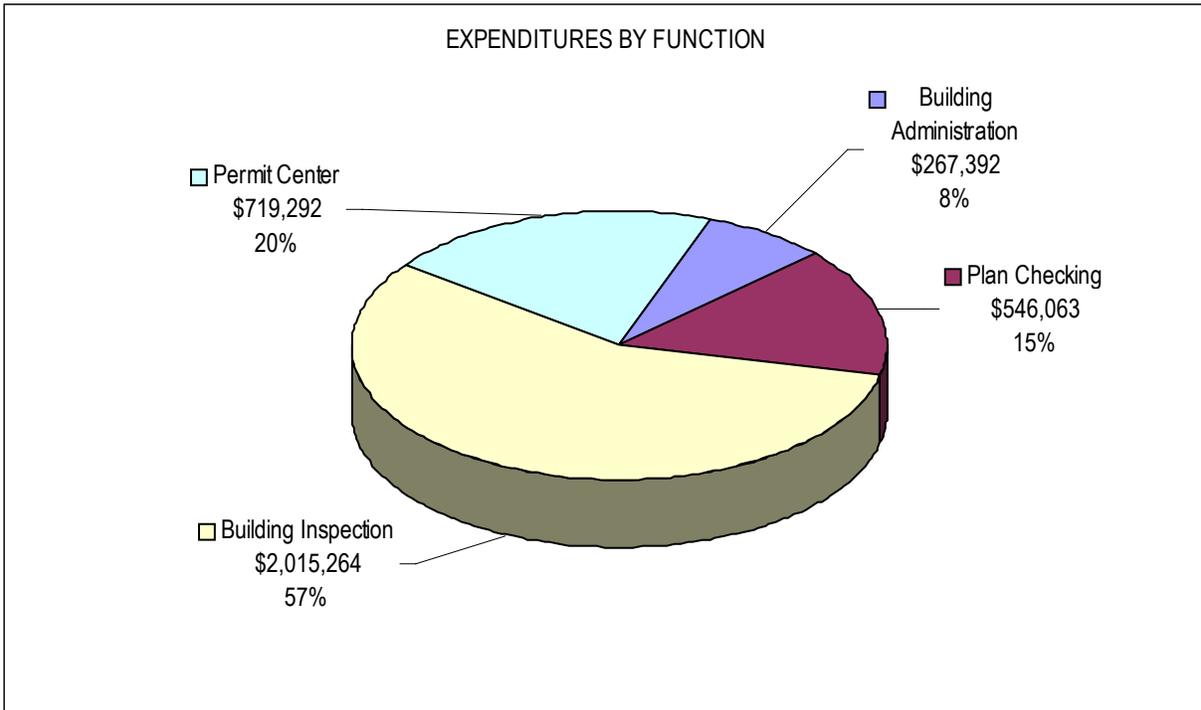
Personnel Allotment of 27 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Chief Building Official	1	1		Sr Plan Check Engineer	1		1
Bldg Inspection Mgr	1	1		Plan Check Engineer	4	2	2
Building/NP Inspector	7	7		Building Permit Technician	3	2	1
Electrical Inspector	2	1	1	Office Assistant II	1	1	
Plan Checker	1	1		Office Specialist	1	1	
Sr Building Inspector	1		1	Temporary Positions (FTE)	3	3	
Permit Center Manager	1	1					
				TOTAL	27	21	6

Staff Change (s): Fund one permanent and one dedicated temporary Building Inspector.

Expenditure Analysis

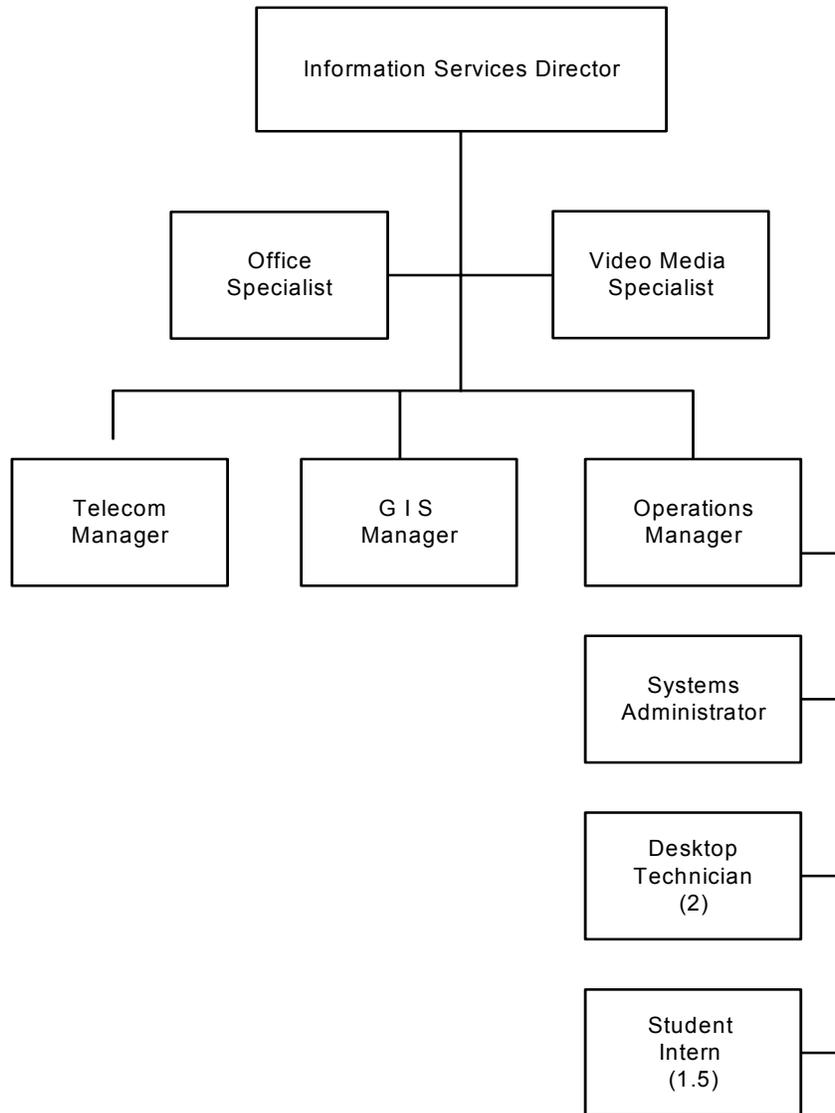
Personnel Services	Increase attributed to increased PERS employer contribution rate and Staff Changes mentioned above.
Services and Supplies	Increase mainly due to increase credit card transaction fees and mandated training and certification.
Capital Outlay	None



	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
PERSONNEL SERVICES				
4111 Permanent Salaries	1,364,439	1,599,085	1,689,889	1,889,950
4112 Temporary Salaries	218,036	281,852	205,168	307,752
4113 Overtime	22,835	17,710	55,000	55,000
4124 Leave Cashout	54,732	47,318	0	0
4131 PERS	102,242	173,802	278,717	518,591
4132 Group Insurance	245,173	313,998	398,954	445,803
4133 Medicare	22,482	27,845	27,525	32,126
4135 Worker's Compensation	20,625	36,347	38,596	27,422
4138 Deferred Comp-Employer	1,800	1,800	1,800	16,200
4139 PARS	720	1,343	0	0
4161 Retiree Medical Reserve	73,956	88,824	84,310	109,688
sub-total	<u>2,127,040</u>	<u>2,589,925</u>	<u>2,779,959</u>	<u>3,402,532</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	22,197	21,595	23,392	24,224
4220 Supplies	13,619	8,767	26,525	27,675
4230 Services	128,227	39,439	54,550	65,550
4501 Memberships and Dues	1,371	1,321	1,530	1,530
4503 Training	4,395	10,125	20,650	26,500
sub-total	<u>169,809</u>	<u>81,246</u>	<u>126,647</u>	<u>145,479</u>
TOTAL	<u><u>2,296,849</u></u>	<u><u>2,671,171</u></u>	<u><u>2,906,606</u></u>	<u><u>3,548,011</u></u>

Mission Statement

The Information Services Department supports the operations of the City by providing high quality, reliable and cost effective services in the areas of telecommunications, data processing, desktop support and technology project management.



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

Services

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



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
2014-2015 Accomplishments					
1. Completed CAD system Upgrade.	x	x			x
2. Completed Finance System Upgrade.	x	x		x	
3. Completed Recon Map for smart meters upgrade.	x	x		x	
4. Completed upgrade of PCs for Police and Fire.	x	x		x	x
5. Offsite and online training.			x		
2015-2016 Goals					
1. Complete CAD system upgrade.	x	x		x	x
2. Complete Website re-design.	x			x	
3. Complete aerial survey.	x	x			x
4. Complete replacement of PCs with Windows XP.	x		x	x	

Performance Measures	Actual 2012-13	Actual 2013-14	Projected 2014-15	Estimated 2015-16
Network Availability ^A	99.99%	99.9%	99.9%	99.99%
Percent of service requests completed within 1 hour	60.00%	60.00%	60.00%	65.00%
Server Availability ^A	99.50%	99.50%	99.50%	99.50%
Website Availability ^A	100%	100%	100%	99.50%
Percent of customer surveys received with a score of 4 or better (out of 5) ^B	N/A	75%	75%	75%

NOTE: A=Scheduled down time for maintenance is excluded.

B=This is the first year for this measurement.

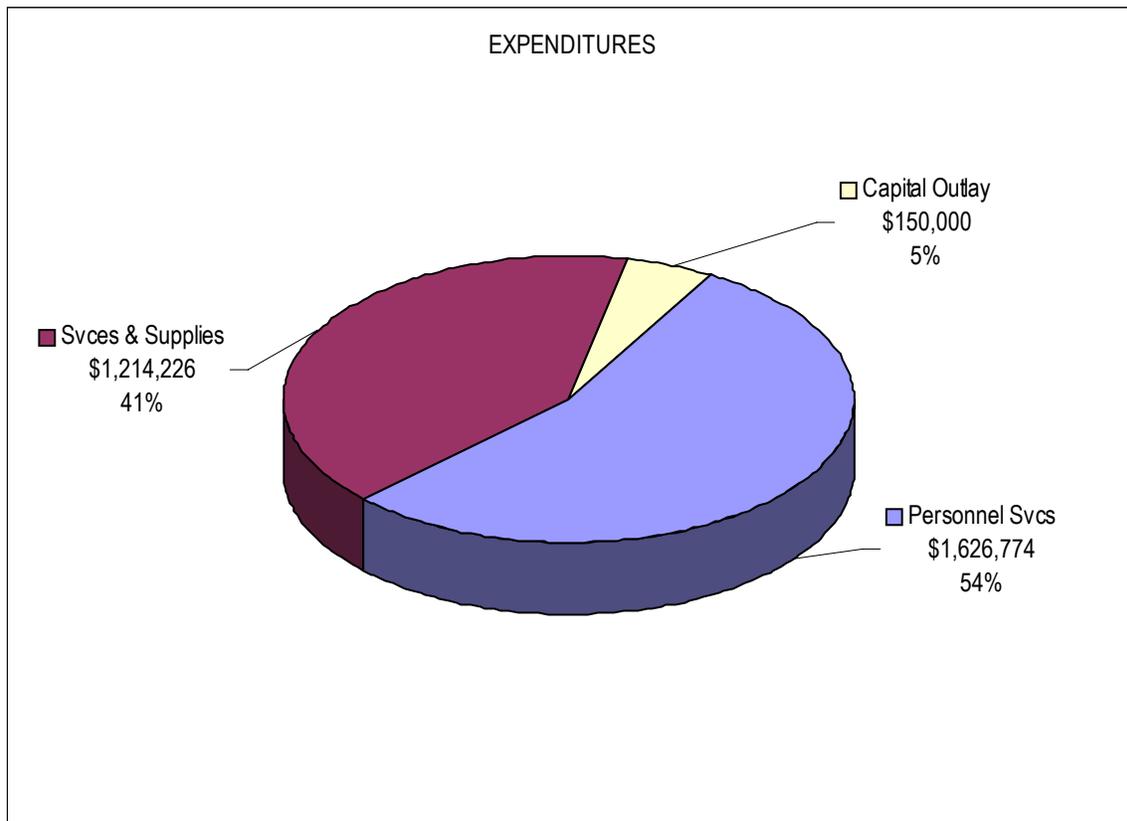
Personnel Allotment of 15.5 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Information Services Director	1	1		G I S Manager	1	1	
Video Media Specialist	1	1		Desktop Technician	4	2	2
Telecom Manager	1	1		Office Specialist	1	1	
Operations Manager	1	1		Temporary Positions (FTE)	1.5	1.5	
Systems Administrator	4	1	3				
TOTAL					15.5	10.5	5

Staff Change(s): Re-allocate funding from one (1) vacant funded Systems Administrator to fund software/hardware upgrade.

Expenditure Analysis

Personnel Services	Increase attributed to restoration of employees' concession, increased PERS employer contribution rate, partially offset by Staff Changes mentioned above.
Services and Supplies	Increase attributed to routine increases of annual software maintenance fees and upgrade and by Staff Changes mentioned above.
Capital Outlay	Computer hardware upgrade.

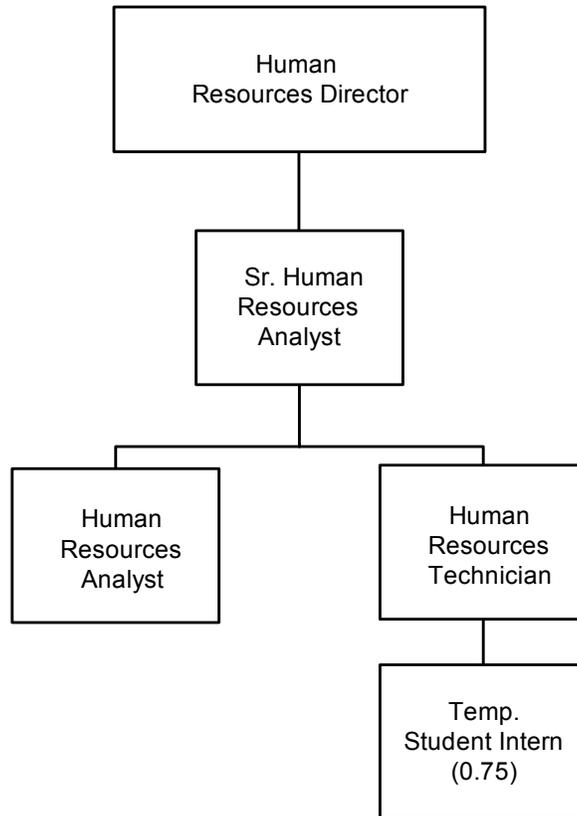


	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
PERSONNEL SERVICES				
4111 Permanent Salaries	1,096,762	1,052,092	1,140,484	1,032,350
4112 Temporary Salaries	4,838	15,968	0	75,000
4113 Overtime	182	(243)	0	0
4124 Leave Cashout	34,659	68,492	0	0
4131 PERS	65,133	91,188	158,946	248,600
4132 Group Insurance	154,292	149,945	221,640	191,052
4133 Medicare	16,496	16,463	16,638	15,090
4135 Worker's Compensation	4,366	4,596	5,686	5,142
4138 Deferred Comp-Employer	6,081	5,858	6,300	8,100
4139 PARS	73	240	0	0
4161 Retiree Medical Reserve	62,840	54,584	56,852	51,440
sub-total	<u>1,445,720</u>	<u>1,459,183</u>	<u>1,606,546</u>	<u>1,626,774</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	7,048	8,208	8,754	9,207
4220 Supplies	18,104	15,662	13,200	14,520
4230 Services	597,965	508,107	733,979	973,382
4410 Communications	149,981	148,634	167,500	212,857
4501 Memberships and Dues	0	80	0	0
4503 Training	3,478	3,807	3,850	4,260
sub-total	<u>776,575</u>	<u>684,498</u>	<u>927,283</u>	<u>1,214,226</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	140,836	207,482	150,000	150,000
sub-total	<u>140,836</u>	<u>207,482</u>	<u>150,000</u>	<u>150,000</u>
TOTAL	<u><u>2,363,131</u></u>	<u><u>2,351,163</u></u>	<u><u>2,683,829</u></u>	<u><u>2,991,000</u></u>

Mission Statement

The Human Resources Department is committed to:

Providing excellent service to all customers; and inclusive work environment which reflects and supports the diversity of our community and our workforce; treating all individuals with fairness, dignity, and respect; continuous improvement in personal, professional, and leadership development and promoting balance between work and family and a friendly work environment.



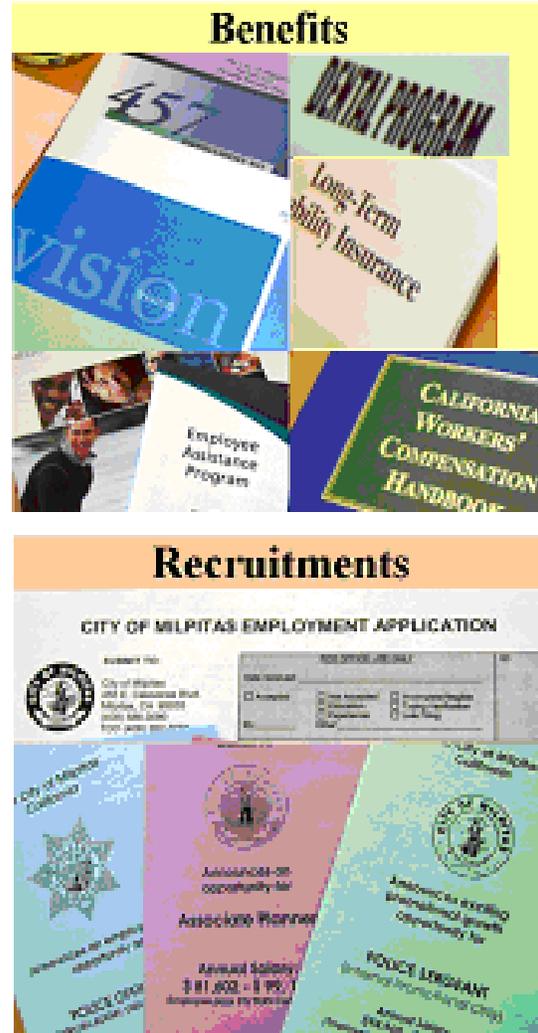
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DEPARTMENT:	Human Resources	HR DIRECTOR: Vacant
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Description: This department is a centralized full-service department that provides Citywide services including: recruitment, benefits administration,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

Services

- Recruitment - The Human Resources (HR) Department is committed to finding top-quality candidates in a timely manner. The department takes an aggressive approach in identifying and recruiting the most qualified candidates for all positions.
- Benefit Administration - The HR Department provides benefit administration services to approximately 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.



Human Resources

	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
2014-2015 Accomplishments					
1. Successfully completed contract negotiation with all union groups.	x		x	x	
2. Successfully trained all employees with the AB1825 Anti-Discrimination Training.	x		x	x	
3. Successfully trained 107 employees and complied with the State requirements on Defensive Driving Training.	x		x	x	
4. Successfully completed 43 recruitments. Hired 25 full-time new employees, promoted 19 and 109 part-time employees along with providing all new employees with their new employee orientation.	x		x		
5. Developed and distributed monthly Human Resources Employee Newsletters as a means of providing ongoing employee information.	x		x	x	
6. Provide ongoing professional workshop trainings to employees i.e., Liebert Cassidy Whitmore workshops, wellness lunch & learns, CalPERs webinar trainings.	x	x	x		
7. Streamlined the Personnel Action Form (PAF) process.	x				
2015-2016 Goals					
1. Develop and implement an expanded new employee orientation program that includes an inventory checklist for equipment, keys, supplies, etc. that are issued to all employees.	x	x	x		
2. Develop and implement a supervisor's handbook.	x		x	x	
3. Update the Family Medical Leave Act Policy to include new changes to the program including Military Leave.	x	x	x	x	x
4. Finalize a Fitness for Duty Program, a Short Term Disability Program and a Modified Duty Program.	x	x	x	x	x
5. Implement PAR evaluations Forms to effectively evaluate employee performance.	x	x	x		
6. Finalize negotiations with MEA, POA, ProTech, Mid-Con and IAFF	x	x	x	x	

Performance Measures	Actual 2012-13	Actual 2013-14	Projected 2014-15	Estimated 2015-16
Average time to fill a vacancy. Time from posting job announcement to extending an offer to new employee.*	N/A	N/A	N/A	90 days
Percentage of employee performance appraisals completed.*	N/A	N/A	N/A	70%
Number of Personnel Action Forms (PAF) processed/ Average number of PAF processed per pay period.*	N/A	N/A	N/A	900/35
Percentage of Customer Satisfaction Survey overall ratings Very Satisfied/Satisfied.*	N/A	N/A	85%	80%

* New performance measures effective 2014-15

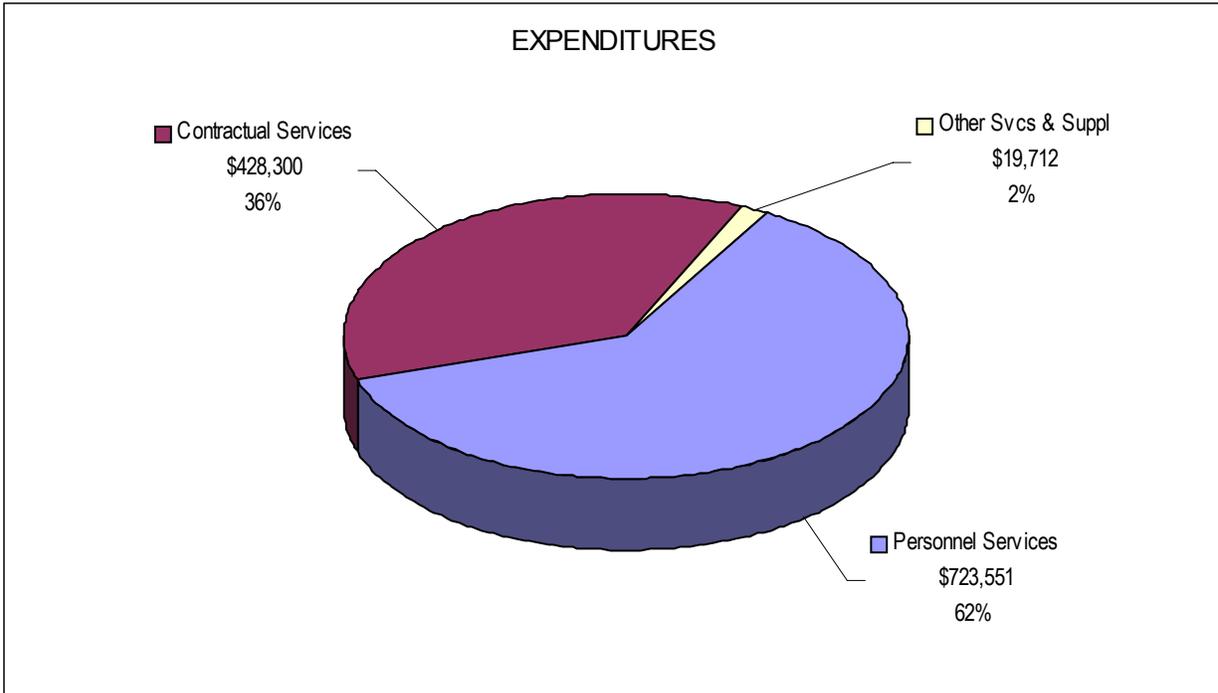
Personnel Allotment of 6.75 FTE

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		Human Resources Assist II	1		1
Human Resrce Analyst I/II	2	1	1	Temporary Positions (FTE)	0.75	0.75	
				TOTAL	6.75	4.75	2

Staff Change(s): Fund one (1) Human Resources Analyst position.

Expenditure Analysis

Personnel Services	Increase attributed to increased PERS employer contribution rate and Staff Changes mentioned above.
Services and Supplies	Increase mainly due to increased funding for consultant services.
Capital Outlay	None.

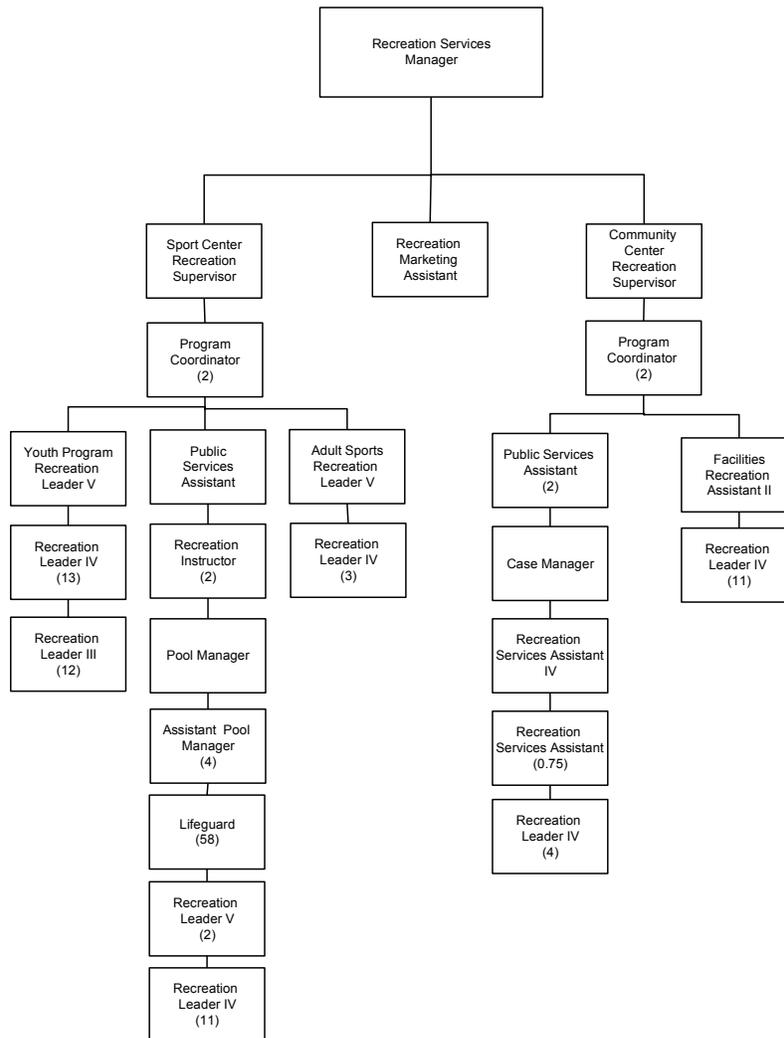


	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
PERSONNEL SERVICES				
4111 Permanent Salaries	300,890	348,563	374,332	466,844
4112 Temporary Salaries	19,028	25,748	25,600	25,600
4113 Overtime	115	0	1,000	1,000
4121 Allowances	2,213	2,507	0	0
4124 Leave Cashout	3,490	8,210	0	0
4131 PERS	29,858	40,290	59,480	108,688
4132 Group Insurance	40,658	50,266	66,492	84,912
4133 Medicare	4,686	5,528	5,833	7,189
4135 Worker's Compensation	1,217	1,584	1,880	2,426
4138 Deferred Comp-Employer	0	0	2,700	3,600
4139 PARS	285	385	384	384
4161 Retiree Medical Reserve	16,680	17,460	17,460	22,908
sub-total	<u>419,121</u>	<u>500,542</u>	<u>555,161</u>	<u>723,551</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	7,044	6,000	6,000
4220 Supplies	3,135	4,965	2,000	3,000
4230 Services	355,898	356,415	412,300	429,800
4501 Memberships and Dues	750	205	2,212	2,212
4503 Training	2,584	3,128	4,000	7,000
sub-total	<u>362,366</u>	<u>371,757</u>	<u>426,512</u>	<u>448,012</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	0	185	0	0
sub-total	<u>0</u>	<u>185</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>781,487</u></u>	<u><u>872,484</u></u>	<u><u>981,673</u></u>	<u><u>1,171,563</u></u>

Mission Statement

The City of Milpitas Recreation Services' mission is to enrich our community through exceptional programs and services.

Our vision is to provide endless 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 experience while preserving and enhancing our city resources.



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DIVISION:	Recreation Services	RECREATION SERVICES MANAGER: Renee Lorentzen
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Description: The division provides recreational opportunities and experiences, park and facility rentals for all residents and visitors of Milpitas. We are committed to providing the highest standard of excellence in public service through our programs, events, and interactions with the community. We create a sense of community, support economic development, promote health and wellness, increase cultural awareness and facilitate solutions to community needs.

Services

- Oversees Community Center daily operations, indoor/outdoor recreation facility rentals, sponsor and donation functions, supervises departmental operations, coordinates promotions, public relations, publishes Recreation Activity Guide, and currently staffs four City Commissions.
- Monitors daily operation of the Senior Center that provides a daily lunch program, a wide variety of drop-in programs, trips, classes, specials events and social services. Also oversees and offers a Recreational Assistance program for low income residents.
- Provides a volunteer program where over 600 individuals serve their community.
- Oversees the operation of the Sports Center with a Fitness Center, fitness and wellness classes, personal training, aquatic classes, lap swimming, adult and youth sports programs and more.
- Offers Cultural Arts programs, the Phantom Art Gallery, Center Stage Performing Arts, Community Band, and the Milpitas Art and Cultural Grant Program.
- Provides a variety of youth classes and programs. Also offers a multitude of programs for children ages 2-5, which provide enriching experiences and emphasizes learning through active play and socialization, including a Pre-K Enrichment program through various vendors. For ages 6-12, Recreation offers a wide-range of youth sports leagues, classes, specialty camps and weekly summer camps which provides recreational opportunities for children to promote healthy living and socialization. During the school year, After the Bell is offered at five school sites for grades 1-6 and provides several enrichment activities, homework assistance, sports and more.
- Provides City wide special events to the community that includes the 4th of July Celebration, Veterans Day Ceremony, Memorial Day Ceremony, Tree Lighting Event, Summer Concert Series, Summer Movie Night Out, Pumpkins In The Park, Commissioners' Recognition Event and support for the Veterans Car Show.



Recreation

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2014-2015 Accomplishments					
1. Recreation Services created a Pre-K Enrichment program, which resulted in a 41.7% enrollment increase from the previous contract Preschool model.	x	x		x	x
2. City of Milpitas Employees and Commissioners visited the Milpitas Sports Center 4,015 times throughout the year improving their health and wellness.	x	x	x	x	x
3. Successfully created and implemented a 60th Anniversary Calendar of events which were fully funded by sponsorships. Also brought back the Summer Concert Series and introduced a new Special Event "Pumpkins In The Park", funded by sponsors and partnerships.	x	x		x	x
4. Successfully offered a variety of contract classes with an increase of 9% for total revenue collected.	x	x	x	x	x
2015-2016 Goals					
1. To expand the After the Bell after school program to include Spangler Elementary School.	x	x		x	
2. For the Milpitas Tidal Waves Swim Team to raise over \$4,000 during their 7th Annual Swim-a-Thon event to off set the cost of equipment and supplies.	x	x		x	
3. Promote Recreation's Registration System, ActiveNet, and as a result increase online enrollment from 8% to 12%.	x	x	x	x	
4. To increase the number of Senior Center Special Events from four events to eight events and to increase the diversity of offerings.	x	x		x	

Performance Measures	Actual 2012-13	Actual 2013-14	Projected 2014-15	Estimated 2015-16
Recreation Program and Class Fees	\$1,736,799	\$1,688,810	\$1,800,000	\$1,900,000
Senior Center Membership	1,402	1,660	1,504	1,600
Facility Rental Revenue	\$223,409	\$238,006	\$225,000	\$300,000

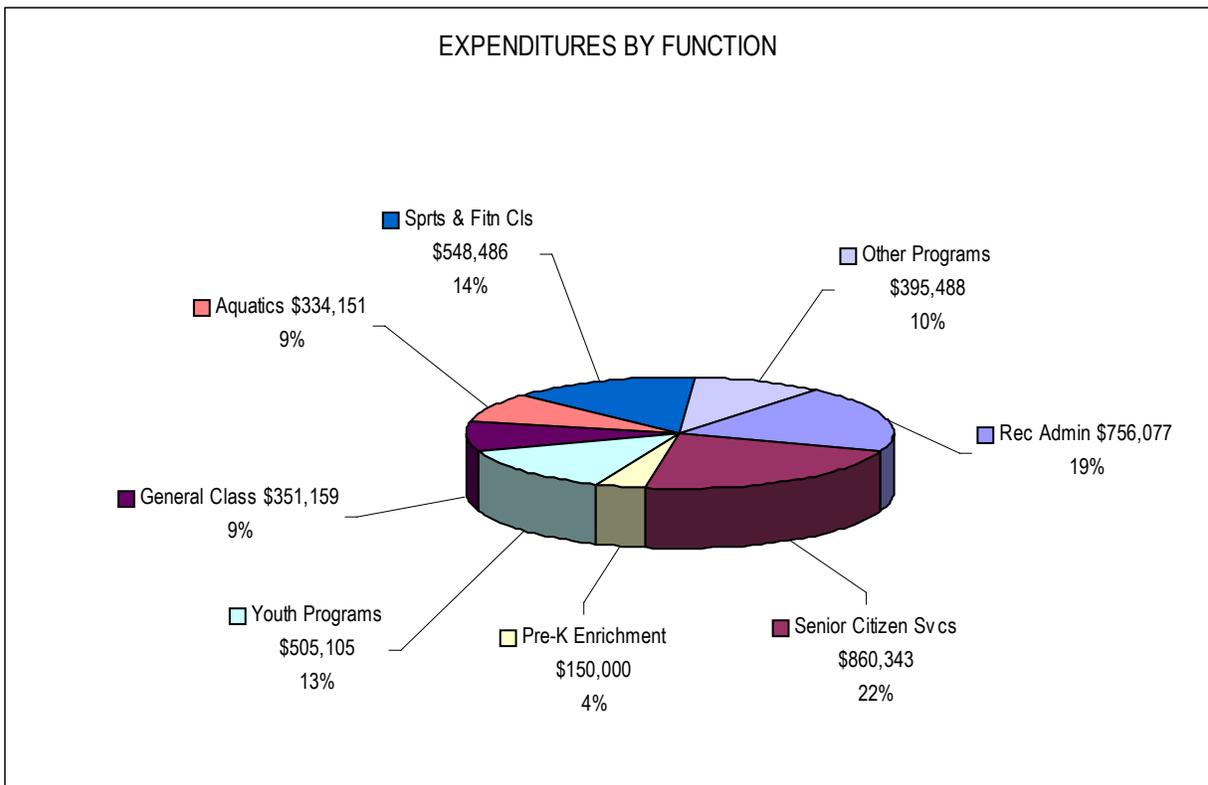
Personnel Allotment of 51 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Recreation Services Mgr	1	1		Recreation Marketing Asst	1	1	
Recreation Services Supv	3	2	1	Recreation Services Asst I	0.75	0.75	
Program Coordinator	4	4		Recreation Services Asst II	1	1	
Office Assistant II	2		2	Recreation Services Asst IV	1	1	
Public Services Asst II	3	3		Temporary Positions (FTE)	33.25	33.25	
Case Manager	1	1					
				TOTAL	51	48	3

Staff Change(s): Unfund one Office Assistant position.

Expenditure Analysis

Personnel Services	Decrease attributed to unfunding of one vacant Office Assistant position.
Services and Supplies	Increase attributed to increased expenses associated with registration system upgrade.
Capital Outlay	None



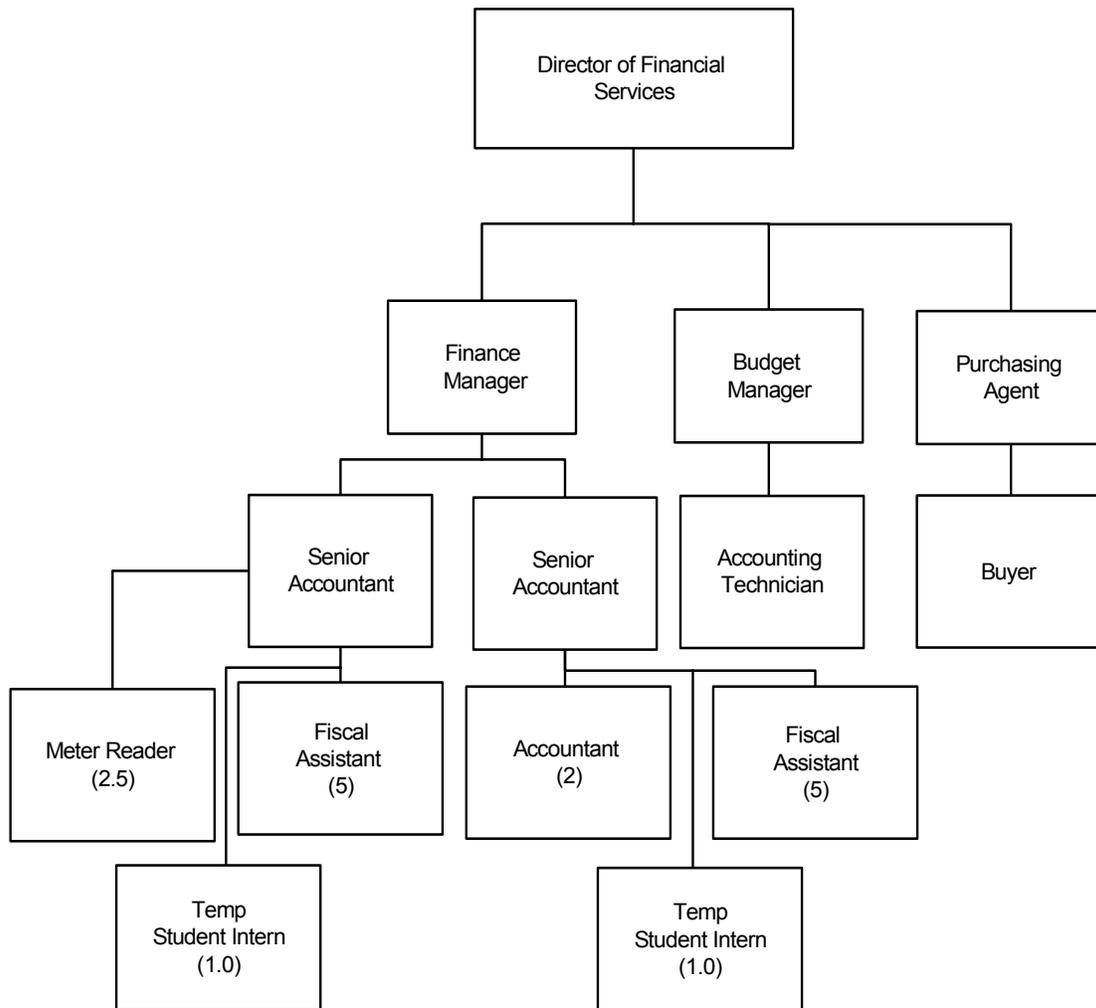
	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
PERSONNEL SERVICES				
4111 Permanent Salaries	919,726	883,507	1,085,389	1,110,022
4112 Temporary Salaries	788,930	843,090	839,854	857,776
4113 Overtime	4,867	10,690	7,000	7,000
4124 Leave Cashout	20,198	15,537	0	0
4131 PERS	72,620	104,432	182,141	290,528
4132 Group Insurance	217,951	221,702	304,752	313,207
4133 Medicare	24,090	24,152	26,946	28,951
4135 Worker's Compensation	10,878	13,360	16,693	16,961
4138 Deferred Comp-Employer	1,543	1,800	2,700	13,500
4139 PARS	10,081	10,357	10,530	11,363
4161 Retiree Medical Reserve	50,988	46,790	55,983	55,016
sub-total	<u>2,121,871</u>	<u>2,175,417</u>	<u>2,531,988</u>	<u>2,704,324</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	9,089	7,886	10,265	10,265
4211 Equip Replacement Amortization	26,605	26,051	44,033	58,434
4220 Supplies	164,967	214,460	229,833	245,871
4230 Services	758,470	672,792	902,925	871,690
4501 Memberships and Dues	1,910	1,910	1,580	2,495
4503 Training	1,905	1,690	5,750	5,750
4600 Ins, Settlements & Contgcy	1,010	1,113	1,600	1,980
sub-total	<u>963,955</u>	<u>925,903</u>	<u>1,195,986</u>	<u>1,196,485</u>
CAPITAL OUTLAY				
4870 Machinery & Equipment	1,566	16,717	0	0
4920 Machinery Tools & Equipment	0	5,430	0	0
sub-total	<u>1,566</u>	<u>22,147</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>3,087,393</u></u>	<u><u>3,123,467</u></u>	<u><u>3,727,974</u></u>	<u><u>3,900,809</u></u>

Mission Statement

The Finance Department is dedicated to providing accurate, credible and timely financial information to support sound fiscal management and professional customer service to the residents and business community.

Divisions

Administration
Operations



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DEPARTMENT:	Finance	FINANCE DIRECTOR: Emma Karlen
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Description: This department provides management of the City's financial operations in accordance with established fiscal policies. The department is organized in two divisions, Administration and Operations; each provides essential customer services and internal support to City 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 Successor 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
2014-2015 Accomplishments					
1. Resolved tort claims within 180 days from the date of claim.	x			x	x
2. Received awards for “Distinguished Budget Presentation” and “Excellence in Financial Reporting”.				x	
3. Bid frequently used commodities and services to create annualized contracts.	x			x	
4. Provided purchasing and contracts training to departments.	x			x	
5. Issued 2015 TABS Refunding bonds and saved the taxing entities approx. \$1.6 million annually (City’s share \$256,000).				x	
6. Received a Finding of Completion on the asset transfer from the State Dept. of Finance that enables the City to use remaining 2003 TABS bond proceeds for Main Street reconstruction project.	x			x	x
7. Completed Finance and Utility Billing System upgrade.	x			x	
8. Processed invoices for payment within 5 working days from approval date.	x			x	
9. Provided accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget.	x			x	
10. Provided 99.9% accuracy on initial meter reads.	x			x	
2015-2016 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. Work with City Council and stakeholders to replace lost RDA revenue for capital improvement projects.	x	x		x	x
4. Continue to provide purchasing and contracts training to departments.	x			x	
5. Perform a review of the business license tax structure.	x			x	
6. Continue to wind down the affairs of the former RDA.				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 2012-13	Actual 2013-14	Projected 2014-15	Estimated 2015-16
Consecutive years in receiving awards for:				
Distinguished Budget Presentation	13	14	15	16
Excellence in Financial Reporting	20	21	22	23
Percent of tort claims resolved within 180 days	96%	96%	96%	96%
Average turn around time of A/P invoices (days)	5	5	5	5
Average turn around time of purchase requisitions (days)	11	10	10	10
Percent of accurate meter reads	99.9%	99.9%	99.9%	99.9%

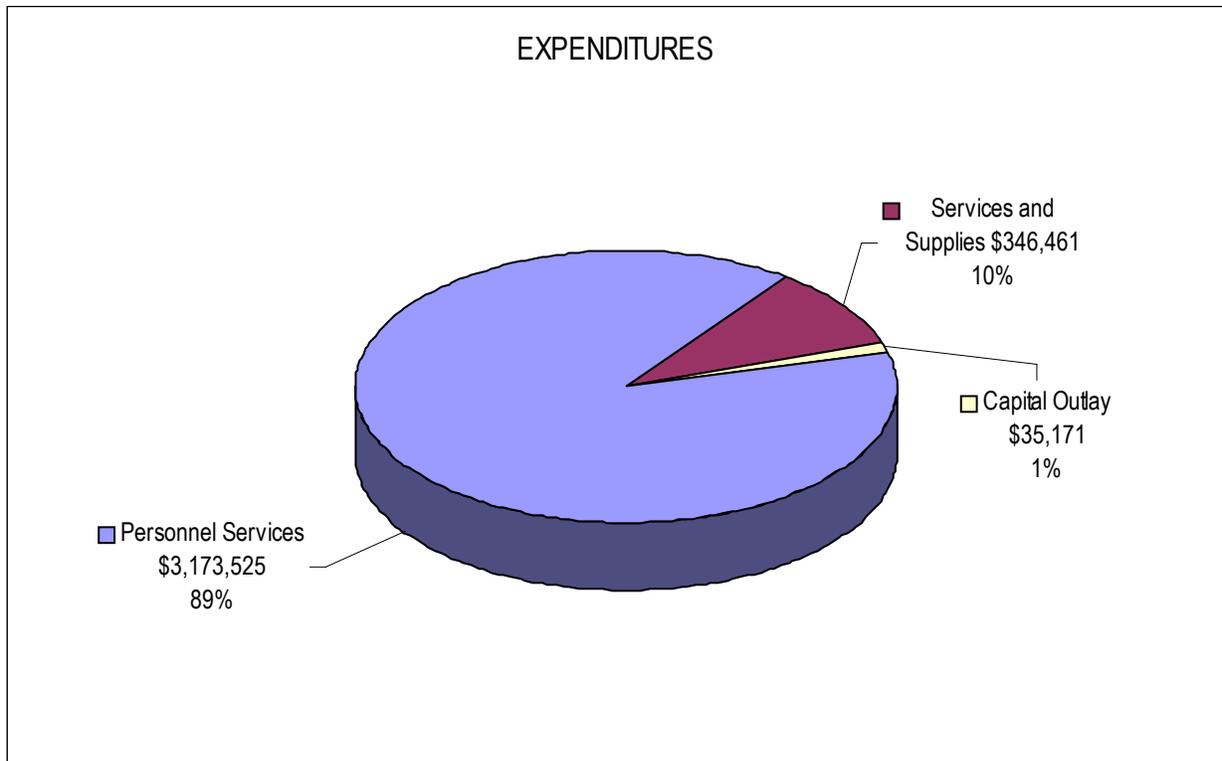
Personnel Allotment of 29.5 FTE

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	9	1
Finance Manager	1	1		Senior Fiscal Assistant	1		1
Budget Manager	1	1		Office Specialist	1		1
Accountant	3	2	1	Confidential Fiscal Asst II	1	1	
Finance Analyst I/II	1		1	Water Meter Reader II	2.5	2.5	
Buyer	1	1		Temporary Positions (FTE)	2	2	
Senior Accountant	2	2					
TOTAL					29.5	24.5	5

Staff Change(s): Fund two (2) Fiscal Assistant and one (1) Buyer. Defund one (1) Senior Fiscal Assistant and one (1) Finance Analyst.

Expenditure Analysis

Personnel Services	Increase attributed to restoration of employees' concession, increased PERS employer contribution rate, and Staff Changes mentioned above.
Services and Supplies	No significant changes.
Capital Outlay	Include Smart Water Meters and replacing one Meter Reader truck.



	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
PERSONNEL SERVICES				
4111 Permanent Salaries	1,768,157	1,764,743	1,932,004	2,016,856
4112 Temporary Salaries	40,122	59,834	65,000	65,000
4113 Overtime	3,766	(512)	19,000	5,000
4121 Allowances	8,365	5,700	0	0
4124 Leave Cashout	80,020	36,437	0	0
4125 Accrued Leave	2,371	(13,764)	0	0
4131 PERS	138,387	190,080	295,540	491,160
4132 Group Insurance	319,883	356,272	476,532	477,636
4133 Medicare	27,322	26,808	29,070	30,445
4135 Worker's Compensation	9,829	12,093	15,035	13,583
4138 Deferred Comp-Employer	210	3,609	7,200	18,000
4139 PARS	494	451	585	585
4143 Charged to CIPs	0	0	(40,000)	(45,000)
4161 Retiree Medical Reserve	92,676	94,692	96,036	100,260
sub-total	<u>2,491,603</u>	<u>2,536,443</u>	<u>2,896,002</u>	<u>3,173,525</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	9,347	14,054	15,133	14,161
4220 Supplies	81,262	91,467	99,650	103,450
4230 Services	217,971	246,596	214,060	216,250
4501 Memberships and Dues	1,888	1,789	2,700	2,500
4503 Training	2,480	4,127	9,000	10,100
sub-total	<u>312,947</u>	<u>358,033</u>	<u>340,543</u>	<u>346,461</u>
CAPITAL OUTLAY				
4850 Vehicles	0	0	0	5,171
4870 Machinery & Equipment	0	11,963	0	0
4910 Office Furniture & Fixtures	0	365	0	0
4920 Machinery Tools & Equipment	0	4,749	0	0
4930 Hydrants & Meters	0	15,991	30,000	30,000
sub-total	<u>0</u>	<u>33,068</u>	<u>30,000</u>	<u>35,171</u>
TOTAL	<u><u>2,804,550</u></u>	<u><u>2,927,544</u></u>	<u><u>3,266,545</u></u>	<u><u>3,555,157</u></u>

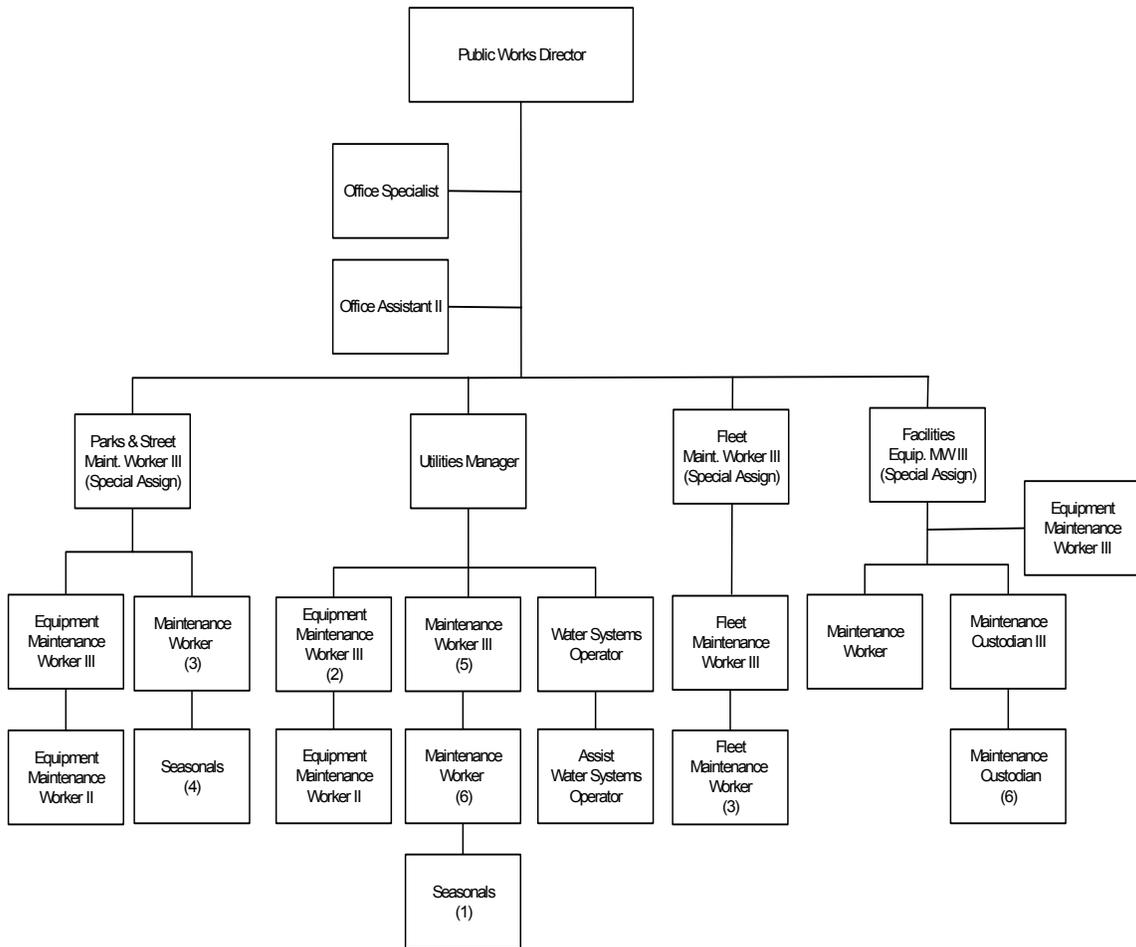
Mission Statement

The Public works Department is committed to enhancing the quality of life and ensuring public health and safety in the community by providing:

Quality and responsive service and resources to operate and maintain the infrastructure in a safe, timely and efficient manner.

Functions

- Public Works Administration
- Street Maintenance
- Utility Maintenance
- Park Maintenance
- Trees & Landscape Maintenance
- Fleet Maintenance
- Facilities Maintenance



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DEPARTMENT:	Public Works	PUBLIC WORKS DIRECTOR: Nina Hawk
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Description: The Public Works Department operates and maintains the City's infrastructure and facilities including public streets, utilities, parks, street landscaping, City vehicles, and City buildings. The seven functions are Administration, Streets Maintenance, Utility Operations and Maintenance, Parks Maintenance, Trees and Street Landscaping, Fleet Maintenance, and Facilities Maintenance.

Services

- Provides management, direction and coordination for the operation, maintenance, cleaning, and repair of City infrastructure and equipment assets. Responds to over 3,500 customer service requests annually.
- Maintains the City's traffic signal system, traffic signs, street lights, paved roadways, and pavement markings in accordance with the Clean & Safe Streets program and State Code requirements.
- Provides street sweeping and sidewalk cleaning and repair, as well as graffiti and dead animal removal.
- Operates and maintains the water distribution system, including 213 miles of water lines, 4 pumping stations, 5 storage reservoirs, and numerous pressure valves regulating 7 pressure zones, to deliver 11 million gallons per day of potable water to 19,000 accounts.
- Operates and maintains the sewer collection system, including 179 miles of sewer lines and 2 pumping stations to discharge 8 million gallons/ day to the San Jose/Santa Clara Water Pollution Control Plant.
- Operates and maintains the stormwater collection system, including 110 miles of storm pipe and 13 pump stations to transmit storm water through the levees to creeks.
- Marks out locations of City's underground utilities (water, sewer, storm, and traffic communication fiber) to protect against construction damage to these underground assets.
- Provides park maintenance for playgrounds, picnic areas, athletic fields, pathways, landscaping, park restrooms, park trees, lagoons, and parking lots.
- Maintains streetscape of 12,480 trees and 125 acres of median landscaping, including City tree planting and pruning, trails, and weed and litter control.
- Maintains and repairs City vehicles and motorized equipment including police vehicles, fire apparatus, construction equipment, mowers, and communication radios.
- Maintains City buildings and grounds, including building systems (plumbing; electrical; heating; air conditioning, and ventilation; and backup power). Sets up rooms for rental groups and meetings. Manages custodial and janitorial services.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
2014-2015 Accomplishments					
1. Responded to over 2,800 customer service requests.	x			x	
2. Responded immediately to roadway and park hazards, graffiti abatement, park and emergency utility service requests.	x	x		x	x
3. Conducted cross-training of staff to ensure responsiveness in the events of an emergency.	x	x		x	x
4. Outfitted five marked police vehicles and two PW trucks.	x			x	x
5. Provided safety training to staff to improve efficiency and reduce injuries.	x		x		x
6. Coordinated water system shutdowns for development and BART construction.	x		x	x	x
2015-2016 Goals					
1. Investigate all customer service requests and provide immediate response for urgent/safety related service requests.	x	x		x	x
2. Respond to after hour emergency utility and roadway and park problems within 45 minutes.	x	x		x	x
3. Provide high-level preventative maintenance to protect City's infrastructure asset value.	x	x		x	x
4. Provide safety and job related training to employees.	x		x	x	x
5. Continue effectively managing and integrating outsource maintenance contracts for parks, street landscaping, street trees, and bldg custodial svcs.	x			x	
6. Commence implementation of the Automated Water Meter Reading changeout throughout the City.	x	x	x	x	x
7. Outfitted six marked police vehicles and one PW trucks.	x			x	x

Performance Measures	Actual 2012-13	Actual 2013-14	Projected 2014-15	Estimated 2015-16
Customer service requests processed	3,500	2,880	2,800	2,800
City street and sidewalk miles maintained	139	139	139	139
Maintain minimum pavement condition Citywide (PCI)	70	70	70	70
City building square footage maintained	376,500	376,500	376,500	376,500
Traffic signals/street lights maintained	72/4,496	72/4,500	72/4,500	72/4,500
Street signs maintained	8,534	8,600	8,600	8,600
Clean sewer lines & water line repairs	500,000	500,000	500,000	500,000
Maintain 100% reliability of traffic control devices	100	100	100	100
Maintain 100% water quality	100	100	100	100
Completed Fleet repairs/# repairs per employee	2,000/400	2,000/400	2,000/400	1,750/436
Average vehicle downtime (hrs.)	3	3	2.5	3

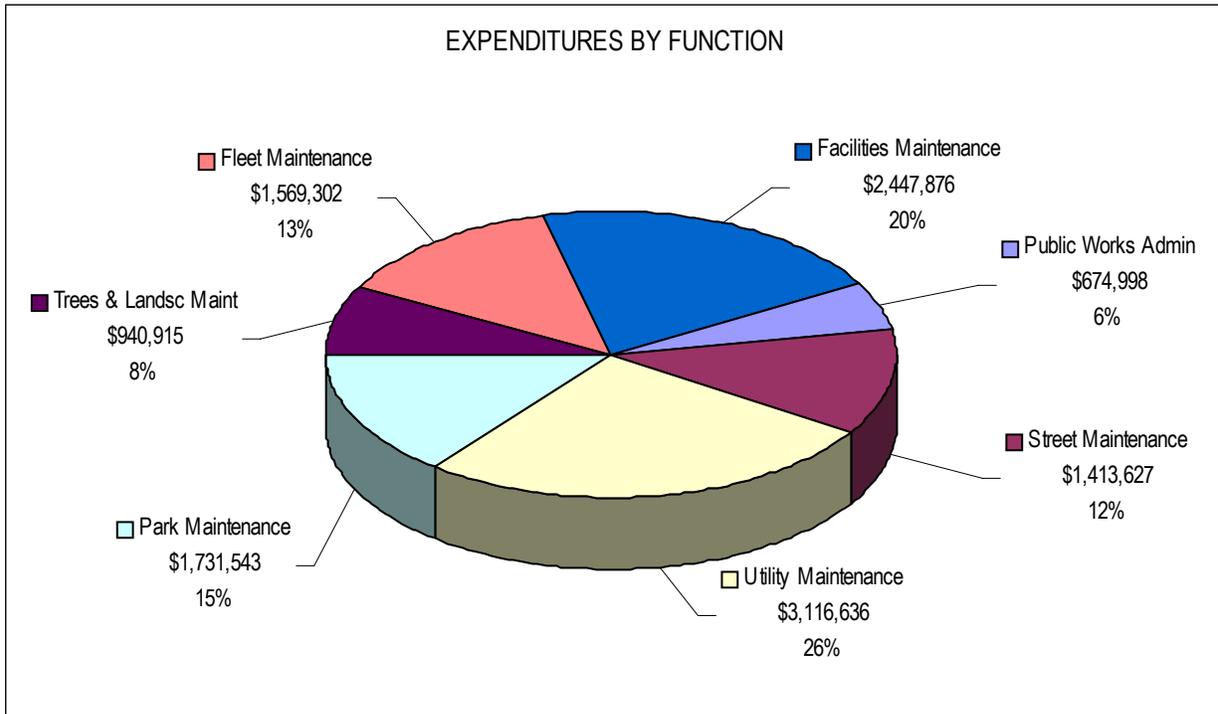
Personnel Allotment of 95 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Public Works Director	1	1		Water System Operator	1	1	
Public Works Manager	2	1	1	Asst Water System Operator	1	1	
Office Specialist	2	1	1	Maintenance Custodian II	6	6	
Office Assistant II	1	1		Maintenance Custodian III	1	1	
Equipment Maint Worker II	2	2		Maint Custodian I-40 Hr	1		1
Equipment Maint Worker III	5	5		Maintenance Worker I-37.5	1		1
Senior Maint Supervisor	4		4	Maintenance Worker II-37.5	36	10	26
Fleet Maint Supervisor	1		1	Maintenance Worker III	18	6	12
Fleet Maint Worker II	3	3		Maintenance Supervisor	2		2
Fleet Maint Worker III	2	2		Temporary Positions (FTE)	5	5	
TOTAL					95	46	49

Staff Change(s): None.

Expenditure Analysis

Personnel Services	Increase due to restoration of employees' concession and increased PERS employer contribution rate.
Services and Supplies	Increase mainly attributed to increase in repairs & maintenance and cost escalation in contractual services.
Capital Outlay	None



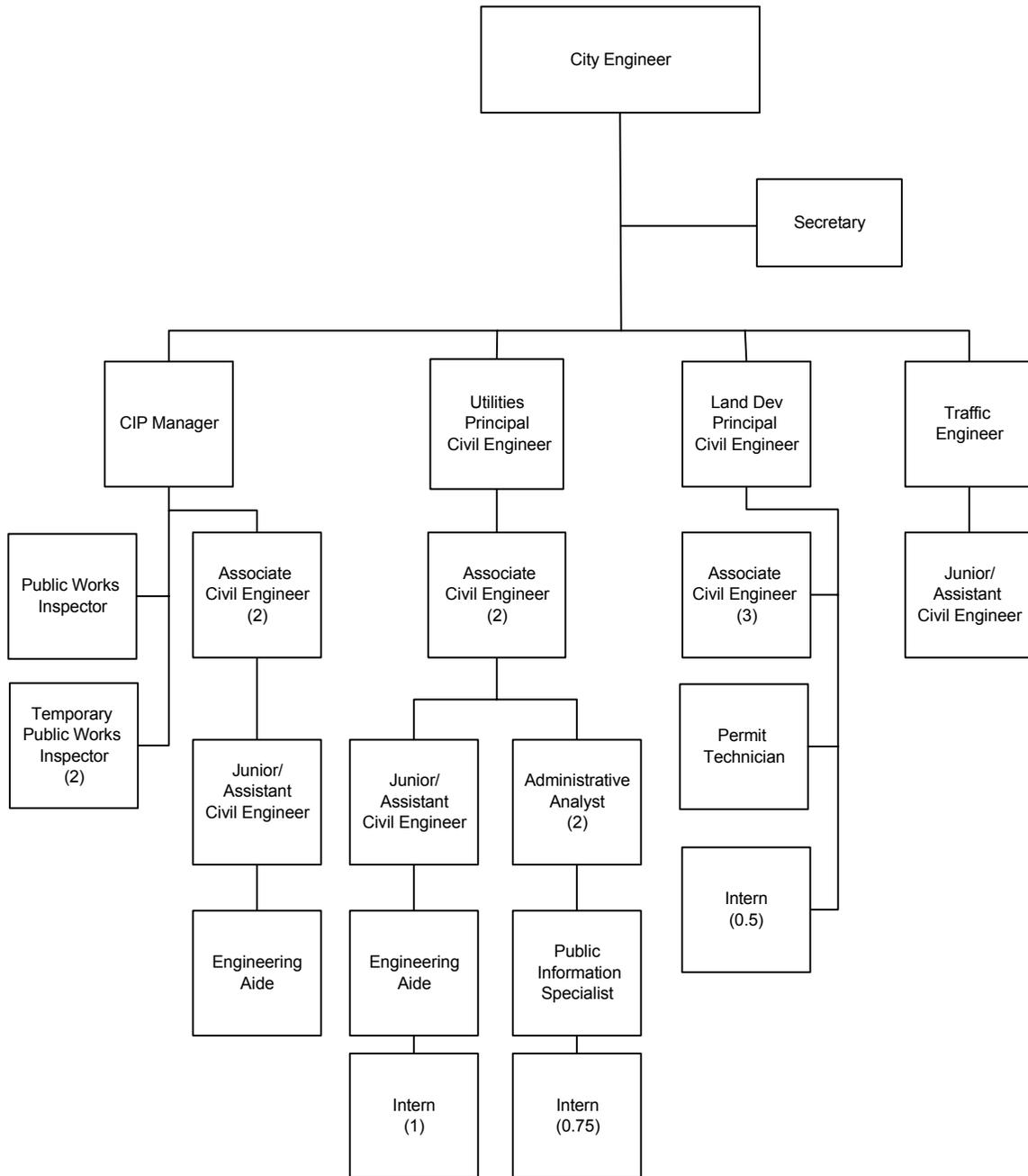
	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
PERSONNEL SERVICES				
4111 Permanent Salaries	2,511,731	2,744,802	3,097,183	3,441,427
4112 Temporary Salaries	126,203	216,341	118,850	300,000
4113 Overtime	138,450	156,145	119,002	131,002
4121 Allowances	79,425	81,305	118,960	123,500
4124 Leave Cashout	81,237	115,116	0	0
4125 Accrued Leave	(11,791)	69,768	0	0
4131 PERS	493,566	582,789	757,190	956,879
4132 Group Insurance	826,157	848,725	908,724	870,348
4133 Medicare	39,706	45,339	44,139	49,754
4135 Worker's Compensation	66,434	82,782	105,236	76,285
4138 Deferred Comp-Employer	0	788	1,800	3,600
4139 PARS	751	1,276	1,589	2,475
4141 Adjustments-Payroll	358	0	0	0
4161 Retiree Medical Reserve	125,898	130,746	144,877	157,008
sub-total	<u>4,478,125</u>	<u>5,075,923</u>	<u>5,417,550</u>	<u>6,112,278</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	0	14,000	0
4211 Equip Replacement Amortization	395,862	495,085	557,760	558,335
4220 Supplies	950,776	1,014,222	1,048,594	1,089,194
4230 Services	3,143,226	3,174,305	3,664,545	3,842,590
4410 Communications	1,151	1,009	1,390	1,250
4420 Utilities	94,998	95,592	102,200	122,200
4501 Memberships and Dues	1,485	3,537	4,850	6,550
4503 Training	18,127	27,331	33,200	32,500
sub-total	<u>4,605,624</u>	<u>4,811,080</u>	<u>5,426,539</u>	<u>5,652,619</u>
CAPITAL OUTLAY				
4850 Vehicles	43,227	63,376	0	0
4870 Machinery & Equipment	0	21,882	0	0
4920 Machinery Tools & Equipment	16	3,308	0	0
4930 Hydrants & Meters	1,098	142,691	70,000	130,000
sub-total	<u>44,341</u>	<u>231,257</u>	<u>70,000</u>	<u>130,000</u>
TOTAL	<u><u>9,128,091</u></u>	<u><u>10,118,259</u></u>	<u><u>10,914,089</u></u>	<u><u>11,894,897</u></u>

Mission Statement

The Engineering Division provides the resources to enhance the City infrastructure through the design, management, and construction of public improvements and the management of various public works programs in a safe, coordinated, timely, and cost effective manner with responsive service to the entire community.

Functions

- Engineering Administration
- Design & Construction
- Land Development
- Traffic
- Utility
- Public Works Inspection



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DEPARTMENT: Engineering	ENGINEERING DIRECTOR: Steven Machida
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Description: This division provides professional engineering services for design and construction of public infrastructure 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 utilities and other services for the community including water, recycled water, sewer, stormwater quality protection, flood control, garbage, and recycling. The Engineering Division coordinates with regional programs such as flood control, water supply, urban runoff, sewer treatment, transportation and recycling programs. The engineering functions are Design & Construction, Land Development, Traffic, and Utilities.

Services

- The City Engineer leads the Division including allocation of resources, assignments, and staff development to ensure that City infrastructure is constructed in accordance with City codes, state and federal regulations, and industry standards to protect public health and safety.
- The Design & Construction Civil Engineers prepare and review construction plans for public infrastructure. 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.
- The Land Development Civil Engineers review private development plans and subdivision maps for conformance with the City's General Plan and zoning ordinance. They ensure that private development projects provide all necessary public infrastructures. They also maintain utility base maps for water, sewer, recycled water, and storm drain facilities and City drawings, deeds, maps, assessment district diagrams, flood control and aerial photographs. Additionally, they are responsible for Flood, CRS, Grading Permits, Erosion Control, Utility Permits, Encroachment Permits within public right of way and Streets and Easement Vacation (Abandonment) Programs.
- 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 also includes review private development projects to determine their traffic impacts to the City's transportation system.
- The Utility Civil Engineers manage the City's water and sewer utilities and solid waste operations to ensure delivery of good quality and adequate supply of these essential municipal commodities at a fair and equitable price. This section also manages regulatory compliance with state and federal public health and environmental laws.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
2014-2015 Accomplishments					
1. Completed construction of the MSC locker rooms and Pinewood Park improvements.	x	x		x	x
2. Start construction of McCarthy Blvd LLMD improvement project .	x	x		x	x
3. Achieved the State-mandated goal of 40% reduction of trash and litter in storm drains and creeks.	x	x		x	x
4. Completed Street Resurfacing Project in the Sunnyhill Neighborhood.	x	x		x	x
5. Implemented the Water Shortage Contingency Plan and constructed five recycled water truck fill stations for use at construction sites.	x	x		x	x
6. Coordinated with regulatory agencies regarding odor complaints; and reviewed and challenged the proposed Newby Island landfill expansion.	x	x		x	x
7. Complete design of Jacklin Road and Del Rio Court soundwall repairs.	x	x		x	x
8. Completed Phase 1 of LED Streetlight Improvement Project.	x	x		x	x
2015-2016 Goals					
1. Participate in the VTA/County Montague Expressway widening & VTA/BART South Milpitas Blvd extension projects design & construction team.	x	x		x	x
2. Implement selected water supply augmentation options.	x	x		x	x
3. Continue outreach and inspection programs to meet State-mandated litter reduction levels.	x	x		x	x
4. Complete construction of 2014 Road Rehabilitation Project.	x	x		x	x
5. Complete construction of S. Main Street reconstruction.	x	x		x	x
6. Update the Financial Utility Management Plan and implement storm water utility rates.	x	x		x	x
7. Implement Phase 2 of LED Streetlight Improvement Project.	x	x		x	x

Performance Measures	Actual 2012-13	Actual 2013-14	Projected 2014-15	Estimated 2015-16
Contracts Awarded/Value	10/5M	8/8M	8/5.6M	8/9M
Meet all water quality standards for potable water distribution	100%	100%	100%	100%
Achieve solid waste diversion rate goal of at least 50%	Yes	Yes	Yes	Yes
Review first submittals of private development plans within 20 working days	95%	80%	85%	85%
Encroachment Permits Processed	200	205	190	178
Development agreements prepared for Council	6	6	5	5
Engineering and traffic surveys	20	15	25	10
Grant applications submitted	20	10	10	10
Projects completed (initial acceptances)	11	6	11	11

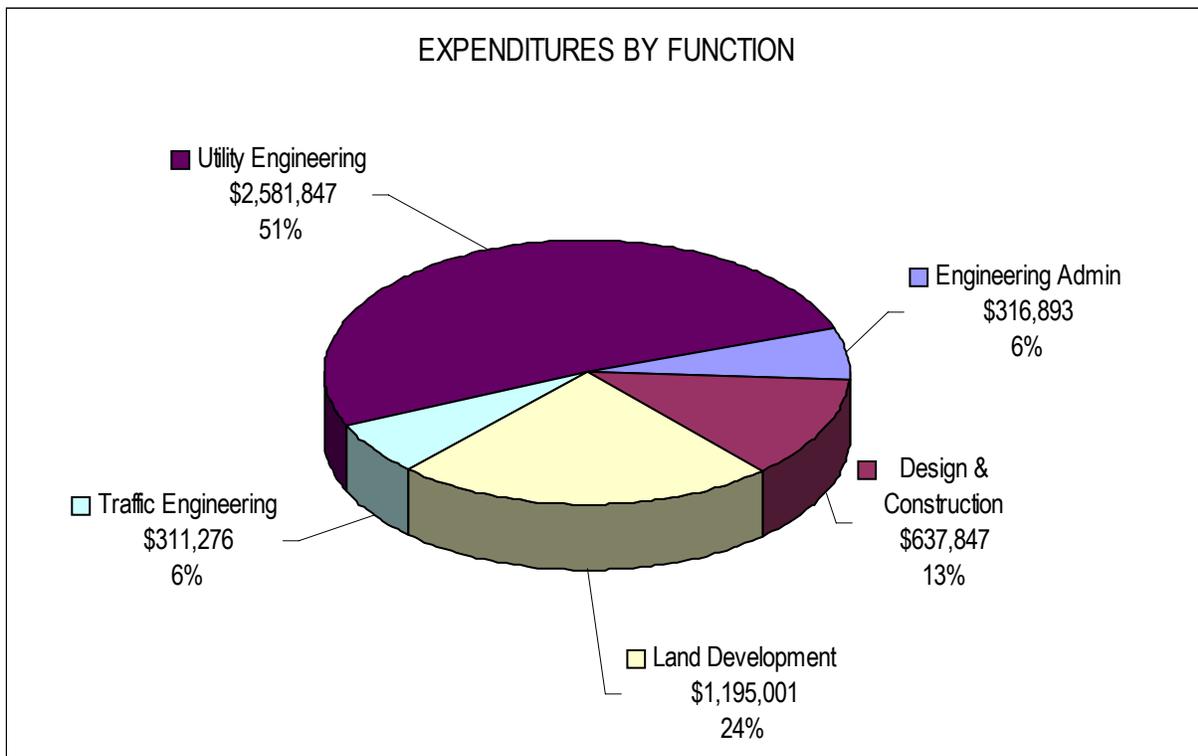
Personnel Allotment of 37.25 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Engineer	1	1		C A D Technician	1		1
Administrative Analyst I/II	2	2		CIP Manager	1	1	
Public Information Specialist	1	1		Engineering Aide	2	2	
Assistant Civil Engineer	6	3	3	Sr Public Work Inspector	1		1
Associate Civil Engineer	8	7	1	Public Work Inspector	4	1	3
Principal Civil Engineer	3	2	1	Secretary	1	1	
Traffic Engineer	1	1		Temporary Positions (FTE)	4.25	4.25	
Eng. Permit Tech	1	1					
				TOTAL	37.25	27.25	10

Staff Change(s): Fund City Engineer position.

Expenditure Analysis

Personnel Services	Increase due to restoration of employees' concession, increased PERS contribution rate, and Staff Changes mentioned above.
Services and Supplies	Increase mainly attributed to increase in consultant services related to increased developments and mandated requirements.
Capital Outlay	None



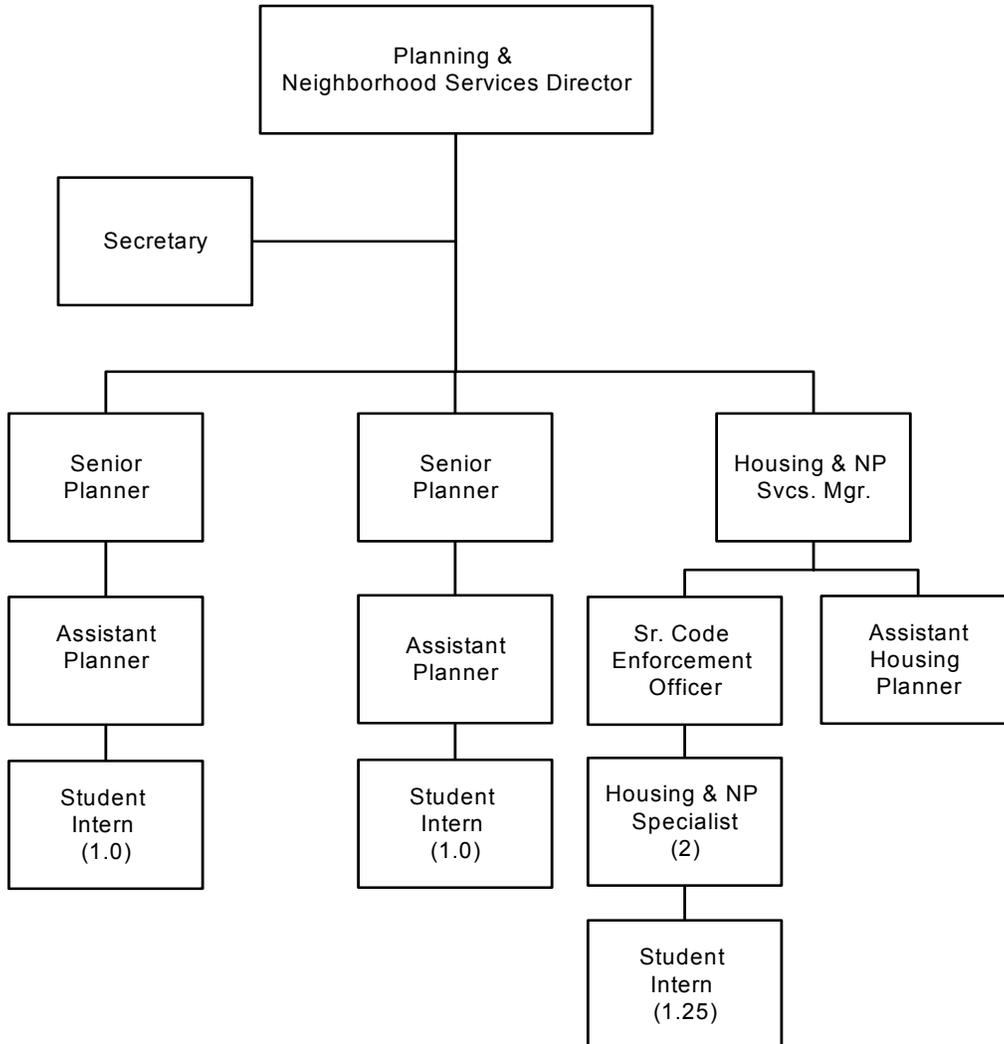
	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
PERSONNEL SERVICES				
4111 Permanent Salaries	1,620,945	1,691,138	2,340,750	2,628,035
4112 Temporary Salaries	15,305	56,272	358,150	285,168
4113 Overtime	3,650	2,495	61,900	61,900
4121 Allowances	4,940	4,064	0	0
4124 Leave Cashout	66,963	35,763	0	0
4125 Accrued Leave	(17,332)	103,945	0	0
4131 PERS	114,872	155,237	389,613	669,116
4132 Group Insurance	283,048	330,270	531,939	530,710
4133 Medicare	23,301	24,246	37,564	40,794
4135 Worker's Compensation	7,363	10,376	16,400	16,349
4138 Deferred Comp-Employer	3,110	3,255	7,200	20,700
4139 PARS	204	316	2,294	4,278
4143 Charged to CIPs	0	0	(870,522)	(977,752)
4161 Retiree Medical Reserve	105,133	121,083	120,472	140,903
sub-total	<u>2,231,502</u>	<u>2,538,460</u>	<u>2,995,760</u>	<u>3,420,201</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	106,405	99,915	174,700	201,700
4211 Equip Replacement Amortization	14,815	14,788	18,199	11,263
4220 Supplies	5,587	8,828	19,750	22,350
4230 Services	1,221,417	981,289	1,036,030	1,341,650
4410 Communications	0	0	240	0
4501 Memberships and Dues	14,442	11,897	17,450	18,500
4503 Training	1,901	4,422	24,450	27,200
sub-total	<u>1,364,566</u>	<u>1,121,139</u>	<u>1,290,819</u>	<u>1,622,663</u>
TOTAL	<u><u>3,596,068</u></u>	<u><u>3,659,599</u></u>	<u><u>4,286,579</u></u>	<u><u>5,042,864</u></u>

Mission Statement

The Planning and Neighborhood Services Department promotes and facilitates high quality of life through community partnerships, innovation, vision, and exemplary customer service to ensure a vibrant Milpitas.

Divisions

Planning
Neighborhood Services



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DEPARTMENT:	Planning & NS	PLAN & NEIGH SVCS DIR: Bill Ekern (Interim)
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Description: The Planning & Neighborhood Services Department assists the public and development community with planning applications, environmental assessments; General Plan and zoning interpretation; and information on State and regional land use and environmental regulations affecting the City. The Department promotes informed decision making, which facilitates sustainable development, affordable housing, and reinvestment in the community through periodic updates to the City’s General Plan, specific plans, and zoning ordinance. Department Staff supports the Planning Commission, Milpitas Successor Agency, Milpitas Housing Agency, Economic Development Corporation, and various commissions and subcommittees of the City Council. The Department implements housing, neighborhood preservation, and code enforcement programs, including affordable housing and rehabilitation programs, graffiti, shopping cart, and abandoned vehicle abatement, and oversees the fair housing services and animal control regulations.

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, Library Advisory Commission, and Economic Development Commission.
- Assists developers in obtaining planning entitlement permits and coordinates development review from initial submittal to permit approval.
- Implements the Transit Area Specific Plan, and the Mid-Town Specific Plan, and associated fees by one point of contact for the development community, and coordinates all City Departments when reviewing development proposals.
- Provides planning and permit submittal information to the public and responds to code-related questions in person, by telephone, e-mail, through the City’s web site, and on My Milpitas App.
- Provides and updates planning permit submittal requirements, checklists, design guidelines and publications to assist in a streamlined permit application process.
- Facilitates a partnership with California State Polytechnic University San Luis Obispo and San Jose State University through an official student internship program and through urban design studio planning and analysis opportunities within the city.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
2014-2015 Accomplishments					
1. received Local, State and National Award recognition for California Circle and Main Street at Serra Vision Study with California Polytechnic University.		x		x	
2. Implemented first year of Environmental/CEQA consulting services.		x			x
3. Updated Transit Area Development Impact Fees.		x		x	
4. Updated Town Center Zone & General Plan Land Use Policy. Prepared Public Art Ordinance.	x	x		x	
5. Completed Housing Element and HCD certification pursuant to State Law		x			x
6. Completion of Seismic and Safety Element Zoning Ordinance Amendments for Updated Flood Maps.					x
7. Implemented Community Planning fee.		x		x	
8. Managed and administered 1,200 Affordable Housing units for Milpitas Housing Authority.	x	x			
2015-2016 Goals					
1. Foster professional development and cross-training for Staff.	x		x		
2. Revise Planning Procedures Manual.	x		x		x
3. Develop Tree Master Plan and Our City Forest Tree Grant Partnership.		x			
4. Revise the Code Enforcement Procedures and Manual.	x		x		x
5. Administrative Citations Ordinance Update.		x			x
6. Expand Outreach for CDBG Home Repair Program.	x	x			x
7. Reestablish Regional Anti-Graffiti Task Force.	x	x			x
8. Establish Illegal Auto Repair Task Force.	x	x			x
9. Animal Regulations Ordinance Update.	x	x			x
10. Complete Main at Serra Precise Plan Study.		x			
11. Initiate General Plan Update.					x

Performance Measures	Actual 2012-13	Actual 2013-14	Projected 2014-15	Estimated 2015-16
% of Use Permit applications processed within 3 months of being deemed complete	93%	73%	70%	80%
% of Minor Site Development applications processed within 2 months	97%	82%	90%	90%
Planning Division customer contacts	3,400	3,496	3,200	3,600
% of rehabilitation loan recipients rating our service as at least "satisfactory"	100%	100%	100%	100%
Customer service requests/violations abated	725	725	755	800
# of cases in compliance within 30 days of receipt	500	500	500	550
Days to abate graffiti on private property	15	15	20	15
Abandoned vehicles abated on private property	160	160	85	90

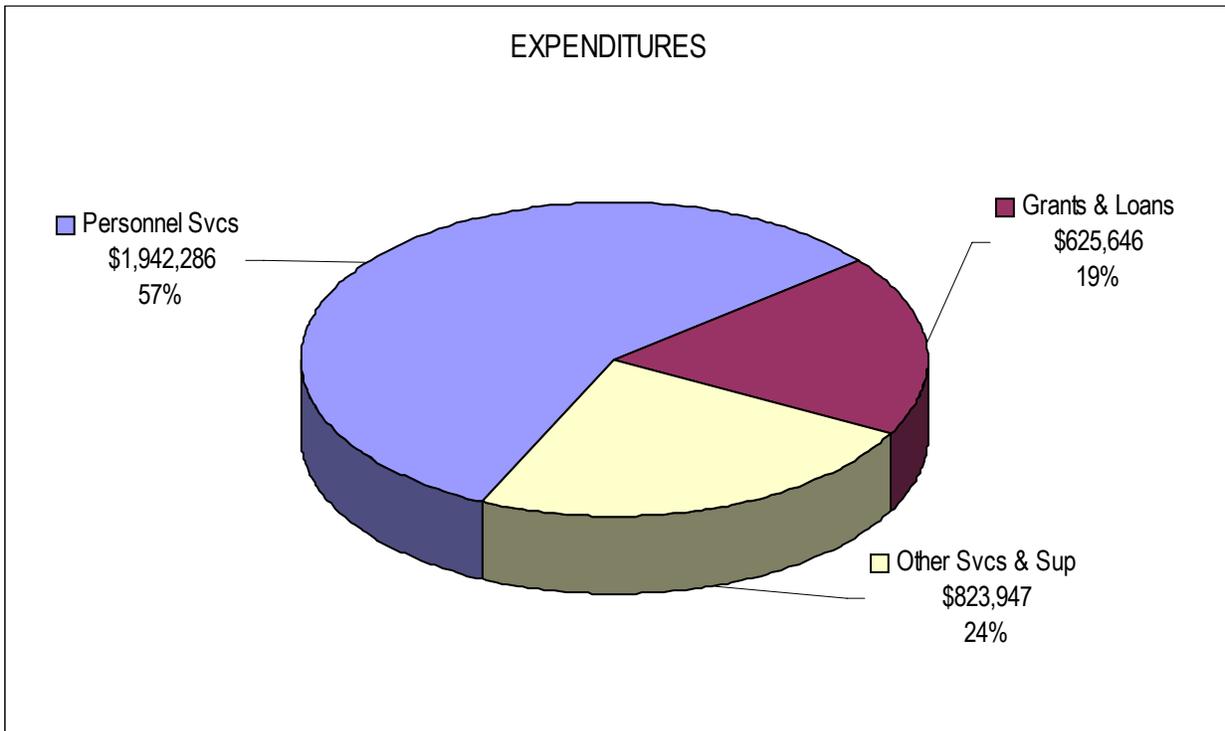
Personnel Allotment of 20.25 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Planning & Neigh Svcs Dir	1	1		Assistant Housing Planner	1	1	
Assistant Planner	2	2		Housing/Neigh Pres Spec	3	2	1
Associate Planner	2		2	Sr. Code Enforcement Officer	1	1	
Planning Manager	1		1	Secretary	1	1	
Senior Planner	2	2		Office Specialist	2		2
Housing & NP Svcs. Mgr.	1	1		Temporary Positions (FTE)	3.25	3.25	
TOTAL					20.25	14.25	6

Staff Change(s): None.

Expenditure Analysis

Personnel Services	Increase due to restoration of employees' concession and increased PERS employer contribution rate.
Services and Supplies	Increase mainly due to increase in consultant services related to increased developments and funding of housing loans from CDBG Fund.
Capital Outlay	None



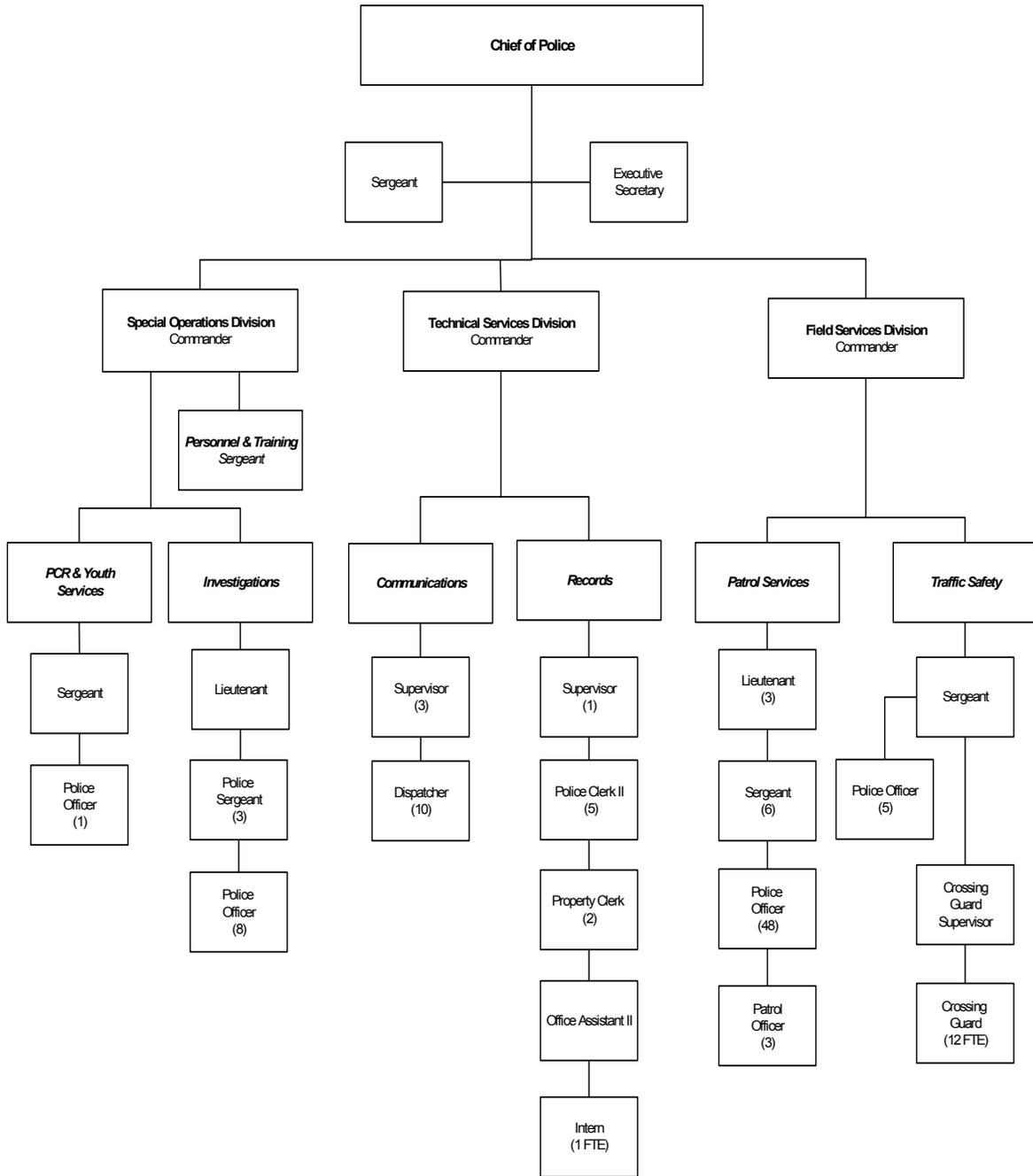
	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
PERSONNEL SERVICES				
4111 Permanent Salaries	903,687	935,196	1,190,891	1,194,050
4112 Temporary Salaries	11,015	78,289	106,080	128,080
4113 Overtime	315	1,441	2,500	8,000
4121 Allowances	900	900	0	0
4124 Leave Cashout	13,799	90,082	0	0
4131 PERS	65,952	101,013	164,598	281,746
4132 Group Insurance	150,774	166,327	243,804	233,508
4133 Medicare	13,673	16,098	18,901	19,334
4135 Worker's Compensation	3,507	4,630	6,453	6,573
4138 Deferred Comp-Employer	1,535	2,748	4,500	9,900
4139 PARS	166	1,152	1,591	1,591
4161 Retiree Medical Reserve	50,508	53,184	59,340	59,504
sub-total	<u>1,215,831</u>	<u>1,451,060</u>	<u>1,798,658</u>	<u>1,942,286</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	570,699	430,752	375,646	625,646
4211 Equip Replacement Amortization	4,649	8,358	12,076	12,701
4220 Supplies	11,891	11,291	11,400	13,100
4230 Services	517,109	437,884	471,938	775,781
4501 Memberships and Dues	1,270	2,363	3,055	3,055
4503 Training	1,215	9,404	12,725	19,310
sub-total	<u>1,106,833</u>	<u>900,052</u>	<u>886,840</u>	<u>1,449,593</u>
TOTAL	<u><u>2,322,664</u></u>	<u><u>2,351,112</u></u>	<u><u>2,685,498</u></u>	<u><u>3,391,879</u></u>

Mission Statement

The Milpitas Police Department is committed to the protection of lives and property by working with our community and providing professional and responsive Police Services.

Divisions

Police Administration
 Technical Services
 Field Services
 Special Operations



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DEPARTMENT: Police**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 critical intersections within the City to ensure the safety of children walking to and from school.
- Facilitates PAL and conducts 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. The 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
2014-2015 Accomplishments					
1. Reduced Robberies by 7% in 2014.	x	x			x
2. Ensured response time to emergency calls remained under 3:00 (2:37 in 2014).	x	x			x
3. Collaborated a county-wide approach to crime fighting by participating in two county task forces (AB109 & RATTF).	x	x	x	x	x
4. Concluded a 4-month investigation of a murder at a local hotel with the arrest of 2 suspects.	x	x			x
5. Concluded a 2-year investigation involving an attempted murder of a police officer by arresting 3 suspects including the shooter.	x	x			x
2015-2016 Goals					
1. Ensure average response times to emergency calls remain at 3:00 or under.	x	x			x
2. Ensure 100% registration by known sex offenders.		x			x
3. Reduce auto-thefts by 5%.	x	x			x
4. Increase public outreach through the expansion of social media.	x	x	x	x	
5. Reduce residential burglaries by 5%.	x	x			x

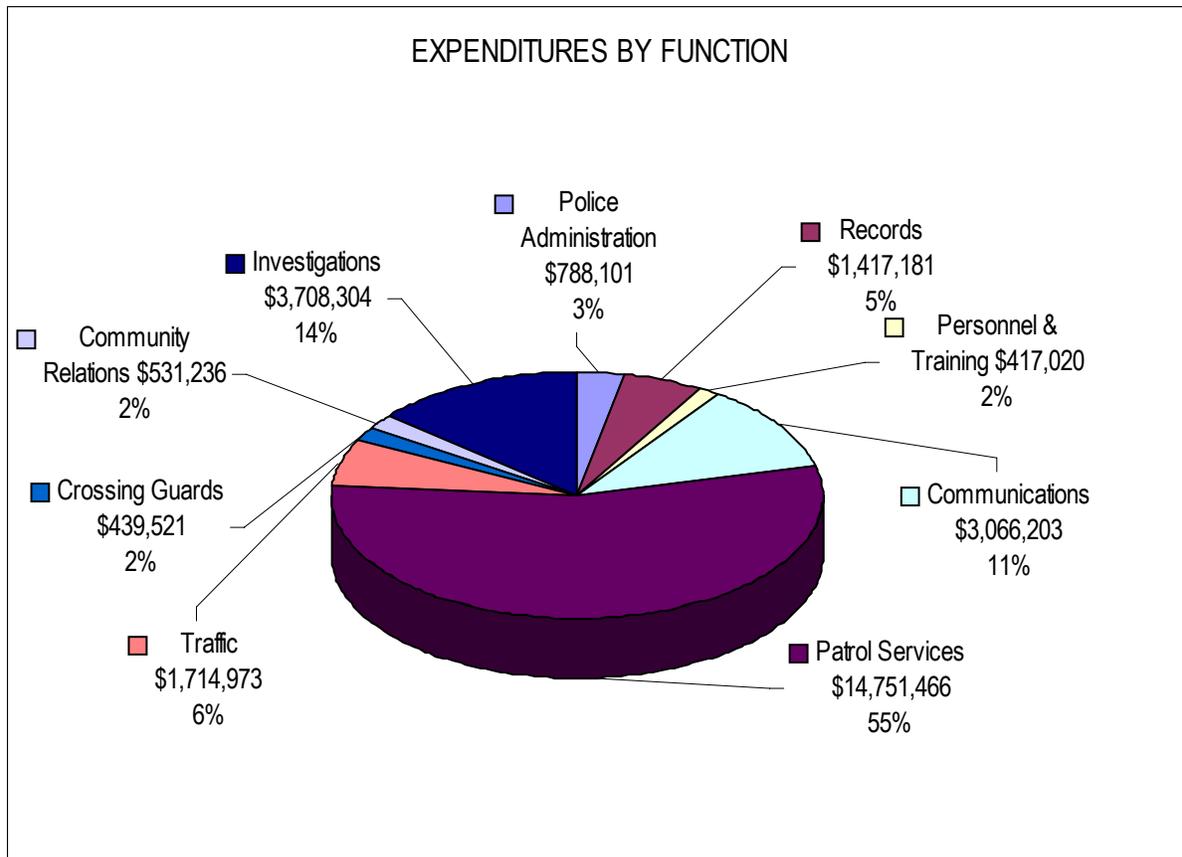
Performance Measures	Actual 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
Avg. response time to emergency calls (minutes)	2:43	2:31	2:33	2:32
Percentage of 9-1-1 calls answered by a dispatcher within 10 seconds	99%	97%	97%	97%
Percentage of public requests for report information completed within two days	93%	95%	96%	96%
Number of anti-terrorist Patrol checks	1,894	2,242	2,550	2,300
Number of accidents involving school children at intersections staffed by Crossing Guards	0	0	0	0
Parent Drug Awareness presentations	9	1	1	1
Character Counts Presentations: schools/students (Eliminated)	12/798	0	0	0
Community presentations	217	210	200	200
Number of vehicle citations issued	6,701	3,786	3,516	3,600
Number of arrests reported to FBI (all crimes)	2,173	1,813	1,736	1,800

Police

Personnel Allotment of 136 FTE							
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Police Chief	1	1		Police Assistant	1		1
Police Commander	3	3		Police Clerk II	6	5	1
Police Lieutenant	4	4		Police Clerk Supervisor	2	1	1
Patrol Officer	5	3	2	Police Property Clerk	2	2	
Police Officer	67	62	5	Communications Dispatcher	12	10	2
Police Sergeant	13	13		Communications Supervisor	4	3	1
Office Assistant II	1	1		Temporary Positions (FTE)	14	14	
Executive Secretary	1	1					
TOTAL					136	123	13

Staff Change(s): Fund one Police Officer.

Expenditure Analysis	
Personnel Services	Increase attributed to restoration of employees' concession, pay increase, increased PERS employer contribution rate, and Staff Changes mentioned above.
Services and Supplies	Increased mainly attributed to increase in equipment replacement amortization.
Capital Outlay	Include replacement of six police vehicles.



	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
PERSONNEL SERVICES				
4111 Permanent Salaries	11,680,672	12,346,567	13,914,235	14,759,915
4112 Temporary Salaries	257,938	389,474	449,446	449,446
4113 Overtime	497,806	505,619	693,283	693,283
4121 Allowances	120,584	159,373	141,720	143,076
4124 Leave Cashout	863,116	521,478	0	0
4131 PERS	3,322,861	3,756,573	4,619,135	5,527,178
4132 Group Insurance	1,760,898	1,971,458	2,390,688	2,328,804
4133 Medicare	180,625	191,853	207,346	222,687
4135 Worker's Compensation	386,131	469,402	569,143	498,900
4138 Deferred Comp-Employer	2,795	4,275	4,500	5,400
4139 PARS	3,728	5,601	6,349	6,349
4161 Retiree Medical Reserve	588,564	593,090	607,111	644,734
sub-total	<u>19,665,716</u>	<u>20,914,763</u>	<u>23,602,956</u>	<u>25,279,772</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	500	0	500	500
4211 Equip Replacement Amortization	405,090	414,560	467,197	534,329
4220 Supplies	118,434	121,816	152,521	152,521
4230 Services	665,078	556,576	685,086	690,826
4410 Communications	13,045	13,775	24,820	24,820
4501 Memberships and Dues	3,151	3,112	3,583	3,583
4503 Training	47,613	56,775	77,654	87,654
sub-total	<u>1,252,912</u>	<u>1,166,614</u>	<u>1,411,361</u>	<u>1,494,233</u>
CAPITAL OUTLAY				
4850 Vehicles	13,154	0	55,021	0
4870 Machinery & Equipment	0	43,940	0	0
4910 Office Furniture & Fixtures	0	3,907	0	0
4920 Machinery Tools & Equipment	59,096	79,259	60,000	60,000
sub-total	<u>72,250</u>	<u>127,106</u>	<u>115,021</u>	<u>60,000</u>
TOTAL	<u><u>20,990,878</u></u>	<u><u>22,208,483</u></u>	<u><u>25,129,338</u></u>	<u><u>26,834,005</u></u>

Mission Statement

“Dedicated to Providing Quality and responsive Service for the community”

To serve and protect the community of Milpitas. Preservation of life, property and the environment within this community is the reasons for our existence.

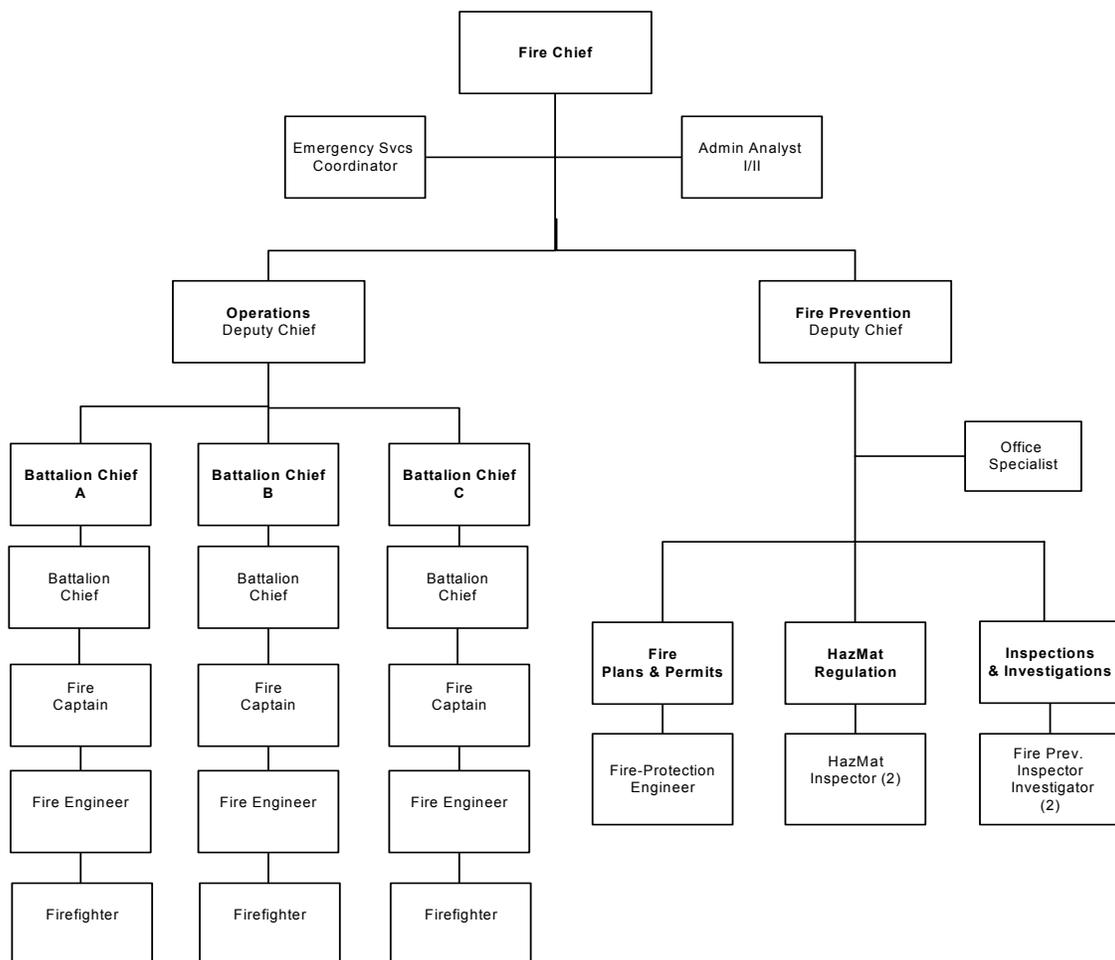
We will diligently work to maintain a high level of public trust and confidence.

We are dedicated to providing courteous, competent and responsive services.

It is our belief that we are judged by the public’s view of our attitudes, conduct and standards.

Divisions

- Fire Administration
- Fire Prevention
- Emergency Response & Preparedness
- Office of Emergency services (OES)



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DEPARTMENT:	Fire	FIRE CHIEF: Robert Mihovich
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Description: The Fire Department provides all-hazard full response, preparedness, and prevention services. The Emergency Response Division mitigates emergency incidents, provides 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 manages disaster preparedness planning, response, mitigation and recovery initiatives.

Services

- Administration: Manages and directs command, administrative, operations, planning, and logistics of the department.
- Emergency Response: Responds 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 the community. Personnel staff up to 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
2014-2015 Accomplishments					
1. Responded to 3,716 emergency incidents with an average response time of 4:34 minutes.*	x	x			x
2. Certified 230 S.A.F.E.** team members.	x	x			x
3. Grant Funded EOC Technological Upgrade: most advanced in history of Milpitas EOC; including ipads, mobile data units, apple tvs and high definition displays.	x	x		x	x
4. Conducted 900 plan reviews and performed over 4,600 inspections.***	x	x		x	x
5. Provided public education at over 45 community outreach events.***	x	x		x	x
2015-2016 Goals					
1. Maintain response time of 5 minutes or less 90% of the time.	x	x			x
2. Maintain service delivery to meet all major project and construction schedules.	x	x		x	x
3. Certify an additional 50 S.A.F.E. team members and provide refresher training to 90% of critical Emergency Operations Center staff.	x	x	x	x	x
4. Achieve target turn-around times of plan review/inspections at a rate of 98% or higher.	x	x		x	x
5. Complete NIMS Certification for all EOC Staff and to provide advanced continuing education to all EOC Staff.	x			x	x
6. Respond to 100% of prevention education requests.	x	x		x	x

NOTE: *These are fiscal year to date figures **Strategic Actions For Emergencies ***Projected 14-15 completion

Performance Measures	Actual 2012-13	Actual 2013-14	Projected 2014-15	Estimated 2015-16
Calls for service & average response times (minutes)	4,413/4:19	4,732/4:28	4,950/4:32	5,198/4:40
Number of trained Disaster Service Workers in the City (new category for 2011)	555	558	558	570
Number of platoon training hours & personnel certified to serve at higher rank	240/23	275/24	275/31	240/34
Number of plan reviews/inspections	933/4,510	807/4,510	983/4,666	1,135/5,665
Plan reviews/inspections meeting target turn-around times (90%)	98%	98%	98%	98%
Prevention information events	53	45	80	90
Property saved in response to a fire	\$2,963,000	\$1,800,000	\$2,521,576*	NA
Fire-caused injuries/deaths	0	1	NA	NA
Work-related injuries	11	10	17	NA
Volunteer hours	500	500	500	500

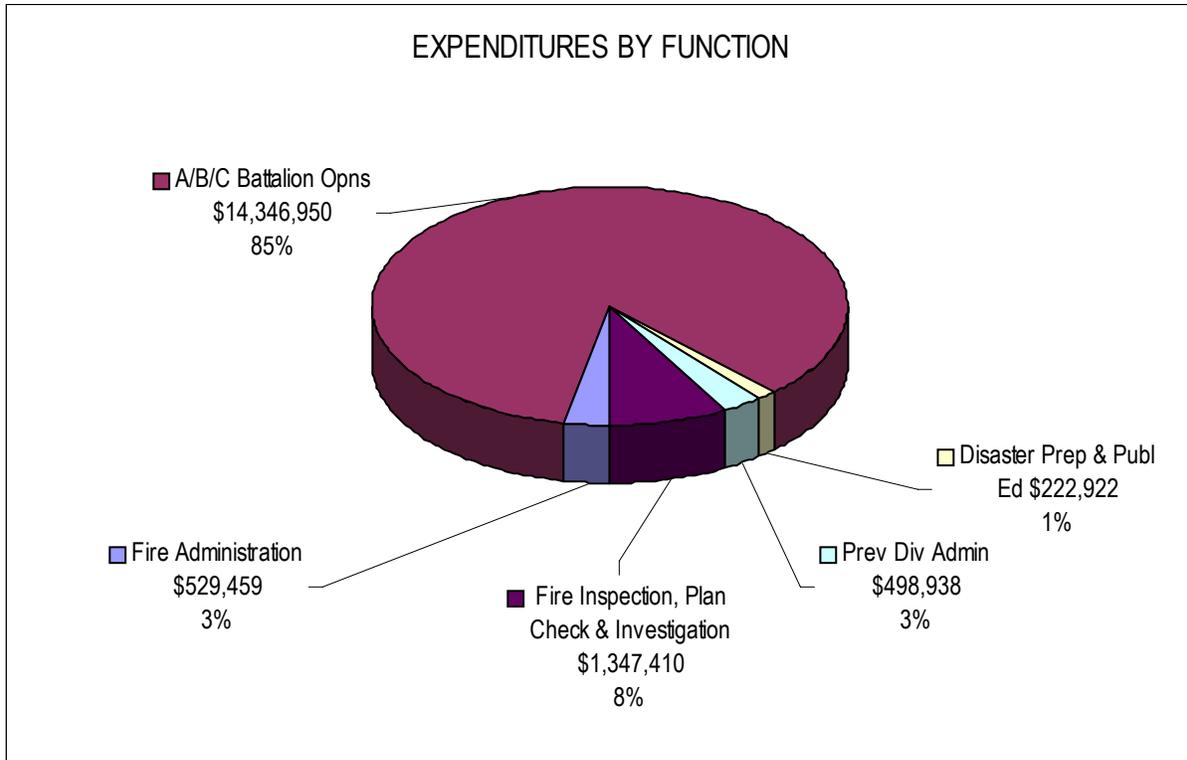
*Actual dollar loss FYTD through March 2015.

Personnel Allotment of 77 FTE							
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Fire Chief	1	1		Fire Engineer	15	6	9
Deputy Fire Chief	2	2		Firefighter	12	9	3
Emerg Svcs Coordinator	1	1		Firefighter/Paramedic	12	9	
Fire Battalion Chief	3	3		Fire Engineer/Paramedic	6	9	
Fire Captain	15	15		Office Specialist	1	1	
Fire Prevention Inspector	2	2		Administrative Analyst I/II	1	1	
Hazardous Materials Inspector	3	2	1	Temporary Position (FTE)	1	1	
Fire Protection Engineer	2	1	1				
TOTAL					77	63	14

Staff Change(s): Fund one Fire HazMat Inspector position and reclassify one 40-hour BC Chief and one Fire Marshall to Deputy Fire Chiefs.

Expenditure Analysis

Personnel Services	Increase due to restoration of employees' concession, pay increase, increased PERS employer contribution rate, and Staff Changes mentioned above.
Services and Supplies	No significant changes.
Capital Outlay	Computer software upgrade.



	Actual 2012-13	Actual 2013-14	Budget 2014-15	Approved 2015-16
PERSONNEL SERVICES				
4111 Permanent Salaries	7,914,836	7,567,246	8,163,476	8,664,811
4112 Temporary Salaries	21,742	9,720	38,985	38,985
4113 Overtime	1,553,908	577,986	720,800	1,130,000
4121 Allowances	58,137	55,178	57,768	58,764
4124 Leave Cashout	765,615	664,197	0	0
4131 PERS	1,829,901	1,952,224	2,265,024	3,082,310
4132 Group Insurance	1,259,687	1,289,112	1,307,460	1,270,116
4133 Medicare	127,337	120,140	110,391	119,251
4135 Worker's Compensation	259,602	290,060	358,078	306,940
4138 Deferred Comp-Employer	39,345	36,293	38,400	39,900
4139 PARS	326	146	225	0
4161 Retiree Medical Reserve	382,940	355,951	370,318	396,058
sub-total	<u>14,213,377</u>	<u>12,918,251</u>	<u>13,430,925</u>	<u>15,107,135</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	153	0	0
4211 Equip Replacement Amortization	605,307	932,673	1,120,131	1,164,479
4220 Supplies	136,737	285,827	326,600	367,975
4230 Services	343,336	313,892	334,020	214,920
4410 Communications	102	0	0	0
4501 Memberships and Dues	3,746	6,132	13,515	16,370
4503 Training	19,883	21,772	50,638	64,800
sub-total	<u>1,109,110</u>	<u>1,560,449</u>	<u>1,844,904</u>	<u>1,828,544</u>
CAPITAL OUTLAY				
4870 Machinery & Equipment	0	38,046	0	0
4920 Machinery Tools & Equipment	97,237	70,385	10,000	10,000
sub-total	<u>97,237</u>	<u>108,431</u>	<u>10,000</u>	<u>10,000</u>
TOTAL	<u><u>15,419,724</u></u>	<u><u>14,587,131</u></u>	<u><u>15,285,829</u></u>	<u><u>16,945,679</u></u>

DEPARTMENT: Non-Departmental
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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 maintenance and operation are funded in this department, as are all water purchases for the water fund. This department also funds debt services, equipment and vehicle replacement.

Expenditure Analysis

Personnel Services: \$3,4670,000 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: \$5,700,000 is for Treatment Plant fees; \$3,291,800 is for gas, electric water and solid waste utilities; and \$15,700,000 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 \$540,000 for the 2015-16 fiscal year.

Debt Service: \$760,000 is scheduled to pay the principal and interest due on the 2006 Certificates of Participation for the sewer system and interfund loan.

Equipment Replacement: \$890,916 is for equipment replacement from monies that are available in the Equipment and Information Technology Replacement Funds.

	100 General Fund	150 RDA Admin	102 Measure I TOT	211/237 H-H Lease CFD
PERSONNEL SERVICES				
4124 Leave Cashout	650,000	0	0	0
4131 PERS	11,200	0	0	0
4132 Group Insurance	45,000	0	0	0
4136 Unemployment	90,000	0	0	0
4137 MOU Contractual Agreements	442,400	0	0	0
4139 PARS	9,000	0	0	0
4141 Adjustments-Payroll	672,940	0	0	0
4161 Retiree Medical Reserve	1,320,000	0	0	0
sub-total	<u>3,240,540</u>	<u>0</u>	<u>0</u>	<u>0</u>
SUPPLIES & CONTRACTUAL SERVICES				
4205 Miscellaneous Grants	0	0	0	0
4220 Supplies	8,000	0	0	0
4237 Contractual Services	72,800	12,500	0	10,000
4239 Audit Fees	67,500	8,000	0	0
4241 Repair & Maintenance	0	0	0	0
4242 Rents & Leases	0	0	0	37,000
4253 ABAG Attorney's Fees	22,000	0	0	0
4254 ABAG Settlements	75,000	0	0	0
4421 Utilities-Gas	181,000	1,000	0	0
4422 Utilities-Electric	1,372,200	6,000	40,000	0
4423 Utilities-Water	764,600	4,000	16,000	0
4424 SFWD, Wholesale Water Purchase	0	0	0	0
4425 SCVWD, Wholesale Water Purchase	0	0	0	0
4426 Utilities - Solid Waste	0	0	0	0
4427 Recycled Water Purchase	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	24,000	0	0	0
4600 Insurance & Settlements	367,000	2,000	0	0
4610 Uncollectible Accounts	51,000	0	0	0
4640 Contingent Reserve	550,000	0	0	0
sub-total	<u>3,568,100</u>	<u>33,500</u>	<u>56,000</u>	<u>47,000</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
4870 Machinery & Equipment	0	0	0	0
sub-total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>6,808,640</u>	<u>33,500</u>	<u>56,000</u>	<u>47,000</u>

Non-Departmental

213/250 Public Art HCD Fund	280 Solid Waste Fund	295 Housing Authority	400 Water Fund	450 Sewer Fund	350/500 TASP/Eqmt Replacement	Approved 2015-16
0	0	0	25,000	25,000	0	700,000
0	0	0	1,900	1,900	0	15,000
0	0	0	2,500	2,500	0	50,000
0	0	0	5,000	5,000	0	100,000
0	0	0	24,800	24,800	0	492,000
0	0	0	500	500	0	10,000
0	2,500	0	32,500	25,000	0	732,940
0	8,000	0	160,000	112,000	0	1,600,000
0	10,500	0	252,200	196,700	0	3,699,940
0	0	500,000	0	0	0	500,000
0	0	0	500	500	0	9,000
22,000	0	93,000	2,100	8,100	0	220,500
7,000	0	0	25,000	12,500	0	120,000
0	0	20,000	0	0	0	20,000
0	0	0	0	0	0	37,000
0	0	0	8,000	30,000	0	60,000
0	0	0	20,000	70,000	0	165,000
0	2,000	0	8,000	8,000	0	200,000
0	21,600	0	540,000	216,000	0	2,195,800
0	8,700	3,000	78,300	17,400	0	892,000
0	0	0	11,250,000	0	0	11,250,000
0	0	0	3,600,000	0	0	3,600,000
0	0	4,000	0	0	0	4,000
0	0	0	850,000	0	0	850,000
0	0	0	0	5,700,000	0	5,700,000
0	0	0	1,000	1,000	0	15,000
0	0	0	3,000	3,000	0	30,000
0	0	0	31,000	95,000	45,000	540,000
0	0	0	37,000	37,000	0	125,000
0	0	0	0	0	0	550,000
29,000	32,300	620,000	16,453,900	6,198,500	45,000	27,083,300
0	0	0	0	435,000	0	435,000
0	0	0	0	250,000	75,000	325,000
0	0	0	0	685,000	75,000	760,000
0	0	0	0	0	770,926	770,926
0	0	0	0	0	119,990	119,990
0	0	0	0	0	890,916	890,916
<u>29,000</u>	<u>42,800</u>	<u>620,000</u>	<u>16,706,100</u>	<u>7,080,200</u>	<u>1,010,916</u>	<u>32,434,156</u>

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City of Milpitas
2015-20 CAPITAL IMPROVEMENT PROGRAM
GRAND SUMMARY

Project Expenses	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Community Improvement	685,000	3,635,000	6,115,000	150,000	375,000	10,960,000
Park Improvement	5,875,000	900,000	3,025,000	1,550,000	23,425,000	34,775,000
Streets	3,596,960	5,565,000	5,188,000	5,275,000	5,225,000	24,849,960
Water	4,000,000	18,315,000	11,820,000	4,795,000	8,445,000	47,375,000
Sewer Improvement	6,315,000	8,865,000	6,730,000	7,035,000	5,000,000	33,945,000
Storm Drain Improvement	1,950,000	2,850,000	5,130,000	2,925,000	2,425,000	15,280,000
Total	22,421,960	40,130,000	38,008,000	21,730,000	44,895,000	167,184,960

Finance Sources	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Gas Tax Fund	2,050,000	1,900,000	1,900,000	1,840,000	1,900,000	9,590,000
General Government CIP Fund	1,885,000	2,235,000	5,335,000	1,050,000	375,000	10,880,000
Grants/Reimbursement/Developer Fe	0	0	0	160,000	0	160,000
Midtown Park Fund	3,560,000	300,000	900,000	300,000	1,100,000	6,160,000
Park Fund	2,315,000	600,000	2,125,000	1,250,000	900,000	7,190,000
Sewer Fund	4,915,000	4,465,000	3,330,000	3,635,000	2,600,000	18,945,000
Sewer Infrastructure Fund	0	1,500,000	500,000	500,000	0	2,500,000
Sewer Treatment Fund	1,500,000	1,000,000	2,500,000	2,500,000	2,500,000	10,000,000
Water Fund	4,100,000	3,345,000	5,270,000	2,895,000	3,720,000	19,330,000
Water Line Extension Fund	0	870,000	550,000	500,000	2,325,000	4,245,000
Storm Drain Fund	750,000	350,000	200,000	0	0	1,300,000
Equipment Replacement Fund	0	0	180,000	0	0	180,000
Unidentified Funding	0	15,350,000	14,030,000	5,425,000	22,300,000	57,105,000
Traffic Impact Fees	181,960	350,000	0	0	0	531,960
Water Infrastructure Fund	0	100,000	0	0	0	100,000
TASP Impact Fees	40,000	6,640,000	0	500,000	6,000,000	13,180,000
Transient Occupancy Tax (TOT)	600,000	600,000	600,000	600,000	600,000	3,000,000
LLMD	75,000	75,000	88,000	75,000	75,000	388,000
Vehicle Registration Fee	450,000	450,000	500,000	500,000	500,000	2,400,000
Total	22,421,960	40,130,000	38,008,000	21,730,000	44,895,000	167,184,960

NOTES

- (a) This year's CIP includes \$5.0M for the City's portion of improvements to the SJ/SC wastewater treatment plant.
- (b) "Other" are identified on the detailed project sheets.
- (c) Grants are identified on the detailed project sheets.
- (d) \$3.996M of RDA bonds were appropriated for the reconstruction of S. Main Street CIP 4277 on 1/6/15.

COMMUNITY IMPROVEMENT PROJECTS

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

Project Number-Name

Description

Operating Budget Impact

3406-City Facilities Improvements

This project involves renovation and rehabilitation improvements at all City buildings. The work involves replacement of electrical and mechanical systems at the Community Center, water heater/co-generator and pool equipment renovations at the Sport Center, electrical upgrades, including an emergency generator at the Sport Center. Work will also include energy savings improvements, such as replacement of lighting fixtures with energy saving fixtures, and installation of a more efficient climate controls systems.

Operating Budget Impact: This project would reduce maintenance costs. However, the impact is expected to be small.

3414-City Buildings, Exterior Painting & Repairs

This project provides for the minor exterior repairs, patching and painting of City buildings including minor roofing repairs. The exterior of the buildings should be painted approximately every ten years to maintain the buildings appearance and to prevent damage caused by moisture infiltration.

Operating Budget Impact: This project would reduce maintenance costs. However, the impact is expected to be small.

3415-PD Communications

In 2001, the Santa Clara County / Cities Managers Association agreed to jointly fund a countywide radio interoperability and public safety radio and data communications network to improve public safety and emergency services. The countywide infrastructure construction has not yet been completed. The City of Milpitas' financial contribution will support the construction completion.

Operating Budget Impact: None.

COMMUNITY IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
331-3406	City Facilities Improvements	\$ 250,000
331-3414 *	City Buildings, Exterior Painting & Repairs	100,000
331-3415 *	PD Communications	<u>335,000</u>
	TOTAL COST	\$ <u><u>685,000</u></u>

AVAILABLE FINANCING SOURCE:

General Government Fund	\$ <u>685,000</u>
TOTAL AVAILABLE	\$ <u><u>685,000</u></u>

NOTE: Asterisk (*) indicates new projects.

PARK IMPROVEMENT PROJECTS

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

Project Number-Name

Description

Operating Budget Impact

5055-Alviso Adobe Renovation

This project provides new park improvements and exterior restoration of the historic Alviso Adobe building. The first phase provides structural stabilization, seismic strengthening and exterior renovation of the Alviso adobe building. The second phase provides park improvements including picnic areas, lighting, walkways, a parking lot, apricot orchard, herb garden, landscaping and access improvements. Once completed, park visitors will experience the progressive history of Milpitas' from its origins as a Spanish land grant in the 1830's through the 1920's rural Santa Clara County farming era.

Operating Budget Impact: The renovation improvements and the opening of the building to the public are expected to increase operating and maintenance costs. However, the amount is expected to be small.

5101-International Park

This project provides for the design and construction of an International Park to be located at Tom Evatt Park. The park concept is to provide a public space with an educational non-political theme of culture, arts, history, architecture, geography, native plants for each participating international group. The park could be divided into small delineated areas with the first to be located on the east side of S. Main Street. The concept could expand to the west side of S. Main Street dependent on other organizations participation interest.

Operating Budget Impact: The additions are expected to increase maintenance costs. However, the amount is expected to be small.

5103-MSC Pool Rehabilitation

This project provides for various improvements to the Milpitas Sports Center Pool facility. The work includes resurfacing the plaster at the three swimming pools, ADA upgrades to the pools, and replacement of pool decking and drainage, under deck pool piping, pool electrical, tile work, lane lines, and other pool elements. The project will also include removing the wading pool and installing outside showers.

Operating Budget Impact: The rehabilitation is expected to reduce maintenance costs. However, the amount is expected to be small.

5104-Sports Center Sports Fields

This project provides for the design and construction of a U-11 soccer field and a multi-purpose field that can be used as one football field, two U-9/10 soccer fields or as one U-13 soccer field. The improvements will also include and modifying the existing stadium lighting and bleaches to accommodate the relocated fields and pathway improvements to the fields.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, the amount is expected to be small.

PARK IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
321-5055	Alviso Adobe Renovation	\$ 1,000,000
321-5101 *	International Park	500,000
321-5103 *	MSC Pool Rehabilitation	1,500,000
321-5104 *	Sports Center Sports Fields	<u>2,875,000</u>
	TOTAL COST	<u>\$ 5,875,000</u>

AVAILABLE FINANCING SOURCE:

Park Fund	\$ 2,315,000
Midtown Park Fund	<u>3,560,000</u>
TOTAL AVAILABLE	<u>\$ 5,875,000</u>

NOTE: Asterisk (*) indicates new projects.

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STREET IMPROVEMENT PROJECTS

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

Project Number-Name

Description

Operating Budget Impact

3402-McCarthy Boulevard Landscape & Lighting Improvements

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

Operating Budget Impact: The improvements are expected to increase operating costs. However, costs are funded by special assessments, and are expected to be small.

4253-Dixon Landing Road Plan Line

This project provides for the preparation of a Plan Line Study to evaluate the widening of Dixon Landing Road from N. Milpitas Boulevard to I-880 from 2 lanes to 3 lanes in each direction. The study will evaluate the right of way and feasibility of relocating sidewalks, street lighting, adding bicycle lanes and streetscape in medians and planter strips. This project will also include 35% level design in order to develop an Engineer's Estimate for design and construction of improvements.

Operating Budget Impact: None.

4267-Soundwall Renovations

This project renovates the City owned sound walls along North Milpitas Boulevard, Escuela Parkway, Jacklin Road at Horcajo, La Palma, Hillview Drive at Tularcitos Creek, Nicklaus at North Park Victoria and other locations. Portions of the walls have deteriorated and will need to be structurally repaired or completely replaced.

Operating Budget Impact: The renovation improvements are expected to decrease maintenance costs. However, the impacts are expected to be small.

4271-Bridge Improvements

The city owns and maintains eighteen roadway bridges and five pedestrian/bicycle bridges. The program includes a variety of preventative maintenance improvements including deck resurfacing, crack sealing, and improvements identified in the bi-annual bridge inspection reports performed by the California Department of Transportation.

Operating Budget Impact: The improvements are expected to decrease maintenance costs. However, the impacts are expected to be small.

4273-Street Landscape Irrigation Repair 2014

The City has many miles of landscaped street medians and curb planter areas in the City. The older irrigation systems are not well documented, leak, and are inefficient and do not provide suitable irrigation to support healthy landscape. The project would also provide for restoration of existing landscaping within the medians and curb planters.

Operating Budget Impact: The repair is expected to decrease maintenance costs. However, the impacts are expected to be small.

4278-Milpitas Blvd. Plan Line Study

This project provides for the preparation of a Plan Line Study to evaluate the feasibility of installing landscaped median islands on N. Milpitas Blvd between Jacklin and Sunnyhills Ct. Raised medians can provide improvements to traffic safety and provide an opportunity for street beautification. This study will also evaluate the feasibility of installing other street amenities such as street lighting, access control, pedestrian and bicycle improvements.

Operating Budget Impact: None.

4279-Minor Traffic Improvements 2016

This project provides for traffic studies, speed surveys, and traffic counts. This project also includes minor traffic improvements that result from community service requests. Typical improvements include roadway markings/signage improvements and the installation of roadway undulators.

Operating Budget Impact: None.

STREET IMPROVEMENT PROJECTS

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

4280-Street Resurfacing Project 2016

This project 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 to optimize the pavement condition based on available the budget. There are currently over 123 centerline miles of streets that are owned and maintained by the City. This project will also include citywide replacement of existing curb, gutter and sidewalk, installation of ADA ramps and implementation of Class II bike lanes and Class III bike route facilities as described in the 2009 updated City of Milpitas Bikeway Master Plan.

Operating Budget Impact: The project prevents street failures and decrease the need for street reconstruction, which typically more expensive. However, the project is not expected to have any operating budget impact.

4281-TASP Underground Utility District

This project provided for the creation of a new utility underground district that covers the City's Transit Area Specific Plan redevelopment area. The purpose of the district is to allow for the undergrounding of existing overhead electric, PG&E, Cable TV, and Phone lines. The new district would be administered by the City, with engineering design and construction to be completed by PG&E using the City's Rule 20A funds.

Operating Budget Impact: The project is not expected to have any operating budget impact.

STREET IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
331-3402	McCarthy Boulevard. Landscape & Lighting Improvements	\$ 75,000
311-4253	Dixon Landing Road Plan Line	31,960
311-4267	Soundwall Renovations	200,000
311-4271	Bridge Improvements	200,000
311-4273	Street Landscape Irrigation Repair 2014	150,000
311-4278	* Milpitas Blvd. Plan Line Study	150,000
311-4279	* Minor Traffic Improvements 2016	100,000
311-4280	* Street Resurfacing Project 2016	2,650,000
311-4281	* TASP Underground Utility District	40,000
	TOTAL COST	<u>\$ 3,596,960</u>

AVAILABLE FINANCING SOURCE

Measure I TOT Fund	\$ 600,000
Gas Tax Fund	2,050,000
LLMD 95-1	75,000
TASP	40,000
Vehicle Registration Fee Fund	450,000
Traffic Impact Fee Fund	181,960
Water Fund	100,000
Sewer Fund	100,000
TOTAL AVAILABLE	<u>\$ 3,596,960</u>

NOTE: Asterisk (*) indicates new projects.

WATER IMPROVEMENT PROJECTS

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

Project Number-Name

Description

Operating Budget Impact

7100-Water System Seismic Improvements

This project develops 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. The scope also includes purchase of water system materials and equipment for emergency response to a major disaster. A complete list of improvements is identified in the priority list (Appendix F of DSWA report) with additional work scope identified in follow up engineering studies.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

7118-Dempsey Road Water Line Replacement

This project replaces approximately 3,400 liner feet of 12-inch diameter cast iron pipe along Dempsey Road, between Calaveras Boulevard and Yosemite Drive. The pipe was installed in 1950's and has reached the end of its useful life.

Operating Budget Impact: None.

7125-BART Project - Water Improvements

The BART project will cause the relocation of existing utilities along the BART corridor at its own expense. In addition, there are other related water system improvements which have been identified by the City, to be completed as part of the BART utility relocation effort. The City is required to cost share for these enhancements. Water projects include: the upsize of existing water crossing at Montague and Capitol, installation of 2 new water crossings south of Montague, and possible upsizing of pipelines in the area of Piper Drive.

Operating Budget Impact: None.

WATER IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
401-7100	Water System Seismic Improvements	\$ 1,000,000
401-7118	Dempsey Road Water Line Replacement	1,000,000
401-7125 *	BART Project - Water Improvements	<u>2,000,000</u>
	TOTAL COST	<u>\$ 4,000,000</u>

AVAILABLE FINANCING SOURCE:

Water Fund	\$ <u>4,000,000</u>
TOTAL AVAILABLE	<u>\$ 4,000,000</u>

NOTE: Asterisk (*) indicates new projects.

SEWER IMPROVEMENT PROJECTS

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

Project Number-Name

Description

Operating Budget Impact

6116-Sewer System Replacement 12-13

This project provides for the replacement of the highest priority facilities, including upgrades to the Sewer Pump Stations, forecmain, 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.

Operating Budget Impact: This project would reduce maintenance costs. However, the impact is expected to be small.

6118-San Jose/Santa Clara Regional Waste Water

The City of Milpitas pumps its sewage to the San Jose Water Pollution Control Plant for waste water treatment before it can be discharged into the San Francisco Bay. This plant was originally constructed in 1956 and is reaching the end of its useful life and is in need of a complete overhaul. The City of San Jose which operates the plant is undergoing a large rehabilitation project to completely overhaul the plant over the next 30 years. The City of Milpitas uses approximately 7% of the plant and will be responsible for 7% of the estimated \$2 billion or \$140 million in improvements that will be made over the next 30 years.

Operating Budget Impact: Per City of San Jose, the improvements are expected to reduce operations and maintenance liabilities. The impact to the operating budget will be dependent on the technology chosen, operating approach, and the start-up schedule. Engineering estimate has not been completed, as such amount is unknown at this time.

6119-CCTV Sanitary Sewer

A Closed Circuit Television (CCTV) program is needed to be performed city-wide to determine the condition of the City's sanitary sewer system.

Operating Budget Impact: None.

6121-BART Project - Sewer Improvements

The BART project will cause the relocation of existing sewer pipelines utilities along the BART corridor at its own expense. The City has identified sewer pipelines improvements which should be completed as part of the BART utility relocation effort. These include rerouting and upsizing based on the City's Sewer Master Plan. These additional sewer system improvements are outside of the BART project scope and are to be paid for by the City.

Operating Budget Impact: None.

SEWER IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
451-6116	Sewer System Replacement 12-13	\$ 800,000
451-6118	San Jose/Santa Clara Regional Waste Water	5,000,000
451-6119	CCTV Sanitary Sewer	165,000
451-6121 *	BART Project - Sewer Improvements	<u>350,000</u>
	TOTAL COST	\$ <u><u>6,315,000</u></u>

AVAILABLE FINANCING SOURCE:

Sewer Fund	\$ 4,815,000
Sewer Infrastructure Fund	<u>1,500,000</u>
TOTAL AVAILABLE	\$ <u><u>6,315,000</u></u>

NOTE: Asterisk (*) indicates new projects.

STORM DRAIN IMPROVEMENT PROJECTS

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

Project Number-Name

Description

Operating Budget Impact

3709-Dempsey Road Storm Drain Replacement

The work includes replacement of three segments of storm drainage piping around the Dempsey Road area and installation of two outfall into Los Coches at Dempsey. Segment one is a 36 inch diameter pipe located on Dempsey Road between South Park Victoria and Los Coches Creek, approximately 1,100 linear feet. Segment two is a 48 inch diameter pipe located on Dempsey Road between Edsel Drive and Los Coches Creek, approximately 1,400 linear feet. Segment three is a 36 inch diameter pipe located on Edsel Drive between South Park Victoria and Dempsey Road, approximately 730 linear feet.

Operating Budget Impact: None.

3711-BART Project - Storm Improvements

The BART project will cause the relocation of existing storm drain utilities along the BART corridor at its own expense. The City has identified additional storm drain improvements which should be completed as part of the BART utility relocation effort, at the City's cost. These include rerouting storm drain lines on Capitol Avenue, to eliminate localized annual flooding and other enhancements.

Operating Budget Impact: None.

3712-Minor Storm Drain Projects 2016

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

Operating Budget Impact: None.

STORM DRAIN IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
341-3709	Dempsey Road Storm Drain Replacement	\$ 1,600,000
341-3711 *	BART Project - Storm Improvements	250,000
341-3712 *	Minor Storm Drain Projects 2016	<u>100,000</u>
	TOTAL COST	\$ <u><u>1,950,000</u></u>

AVAILABLE FINANCING SOURCE:

General Government CIP Fund	\$ 1,200,000
Storm Drain Fund	<u>750,000</u>
TOTAL AVAILABLE	\$ <u><u>1,950,000</u></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 2013-014, 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 15-16 Budget. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 15-16 can be found on pages 104-105 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.
- **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 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 Improvements

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, and televisions.

Hydrants and Meters

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

List of Funds

100	General Fund	300	Capital Projects Funds
100	General	310	Street Improvement
101	Redevelopment Property Tax Trust Fund	311	Street CIP
102	Measure I TOT	312	Traffic Impact Fees
103	1452 S. Main	313	Traffic Congestion Relief
104	Cable Rebate	314	Vehicle Registration Fee
105	Abandoned Vehicle Abatement	315	Calaveras Widening Impact Fee
120	Browning Ferris Holding	316	Montague Widening Impact Fee
130	Private Job Developer Deposits	317	Milpitas Business PK Impact Fee
140	Housing Activities	320	Park Improvement
150	Redevelopment Activities	321	Park Improvement CIP
160	1432-1446 S.Main Street Properties	322	Midtown Park Fee
		330	General Government
200	Special Revenue Funds	331	General Government CIP
211	Hetchy-Hetchy Ground Lease	332	RPTTF Distribution Fund
212	Public Art-Restricted	340	Storm Drain Development
213	Public Art-Nonrestricted	341	Storm Drain CIP
214	Community Planning Fund	350	Transit Area Impact Fee
221	Gas Tax	351	Transit Area CIP
235	95-1 Lighting and Landscape Maint. District	352	Piper Montague Infrastructure
236	98-1 Lighting and Landscape Maint. District	390	Redevelopment Project
237	2005 Community Facility District	391	Redevelopment CIP
238	2008 Community Facility District	392	1997 RDA Tax Allocation Bonds CIP
250	Housing and Community Development	395	2003 RDA Tax Allocation Bonds CIP
251	Housing and Community Dev Loan		
261	Supplemental Law Enforcement Services		
262	State Asset Seizure		
263	Federal Asset Seizure		
267	Justice Assistance Grant		
269	Grant Fund		
280	Solid Waste Services		
290	Housing Reserve		
295	Housing Authority		

400 Enterprise Funds

- 400 Water Maintenance and Operation
- 401 Water CIP
- 402 Water Line Extension
- 405 Water Infrastructure Replacement
- 450 Sewer Maintenance and Operation
- 451 Sewer CIP
- 452 Treatment Plant Construction
- 453 Sewer 2006 COPS
- 455 Sewer Infrastructure Replacement

500 Internal Service Funds

- 500 Equipment Management
- 505 Information Technology Rplcmt
- 506 Permit Automation Fund

600 Agency Funds

- 602 Deferred Compensation
- 618 Local Improvement District #18
- 641 Short Term Disability
- 643 MSA MOU Contractual Agreement
- 644 Police MOU Contractual Agreement
- 645 Police Command Staff Benefits
- 646 PROTECH MOU Contractual Agreement
- 647 LIUNA MOU Contractual Agreement
- 648 IAFF MOU Contractual Agreement
- 649 Fire Unrep Benefit Fund

List of Departments/Divisions/Functions

<p>1 City Manager</p> <p>10 City Council</p> <p>100 City Council</p> <p>11 City Manager</p> <p>111 City Manager</p> <p>114 City Clerk</p>	<p>3 Finance</p> <p>30 Finance Administration</p> <p>300 Finance Administration</p> <p>31 Finance Operations</p> <p>310 Finance Operations</p>
<p>2 City Attorney</p> <p>12 City Attorney</p> <p>120 City Attorney</p>	<p>4 Public Works</p> <p>42 Public Works</p> <p>400 Public Works Administration</p> <p>421 Street Maintenance</p> <p>423 Utility Maintenance</p> <p>424 Park Maintenance</p> <p>425 Trees & Landscape Maintenance</p> <p>426 Fleet Maintenance</p> <p>427 Facilities Maintenance</p>
<p>13 Building and Safety</p> <p>53 Building and Safety</p> <p>531 Building Inspection Services</p> <p>532 Plan Checking</p> <p>533 Building Administration</p> <p>534 Permit Center</p>	<p>41 Engineering</p> <p>411 Engineering Administration</p> <p>412 Design and Construction</p> <p>413 Land Development</p> <p>415 Traffic Engineering</p> <p>416 Utility Engineering</p>
<p>11 Information Services</p> <p>14 Information Services</p> <p>112 Information Services</p>	
<p>6 Human Resources</p> <p>15 Human Resources</p> <p>115 Human Resources</p>	<p>5 Planning and Neighborhood Services</p> <p>51 Planning and Neighborhood Services</p> <p>512 Planning</p> <p>551 Neighborhood Services</p>
<p>12 Recreation Services</p> <p>45 Recreation</p> <p>161 Recreation Administration</p> <p>162 Senior Citizen Services</p> <p>163 Pre-K Enrichment</p> <p>164 Youth Program</p> <p>166 Teens</p> <p>167 Special Events</p> <p>168 Marketing</p> <p>169 Performing Arts</p> <p>170 General Classes</p> <p>171 Aquatics</p> <p>172 Sports and Fitness Classes</p> <p>173 Adult Sports</p> <p>174 Volunteer Services</p>	<p>7 Police</p> <p>70 Police Administration</p> <p>700 Police Administration</p> <p>71 Support Services Bureau/Technical</p> <p>711 Records</p> <p>712 Training and Personnel</p> <p>713 Communications</p> <p>72 Operations Bureau/Field Services</p> <p>721 Patrol Services</p> <p>722 Traffic</p> <p>723 Crossing Guards</p> <p>73 Support Services Bureau/Special</p> <p>714 Community Relations/Youth</p> <p>724 Investigations</p>

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 1432 S. Main
 - 942 1452 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
- 3050 Property Taxes-RPTTF Distribution
 - 3051 Property Taxes-RPTTF Distribution

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
- 3260 Planning Licenses and Permits
 - 3261 Animal Licenses

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
 - 3438 Interest from Deferred Revenue

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	3640	Police Services
3601	Gen Government Service Charges	3641	Police Service Charges
3602	Sales of Maps and Documents-GG	3643	Fingerprints
3603	Rents, Lease and Concession-GG	3644	Sales of Maps & Docs-Police
3604	B L Processing Fee	3645	Police Cost Recovery
3608	PJ Legal Overhead Charges	3646	Rents, Lease & Concess-Police
3609	PJ Legal Reimbursement	3647	DUI-Police Cost Recovery
3610	Public Works and Engineering Services	3648	PJ Overhead Charges-Police
3611	PJ Overhead Charges - PW/E	3649	PJ Labor Reimbursement - Police
3612	PJ Labor Reimbursement - PW/E	3650	Recreation Services
3613	PJ Vendor Reimbursement- PW/E	3651	Rents, Lease & Concess-Rec
3614	Assessment for Capital Purpose	3652	Recreation Fees
3615	Public Works & Eng Service Charges	3653	Senior Nutrition Fees
3616	PW & Eng Plan Check Fee	3654	Sales of Maps & Docs-Rec
3618	Sales of Maps & Documents - PW/E	3655	Sales of Merchandise-Rec
3619	Rents, Lease & Concession - PW/E	3656	Recreation Transaction Fee
3671	Public Works Service Charges	3660	Building Services
3672	Public Works Cost Recovery	3661	Sales of Documents-Building
3620	Water and Sewer Charges	3662	Records Retention Fee
3621	Water Charges	3663	Building Service Charges
3622	Water Service Agreements	3664	Overhead Chgs Reimbursement
3623	Metered Water Sales	3665	PJ Overhead Chgs - Building
3624	Other Water Sales	3666	PJ Labor Reimbursemt - Building
3625	Excess Water Use Charges	3667	Building State Mandated Stds Fee
3626	Construction Water	3680	Planning Services
3627	Water and Sewer Reimbursements	3617	Planning Fees
3628	Sewer Service Charges	3681	PJ Overhead Charges - Plan
3630	Fire Services	3682	PJ Labor Reimbursement - Plan
3631	PJ Overhead Charges - Fire	3683	PJ Vendor Reimbursement - Plan
3632	PJ Labor Reimbursement - Fire	3684	Sales of Maps & Documents - Plan
3633	Fire Cost Recovery	3685	Housing & Neighborhood Svcs
3634	Unwanted Alarms-Fire	3686	Planning Plan Check Fees
3635	Fire Enforcement-Penalties	3687	Animal Control Services Fee
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		
3693	Fire - Rent, Lease & Concession		

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- 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
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 - 3744 Advance-Principal Repayment
 - 3745 Advance-Interest Earnings
 - 3746 HazMat Incidents
- 3750 Donations
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- 3760 Developer Contribution
 - 3760 Developer Contribution
 - 3761 Contribution-Equipment
- 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

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- 4110 Wages
 - 4111 Permanent
 - 4112 Temporary
 - 4113 Overtime
 - 4114 Reimbursable Overtime
- 4120 Allowances/Leaves
 - 4121 Allowances
 - 4124 Leave Cashout
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- 4130 Benefits
 - 4131 PERS
 - 4132 Group Insurance
 - 4133 Medicare
 - 4135 Workers' Compensation
 - 4136 Unemployment
 - 4137 MOU Contractual Agreements
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 - 4139 PARS
- 4140 Adjustments-Payroll
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 - 4142 Vacancy Factor
 - 4143 Charged to CIPs
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 - 4151 Compensation Reduction
 - 4152 Employee Pay PERS Contribution
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 - 4198 Overhead-Payroll
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420 Services and Supplies

- 4200 Community Promotions, Grants and Loans
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 - 4253 ABAG Attorney's Fees
 - 4254 ABAG Settlements
 - 4255 Litigation
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 - 4280 Elections

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4423	Water	4711	Interest Expense
4426	Solid Waste	4712	Interest-COP
441	UTILITIES - WATER	4713	Interest-Advance
4420	Utilities		
4424	SFWD, Wholesale Water Purchase	4720	Contractual Obligation
4425	SCVWD, Wholesale Water Purchase	4720	Contractual Obligation
4427	Recycled Water Purchase	4721	Cost of Issuance
4428	Treatment Plant, Capital	4730	Premium- Bond Prepayment
4429	Treatment Plant, M & O	4730	Premium- Bond Prepayment
450	Memberships, Training and Travel	480	Capital Outlay > \$5,000
4500	Memberships, Training and Travel	4800	Capital Outlay
4501	Memberships and Dues	4800	Capital Outlay
4502	Professional Licensing	4810	Land
4503	Training and Registration	4811	Land
4505	Lodging and Travel	4820	Land Improvements
4506	Meals for Meetings	4821	Land Improvements
4507	Per Diem	4830	Buildings and Improvements
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4522	Non-Conference Expenses	4851	Vehicles
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4600	Insurance and Settlements	4864	Capitalized Leases
4602	Liability	4865	Capital Lease Interest
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4611	Collection Fees	4874	Computer Hardware
4630	Depreciation and Amortization	4875	Computer Software
4630	Depreciation and Amortization	4880	Furniture and Fixtures
4640	Contingent Reserve	4881	Furniture and Fixtures
4640	Contingent Reserve	490	Capital Outlay < \$5,000
4650	Loss on Sale	4910	Office Furniture and Fixtures
4650	Loss on Sale	4911	Office Furniture and Fixtures
4660	Other Miscellaneous and Corrections	4920	Machinery, Tools and Equipment
4660	Other Miscellaneous and Corrections	4921	Machinery, Tools & Equipment
470	Debt	4922	Computer Hardware
4700	Principal	4923	Computer Software
4701	Retirement of Principal	4924	Electronic Equipment
4702	Principal-COP	4930	Hydrants and Meters
4703	Principal-Advance	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	FEHA	Fair Employment and Housing Act
AWS	Allied Waste Services	FEMA	Federal Emergency Management Admin
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	FPPC	Fair Political Practices Commission
CAFR	Comprehensive Annual Financial Report	FTA	Federal Transit Authority
CalPERS	California Public Employee Retirement System	FTE	Full-Time Equivalent
Caltrans	California Department of Transportation	FY	Fiscal Year
CAPER	Consolidated Annual Plan & Performance Eval Rpt	GAAP	Generally Accepted Accounting Principles
CATV	Cable Television	GASB	Governmental Accounting Standards Board
CCPI	California Consumer Price Index	GFOA	Government Finance Officers Association
CDBG	Community Development Block Grant	GIS	Geographic Information System
CEQA	California Environmental Quality Act	GPS	Global Positioning System
CIP	Capital Improvement Program	Haz Mat	Hazardous Materials
CIT	Counselor in Training Program	HCD	Housing and Community Development
CMAS	California Multiple Awards Schedule	HMO	Health Maintenance Organization
CMO	City Manager's Office	HR	Human Resources
CO	Certificate of Occupancy	HUD	U.S. Housing and Urban Development
COBRA	Consolidated Omnibus Budget Reconciliation Act	HVAC	Heating, Ventilating and Air Conditioning
COMPST	Computerized Statistics	I	Interstate
COPs	Certificates of Participation	ICMA	Intern'l City/County Mgmt Association
COPS	Community Oriented Policing Services	IS	Information Services
CPI	Consumer Price Index	IVR	Integrated Voice Recognition
CPR	Cardio-Pulmonary Resuscitation	JPA	Joint Power Authority
CRS	Community Rating System	LAFCO	Local Agency Formation Commission
CSMFO	California Society of Municipal Finance Officers	LED	Light-Emitting Diode
DDA	Disposition and Development Agreement	LIUNA	Laborers' International Union of N. America
DMV	Department of Motor Vehicles	LID	Local Improvement District
DOHS	Department of Health Services	LLEBG	Local Law Enforcement Block Grant
DPC	Document Processing Center	LLMD	Light & Landscape Maintenance District
DPW	Department of Public Works	M & O	Maintenance and Operation

Appendix Abbreviations and Acronyms

MEA	Milpitas Employees Association	SCVWD	Santa Clara Valley Water District
MLS	Major League Soccer	SEMS	Standardized Emergency Management
MOU	Memorandum of Understanding	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	Silicon 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	Santa Clara 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 Services Bureau
RAP	Recreation Assistance Program	YTD	Year to Date
R & D	Research and Development		
RDA	Redevelopment Agency		
RFP	Request for Proposal		
RPTTF	Redevelopment Property Tax Trust Fund		
RMS	Records Management System		
RWQCB	Regional Water Quality Control Board		
SB	Senate Bill		
SBDC	Small Business Development Center		
SBWRP	South Bay Water Recycling Program		
SAFE	Strategic Actions For Emergencies		

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.

Redevelopment Property Tax Trust Fund — residual distributions of property tax revenue from dissolved Redevelopment Agency. The Redevelopment Agency is dissolved on 1/31/2012 due to ABX126.

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 \$0.0875 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.

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.

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